Deloitte Haskins & Sells

Chartered Accountants
ASV N Ramana Tower
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INDEPENDENT AUDITOR'S REPORT

To The Members of Allsec Technologies Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Allsec Technologies Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition** Revenue from contracts with customers for the year ended 31 March 2021 is ₹ 18,865 lakhs. Revenues from such contracts is recognised and measured based on (1) efforts incurred multiplied by agreed rate in the contract with customers and or (2) the unit of work delivered multiplied by agreed rate in the contract with customers. These contracts are subject to revision periodically for (1) rate agreed; (2) efforts due to deployment of additional resources and/ or (3) rate and efforts as more fully described above. Revenue is recognised only based on customer acceptances for delivery of work. Given the periodical changes to contracts with customers, there is significant audit effort to ensure that revenue is recorded based on (1) contractual terms which are legally enforceable and (2) the work delivered is duly acknowledged by the customer.	**Principal audit procedures performed:** We understood and evaluated the Company's process for recording and measuring revenues and compared that to the Company's accounting policies to ensure consistency. We tested the effectiveness of controls over (1) enforceability of contracts including inspecting that key terms in the contracts are agreed with customers and (2) revenue is recognised only based on agreed terms and customer acceptances for work delivered. For a sample of contracts, we performed the following procedures: We tested that revenue recognised for new contracts and revision to existing contracts was based on contractual terms agreed with customers multiplied by efforts or unit of work delivered duly acknowledged by customer. We tested unbilled revenues at year end by comparing subsequent invoicing to customer acknowledgement for delivery of service.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Board of Director's Report (but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.
- Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report:

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

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

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

   (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

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

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

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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins and Sells
Chartered Accountants
(Firm's Registration No. 008072S)

Manish

C Manish Muralidhar
Partner
(Membership No. 213649)
UDIN: 21213649AAAACD2837

Place: Hyderabad
Date: 26 May 2021
MM/BS/2021/23

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Allsec Technologies Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins and Sells
Chartered Accountants
(Firm's Registration No. 008072S)

C Manish Muralidhar
Partner
(Membership No. 213649)
UDIN: 21213649AAAACD2837

Place: Hyderabad
Date: 26 May 2021
MM/BS/2021/23

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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of Company's Property, Plant and Equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building, which are reported under Property, Plant and Equipment and hence reporting under clause (i)(c) of the Order is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax, Goods and Service Tax as on 31 March 2021 on account of disputes.

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(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government and has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins and Sells
Chartered Accountants
(Firm's Registration No. 008072S)

C Manish Muralidhar
Partner
(Membership No. 213649)
UDIN: 21213649AAAACD2837

Place: Hyderabad
Date: 26 May 2021
MM/BS/2021/23

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Allsec Technologies Limited
Standalone Balance Sheet as at 31 March 2021
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

	Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
A	**ASSETS**			
I	**Non-current assets**			
	(a) Property, plant and equipment	3	522	640
	(b) Right-of-use asset (ROUA)	26	1,711	1,558
	(c) Other intangible assets	3	466	318
	(d) Intangible assets under development		134	15
	(e) Financial assets			
	(i) Investments	4	1,020	1,020
	(ii) Other financial assets	5	596	474
	(f) Deferred tax assets (net)	25.2	966	1,244
	(g) Income tax assets (net)	6	722	1,347
	(h) Other non-current assets	7	5	4
	Total non-current assets		**6,142**	**6,620**
II	**Current assets**			
	(a) Financial assets			
	(i) Investments	4	4,971	3,339
	(ii) Trade receivables	8	3,450	3,344
	(iii) Cash and cash equivalents	9	3,737	3,711
	(iv) Bank balances other than cash and cash equivalents	10	139	135
	(v) Other financial assets	5	1,411	1,278
	(b) Other current assets	7	332	219
	Total current assets		**14,040**	**12,026**
	Total Assets (I + II)		**20,182**	**18,646**
B	**EQUITY AND LIABILITIES**			
III	**Equity**			
	(a) Equity share capital	11	1,524	1,524
	(b) Other equity	12	14,105	12,537
	Total equity		**15,629**	**14,061**
IV	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	13	1	18
	(ii) Lease liabilities	26	647	1,019
	(b) Provisions	15	508	449
	Total non-current liabilities		**1,156**	**1,486**
V	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables			
	(a) Total outstanding dues of micro enterprises and small enterprises	16	2	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,640	1,856
	(ii) Lease liabilities	26	1,183	592
	(iii) Other financial liabilities	14	15	103
	(b) Other current liabilities	17	288	286
	(c) Provisions	15	269	262
	Total current liabilities		**3,397**	**3,099**
	Total equity and liabilities (III + IV + V)		**20,182**	**18,646**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

C Manish Muralidhar
Partner

Place : Hyderabad
Date : 26 May 2021

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Allsec Technologies Limited

Ajit Abraham Isaac
Chairman

Place : Bengaluru
Date : 26 May 2021

Suraj Krishna Moraje
Director

Place : Bengaluru
Date : 26 May 2021

Ashish John
Chief Executive Officer

Place : Chennai
Date : 26 May 2021

Raghunath P
Chief Financial Officer

Place : Chennai
Date : 26 May 2021

Gagan Preet Singh
Company Secretary

Place : Chennai
Date : 26 May 2021

Allsec Technologies Limited Chennai 600 042

Allsec Technologies Limited
Standalone Statement of profit and loss for the year ended 31 March 2021
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

	Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
I	Revenue from operations	18	18,865	20,133
II	Other Income	19	381	545
III	**Total Income (I + II)**		19,246	20,678
IV	**Expenses**			
	Employee benefits expense	20	11,687	12,972
	Finance costs	21	210	174
	Depreciation and amortisation expense	3	1,719	1,455
	Other expenses	22	3,502	3,045
	Total expenses		17,118	17,646
V	**Profit before exceptional items and tax (III - IV)**		**2,128**	**3,032**
VI	**Exceptional items**			
	Provision for impairment of investment in subsidiary	37	-	1,214
VII	**Profit before tax (V - VI)**		**2,128**	**1,818**
VIII	**Tax expense**			
	(a) Current tax (including tax of earlier years)	25.1	557	847
	(b) Deferred tax	25.2	(26)	26
			531	873
IX	**Profit for the Year (VII - VIII)**		1,597	945
X	**Other comprehensive income:**			
	Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans		(41)	(149)
	- Income tax relating to items that will not be reclassified to profit or loss		12	51
			(29)	(98)
	Items that will be reclassified subsequently to profit or loss		-	-
	Total other comprehensive loss for the year		(29)	(98)
XI	**Total comprehensive income for the year (IX + X)**		1,568	847
XII	**Earnings per equity share (Face value of ₹ 10 each)**	28		
	(a) Basic (in ₹)		10.48	6.20
	(b) Diluted (in ₹)		10.48	6.20

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

C Manish Muralidhar
Partner

Place : Hyderabad
Date : 26 May 2021

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Allsec Technologies Limited

Ajit Abraham Isaac
Chairman

Place : Bengaluru
Date : 26 May 2021

Suraj Krishna Moraje
Director

Place : Bengaluru
Date : 26 May 2021

Ashish Johri
Chief Executive Officer

Place : Chennai
Date : 26 May 2021

Raghunath P
Chief Financial Officer

Place : Chennai
Date : 26 May 2021

Gagan Preet Singh
Company Secretary

Place : Chennai
Date : 26 May 2021

Allsec Technologies Limited Chennai 600 042

Allsec Technologies Limited
Standalone Cash Flow Statement for the year ended 31 March 2021
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flow from operating activities		
Profit before income tax	2,128	1,818
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	1,719	1,455
Unrealized foreign exchange gain	(43)	(154)
Provision for impairment of investments in subsidiary	-	1,214
Profit on sale of property, plant and equipment (net)	(10)	(2)
Provision for loss allowances	48	16
Finance costs	210	174
Net gain arising on current investments not designated as at Fair Value through Profit or Loss	(157)	(158)
Profit on redemption of current investments	(35)	(199)
Interest Income		
- on fixed deposits	(9)	(5)
- on Income Tax Refund	(140)	-
Operating Profit before Working Capital and Other Changes	**3,711**	**4,159**
Working capital adjustments:		
Adjustments for (increase)/decrease in operating assets:		
Trade Receivables	(179)	(324)
Other financial assets	(134)	75
Other assets	(114)	(25)
Adjustments for increase/(decrease) in operating liabilities:		
Trade Payables	(214)	893
Other financial liabilities	(81)	464
Other liabilities	2	(101)
Provisions	32	52
Cash Generated from Operations	**3,023**	**5,193**
Net income tax (refunded) / paid	517	(1,330)
Net Cash Flow generated from Operating Activities (A)	**3,540**	**3,863**
B. Cash Flow From Investing Activities		
Purchase of Property, plant and equipment	(649)	(181)
Proceeds from sale of Property, plant and equipment	66	19
Investments made on business acquisitions	-	(1,680)
(Purchase) / Sale of current investments (net)	(1,440)	4,543
Interest received on fixed deposits	16	5
Net Cash Flow (Used in) / From Investing Activities (B)	**(2,007)**	**2,706**
C. Cash Flow Used in Financing Activities		
Borrowings taken	-	-
Repayment of borrowings	(24)	(1,379)
Repayment of lease liabilities	(1,208)	(959)
Interest paid	(210)	(174)
Dividend paid (including dividend distribution tax)	-	(1,831)
Net Cash Flow used in Financing Activities (C)	**(1,442)**	**(4,343)**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

Allsec Technologies Limited Chennai 600 042

Allsec Technologies Limited
Standalone Cash Flow Statement for the year ended 31 March 2021
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net increase in cash and cash equivalents (A + B + C)	91	2,226
Cash taken over on business acquisition	-	130
Effect of exchange differences on cash & cash equivalents held in foreign currency	(65)	(79)
Cash and cash equivalents at the beginning of the year	3,711	1,434
Cash and cash equivalents at the end of the year	**3,737**	**3,711**
Components of cash and cash equivalents (Refer Note 9)		
Cash on hand	-	5
Balance with banks in current accounts	3,737	3,706
Total cash and cash equivalents	**3,737**	**3,711**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

C Manish Muralidhar
Partner

Place : Hyderabad
Date : 26 May 2021

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Allsec Technologies Limited

Ajit Abraham Isaac
Chairman

Place : Bengaluru
Date : 26 May 2021

Suraj Krishna Moraje
Director

Place : Bengaluru
Date : 26 May 2021

Ashish Johri
Chief Executive Officer

Place : Chennai
Date : 26 May 2021

Raghunath P
Chief Financial Officer

Place : Chennai
Date : 26 May 2021

Gagan Preet Singh
Company Secretary

Place : Chennai
Date : 26 May 2021

Allsec Technologies Limited Chennai 600 042

Allsec Technologies Limited
Statement of Changes in Equity for the year ended 31 March 2021
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

A. Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at beginning of the year	1,524	1,524
Changes in equity share capital during the year	-	-
Closing Balance	**1,524**	**1,524**

B. Other equity

Particulars	Reserves and Surplus				Total
	General reserve	Retained earnings	Capital reserve	Securities premium	
Balance at 01 April 2019	1,413	2,267	251	12,019	15,950
Dividend Distribution	-	(1,524)	-	-	(1,524)
Dividend Distribution tax on equity shares	-	(310)	-	-	(310)
Profit for the year	-	945	-	-	945
Business combination reserve (Refer Note 36)	-	-	(2,426)	-	(2,426)
Remeasurement of defined benefits plan (net of taxes)	-	(98)	-	-	(98)
Balance at 31 March 2020	1,413	1,280	(2,175)	12,019	12,537
Profit for the year	-	1,597	-	-	1,597
Remeasurement of defined benefits plan (net of taxes)	-	(29)	-	-	(29)
Balance at 31 March 2021	1,413	2,848	(2,175)	12,019	14,105

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

C Manish Muralidhar
Partner

Place : Hyderabad
Date : 26 May 2021

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
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Ajit Abraham Isaac
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Chief Executive Officer

Place : Chennai
Date : 26 May 2021

Raghunath P
Chief Financial Officer

Place : Chennai
Date : 26 May 2021

Gagan Preet Singh
Company Secretary

Place : Chennai
Date : 26 May 2021

Allsec Technologies Limited Chennai 600 042

1 General Information

Allsec Technologies Limited ('Allsec' or the 'Company') was incorporated on 24 August 1998. The Company is engaged in the business of providing Digital Business Services (DBS) and Human Resource Outsourcing (HRO) services for customers located in India and outside India. The services provided by the Company include data verification, processing of orders received through telephone calls, telemarketing, monitoring quality of calls of other call centers, customer services and HR and payroll processing. The Company has delivery centers at Chennai, Bengaluru and NCR. The Company has three wholly owned subsidiaries, Allsectech Inc., USA, Allsectech Manila Inc., Philippines and Retreat Capital Management Inc., USA.

Application of revised Ind AS

Statement of Compliance
All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these financial statements.

Recent Accounting Pronouncements:

(i) Amendments to Ind AS 1 and Ind AS 8 – Definition of "material":

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(ii) Amendments to Ind AS 116 – Covid-19 related rent concessions:

The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19- related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:
(a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
(c) There is no substantive change to other terms and conditions of the lease.

The Company did not get any rent concessions from the lessor during the current year.

(iii) Amendments to Ind AS 103 - Definition of a business:

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 April 2020.

The Company has evaluated the effect of this amendment on financial statements and concluded that it is currently not applicable.

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Allsec Technologies Limited Chennai 600 042

(iv) Amendments to Ind AS 109 and 107 - Interest Rate Benchmark Reform:

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The Company has evaluated the effect of this amendment on financial statements and concluded that it is currently not applicable.

Amendment to Schedule III of the Companies Act, 2013

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and II of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which related to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

• Lease liabilities should be separately disclosed under the head "financial liabilities", duly distinguished as current or non-current.
• Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
• Specified format for disclosure of shareholding of promoters
• Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
• If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
• Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

• Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020.The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of theCode when it comes into effect and will record any related impact in the period when the Code becomes effective.

2 Summary of significant accounting policies

2.1 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

'In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
(iii) Level 3 inputs are unobservable inputs for the asset or liability.

Going Concern:
The directors have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

Allsec Technologies Limited Chennai 600 042

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

3 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment							Other Intangible assets - Computer software
	Computers and servers	Call centre equipment	Furniture and fittings	Office equipment	Vehicles	Leasehold improvements	Total	
Gross block								
Balance as at 01 April 2019	**369**	**533**	**57**	**232**	**331**	**63**	**1,585**	**629**
Additions	1	18	33	45	-	5	102	122
Assets acquired as part of business combination	24	-	1	7	-	1	33	-
Disposals	-	-	-	(1)	(108)	-	(109)	-
Balance as at 31 March 2020	**394**	**551**	**91**	**283**	**223**	**69**	**1,611**	**751**
Additions	8	62	-	30	-	128	228	302
Assets acquired as part of business combination	-	-	-	-	-	-	-	-
Disposals	-	-	-	(23)	(147)	-	(170)	-
Balance as at 31 March 2021	**402**	**613**	**91**	**290**	**76**	**197**	**1,669**	**1,053**
Accumulated depreciation/amortisation								
Balance as at 01 April 2019	**157**	**275**	**22**	**87**	**142**	**40**	**723**	**331**
Depreciation/amortisation expense for the year	119	87	10	44	65	15	340	102
Reversal on sale of assets	-	-	-	(1)	(91)	-	(92)	-
Balance as at 31 March 2020	**276**	**362**	**32**	**130**	**116**	**55**	**971**	**433**
Depreciation/amortisation expense for the year	89	83	11	44	32	31	290	154
Reversal on sale of assets	-	-	-	(23)	(88)	(3)	(114)	-
Balance as at 31 March 2021	**365**	**445**	**43**	**151**	**60**	**83**	**1,147**	**587**
Net block								
Balance as at 31 March 2020	118	189	59	153	107	14	640	318
Balance as at 31 March 2021	37	168	48	139	16	114	522	466

Note:

1. Depreciation and amortisation expense:

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Depreciation of Property, Plant and Equipment	290	340
Amortisation of Other intangible assets	154	102
Depreciation of Right of use asset (Refer Note 26(c))	1,275	1,013
Total	**1,719**	**1,455**

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Allsec Technologies Limited Chennai 600 042

Allsec Technologies Limited
Notes forming part of the Standalone Financial statements for the year ended 31 March 2021
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

4 Investments

Particulars	As at 31 March 2021	As at 31 March 2020
A. Non-current (Unquoted)		
Investments carried at cost		
Investments in equity instruments of subsidiaries (fully paid-up)		
Allsectech Inc, USA - 100 (31 March 2020 - 100) Common stock of US $ 23,100 each, fuly paid up	1,214	1,214
Allsectech Manila Inc., Philippines - 8,12,500 (31 March 2020 - 8,12,500) Equity shares of Philippine Pesos (PHP) 100 each fully paid up	1,020	1,020
Retreat Capital Management Inc., USA* - Nil (31 March 2020 - 1,160) Common stock of US $10 each, fully paid up	-	1,307
Total Cost	**2,234**	**3,541**
Provision for impairment (Refer Note 37)	(1,214)	(2,521)
Total non-current investments	**1,020**	**1,020**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate book value of unquoted investments	1,020	1,020
Aggregate amount of impairment in the value of investments	1,214	2,521
Extent of investment in subsidiaries		
Allsectech Inc, USA	100%	100%
Allsectech Manila Inc., Philippines	100%	100%
Retreat Capital Management Inc., USA*	0%	100%
*Retreat Capital Management Inc., the wholly owned subsidiary in the US, was wound up during the current year. The Secretary of State (California) has issued the certificate of dissolution dated 19 February 2021.		
B. Current (Quoted)		
Investments carried at fair value through profit and loss		
Investment in mutual funds	4,971	3,339
Total current investments	**4,971**	**3,339**
Aggregate amount of quoted investments and market value thereof	4,971	3,339
Aggregate book value of investments	4,971	3,339
Aggregate amount of impairment in the value of investments	-	-

Details of investment in mutual funds

Name of Mutual fund	Number of Units* As At		Carrying Value As At	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Hdfc Floating Rate Debt Fund - Growth	1,338,487	1,338,486	508	470
HDFC Money Market Fund – Growth	10,186	10,186	450	426
ICICI Prudential Savings Fund - Growth	127,588	107,765	531	417
Kotak Money Market Scheme - Growth	13,436	13,436	466	443
Kotak Liquid Regular Plan Growth	14,607	14,607	605	584
UTI Liquid Cash Plan - Regular Growth Plan	4,399	4,399	148	142
UTI Money Market Fund - Regular Growth Plan	18,838	18,838	447	424
Baroda Liquid Fund - Plan B Growth	-	18,904	-	433
HDFC Floating Rate Debt Fund - Direct Plan - Growth Option	1,052,869	-	403	-
HDFC Ultra Short Term Fund – Direct Growth	2,550,008	-	304	-
HDFC Ultra Short Term Fund – Regular Growth	863,090	-	102	-
ICICI Prudential Savings Fund - DP - Growth	71,632	-	301	-
Kotak Banking and PSU Debt Fund - Growth (Regular Plan)	598,776	-	301	-
Kotak Money Market Fund - Direct Plan - Growth	5,862	-	204	-
UTI Money Market Fund - Direct Growth Plan	8,386	-	201	-
*** No of units are in absolute numbers**			**4,971**	**3,339**

5 Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Security deposits		
- Unsecured, considered good	511	471
- Doubtful	-	-
Advance towards rental of lease premises	84	-
Others	1	3
Total	**596**	**474**
Current		
Foreign currency forward contracts receivable	51	-
Unbilled revenue	1,350	1,052
Other Advances	10	226
Total	**1,411**	**1,278**

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6 Non-current tax asset

Particulars	As at 31 March 2021	As at 31 March 2020
Advance Taxes (Net of Provision for taxes)	722	1,347
Total	722	1,347

7 Other assets

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Prepaid expenses	5	4
Total	5	4
Current		
Prepaid expenses	261	171
Advance to suppliers	1	40
Others	70	8
Total	332	219

8 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Receivables considered good, Secured	-	-
Receivables considered good, Unsecured	3,450	3,344
Doubtful	108	129
Sub-total Sub-total	3,558	3,473
Less: Allowance for doubtful debts (expected credit loss allowance)	(108)	(129)
Total	3,450	3,344

8.1 Credit period and risk

The average credit period for the services rendered:

(a) Trade receivables (Domestic) are non-interest bearing and are generally on terms ranging from 7 days to 90 days. (31 March 2020: Ranging from 45 days to 90 days)
(b) Trade receivables (International) are non-interest bearing and are generally on terms ranging from 7 days to 90 days. (31 March 2020: Ranging from 30 days to 180 days)

Of the trade receivable balance as at March 31, 2021, there are no customers who represent more than 10% of the total outstanding trade receivable balance. One of the customers accounted for more than 10% of the receivables (₹ 387 lakhs) as at 31 March 2020.

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor are any trade receivable due from firms or private companies respectively in which any director is a partner, a director or a member.

8.2 Expected credit loss allowance
The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information.

Age of receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Domestic Customers:		
(i) Within Credit period	2,011	1,744
(ii) 0 - 1 year	789	730
(iii) 1 - 2 years	70	109
(iv) 2 - 3 years	-	-
(v) More than 3 years	-	-
Sub-total (A)	2,870	2,583
International Customers:		
(i) Within Credit period	603	694
(ii) 0 - 1 year	85	196
(iii) 1 - 2 years	-	-
(iv) 2 - 3 years	-	-
(v) More than 3 years	-	-
Sub-total (B)	688	890
Grand Total (A + B)	3,558	3,473

Based on the assessment of the Company, there is no risk associated with the dues from the related parties both from a credit risk or time value of money as these are managed through the group's cash management process and can be recovered on demand by the Company. Accordingly, no provisions has been considered necessary.

With regard to other parties, the company had, based on past experience, wherein collections are done within a year of it being due and expectation in the future Credit loss, has made necessary provisions.

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Allsec Technologies Limited Chennai 600 042

8.3 Movement in the allowance for doubtful receivables (including expected credit loss allowance)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at beginning of the year	129	20
Add: Allowance towards Expected credit loss provided	48	121
Less: Allowances written off during the year	69	12
Balance at end of the year	**108**	**129**

9 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Cash on hand	-	5
(b) Balance with banks*	3,737	3,706
Total	**3,737**	**3,711**

* Balance with banks as at 31 March 2021 and 31 March 2020 include restricted bank balances of ₹ 5 lakhs each. The restricted balances pertains to unclaimed dividend / unpaid dividends.

10 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with bank held as margin money*	139	135
	139	**135**

*Margin money deposits are provided as security against guarantee

11 Equity share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	Amount	Number of Shares	Amount
Authorised				
Equity shares of ₹ 10/- each	20,000,000	2,000	20,000,000	2,000
Convertible preference shares of ₹ 100/- each	1,350,000	1,350	1,350,000	1,350
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10/- each fully paid up	15,238,326	1,524	15,238,326	1,524
	15,238,326	**1,524**	**15,238,326**	**1,524**

a) There is no change in issued and subscribed share capital during the current year and in the previous year.

b) **Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**
Equity shares of ₹ 10/- each fully paid

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	% holding	Number of Shares	% holding
Saravanan A*	-	-	380,958	2.50%
Jagadish R*	-	-	380,958	2.50%
Conneqt Business Solutions Limited	11,182,912	73.39%	11,182,912	73.39%

* Ceased to be promoters w.e.f 25 August 2020

c) **Rights, preferences and restrictions attached to equity shares**
The Company has issued only one class of equity shares having a face value of ₹ 10 per share. 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, except interim dividend, which can be approved by the Board of Directors. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) There were no shares issued pursuant to contract without payment being received in cash, alloted as fully paid up by way of bonus issues or brought back during the last five years immediately preceding 31 March 2021.

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Allsec Technologies Limited Chennai 600 042

12 Other equity

	Particulars	As at 31 March 2021	As at 31 March 2020
a)	**Securities premium (Refer Note 12.1 below)**		
	Balance at the beginning of the year	12,019	12,019
	Add : Additions made during the year	-	-
	Balance at the end of the year	**12,019**	**12,019**
b)	**Capital reserve (Refer Note 12.2 below)**		
	Balance at the beginning of the year	(2,175)	251
	Add : Additions made during the year (Refer Note 36)	-	(2,426)
	Balance at the end of the year	**(2,175)**	**(2,175)**
c)	**General reserve (Refer Note 12.3 below)**		
	Balance at the beginning of the year	1,413	1,413
	Add : Additions made during the year	-	-
	Balance at the end of the year	**1,413**	**1,413**
d)	**Retained earnings (Refer Note 12.4 below)**		
	Balance at the beginning of the year	1,280	2,267
	Less: Dividends (Refer Note 35)	-	(1,524)
	Less: Dividend distribution tax	-	(310)
	Add: Profit for the year	1,597	945
	Add : Remeasurement of defined benefits plan (net of taxes)	(29)	(98)
	Balance at the end of the year	**2,848**	**1,280**
	Total	**14,105**	**12,537**

Notes:

12.1: Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation.

12.2: Capital reserve comprises initial application money on warrants received, forfeited subsequently. Addition during the previous year ended 31 March 2020 of ₹ 2,426 lakhs represents reserve arising on business combination, recognised on acquisition of the statutory compliance business from Coachieve (Also Refer Note 36).

12.3: This represents appropriation of profit by the Company.

12.4: Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

13 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
From banks		
(i) Finance lease obligation (Secured) #	1	18
Total	**1**	**18**

Finance lease from HDFC Bank - Secured

Original Tenor (in Months)	Interest Rate	No. of Instalments outstanding as at 31 March 2021	Repayment Terms	As at 31 March 2021
Ranging between 36 - 60	Ranging between 8% - 10%	91	Principal Quarterly, Interest Monthly	16
Less: Current maturities of long-term borrowings (Refer Note 14)				15
Long term Borrowings				**1**

Original Tenor (in Months)	Interest Rate	No. of Instalments outstanding as at 31 March 2020	Repayment Terms	As at 31 March 2020
Ranging between 36 - 60	Ranging between 8% - 10%	195	Principal Quarterly, Interest Monthly	40
Less: Current Maturities of long-term borrowings (Refer Note 14)				22
Long term Borrowings				**18**

Finance lease obligations are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an interest rate of 8%-10% p.a (31 March 2020: 8%-10% p.a) with repayment term ranging from 3 to 5 years.

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(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

14 Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current		
Current maturities of finance lease obligations (Refer note 13)	15	22
Foreign currency forward contracts payable	-	81
Total	**15**	**103**

15 Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Gratuity	508	449
Total	**508**	**449**
Current		
Gratuity	60	60
Compensated absences*	209	202
Total	**269**	**262**

*The amount of compensated absences provision is presented as current, since the Company does not have an unconditional right to defer settlement for this obligation.

16 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
- Other than Acceptances (Refer Note 30)		
- Dues of Micro Enterprises and Small Enterprises	2	-
- Dues of Creditors Other than Micro Enterprises and Small Enterprises	1,640	1,856
Total	**1,642**	**1,856**

17 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customers	28	32
Statutory dues payable	255	249
Unclaimed dividend	5	5
Total	**288**	**286**

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18 Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from Services:		
A. Digital Business Services (DBS)		
(i) International	3,560	3,670
(ii) Domestic	5,970	7,199
B. Human Resource Outsourcing (HRO)		
(i) International	1,617	1,718
(ii) Domestic	7,718	7,546
Total	**18,865**	**20,133**

(i) Disaggregation of revenue

The above break up presents disaggregated revenues from contracts with customers by each of the business segments. The Company believes that this dissaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(ii) Trade receivables and Unbilled Revenue

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables and contract assets from contracts with customers:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Receivables, which are included in 'Trade and other receivables'	3,450	3,344
Unbilled Revenue	1,350	1,052

Unbilled Revenue primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. Unbilled Revenue are transferred to receivables when the rights become unconditional.

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for (i) contracts with an original expected duration of one year or less and (ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

19 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest Income		
- on fixed deposits	9	5
- income tax refund	140	-
Net gain arising on Financial Assets not designated as at Fair Value through Profit or Loss	163	182
Profit on redemption of current investments	35	199
Net gain on foreign currency transaction and translation	24	153
Profit on sale of assets	10	2
Miscellaneous income	-	4
Total	**381**	**545**

20 Employee benefits expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	10,652	11,853
Contribution to provident and other funds	738	652
Staff welfare expenses	297	467
Total	**11,687**	**12,972**

21 Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense		
(i) Interest on finance lease obligations	2	5
(ii) Interest on loans from related parties	-	27
(iii) Interest accrued on lease liabilities	208	137
Others	-	5
Total	**210**	**174**

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22 Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Professional and Consultancy Charges	1,281	480
Travelling and Conveyance	40	234
Power and Fuel	368	507
Rent	48	63
Repairs and maintenance		
-Machinery	542	425
-Others	286	372
Insurance expenses	6	14
Fees, rates and taxes	4	57
Sales and marketing expenses	95	65
Communication charges	42	26
Connectivity cost	459	414
Security charges	155	202
Bank charges	11	13
Allowance for Expected Credit Losses	48	16
Bad Receivables Written off	69	12
Less: Release of allowance for expected credit losses	(69)	(12)
	-	-
Corporate social responsibility expenditure (Refer note 24)	52	44
Directors' sitting fees	7	11
Directors' commission	17	13
Miscellaneous expenses	41	89
Total	**3,502**	**3,045**

23 Details of payment to auditors (included in Professional and Consultancy Charges)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor:		
Audit fee*^	36	40
In other capacities:		
Certification fees*	4	3
Other services*	-	10
Re-imbursement of expenses*#	3	2
	43	**55**

*excluding taxes
^Audit fees for the previous year ended 31 March 2020 includes ₹ 7 Lakhs paid to predecessor auditor
Re-imbursement of expenses for the previous year ended 31 March 2020 includes amounts paid to predecssor auditor

24 Corporate social responsibility expenditure

As per section 135 of the Companies Act, 2013, 2% of the average net profit of the last 3 years as computed under Section 198 of the Act, are as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Gross amount required to be spent by the Company during the year	52	44
Amount spent during the year		
(i) Construction or acquisition of any asset	-	-
(ii) On purpose other than (i) above	52	44
Amounts pending to be spent	-	-

The provisions of Section 135 of the Companies Act, 2013, relating to the mandatory requirement of amount to be spent towards corporate social responsibility is applicable for the Company during the current year based on the criteria applicable. The Company has spent the gross amount towards various activities as enumerated in the CSR Policy of the Company which covers promoting education, health and civic amenities etc.

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25 Taxation

25.1 Income tax expense

25.1.1 Recognised in Statement of Profit and Loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current Tax:		
In respect of the current year	557	792
Adjustments in respect of earlier years	-	55
	557	847
Deferred Tax		
In respect of the current year	(26)	26
	(26)	26
Total Income tax expense recognised in statement of profit and loss	531	873

25.1.2 Recognised in Other Comprehensive Income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred Tax		
Remeasurements of the defined benefit liabilities/ (asset)	12	51
Total income tax recognised in other comprehensive income	12	51
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	12	51
	12	51

25.1.3 Reconciliation of income tax

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 29.12%. A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	2,128	1,818
Enacted income tax rate in India	29.12%	29.12%
Computed expected tax expense	**620**	**529**
Adjustment for non-deductible expenses		
-Provision for impairment of investments in subsidiary	-	354
-Others	15	36
Adjustment for additional deductions under Income Tax Act	(54)	(55)
Deferred Tax Asset relating to business acquisition during the year	-	(54)
Adjustment for Bad debts actually written off during the year	(20)	-
Taxes pertaining to earlier years	-	55
Allowance of expenses disallowed during previous year u/s 40(a)(ia)	(5)	-
Others	(25)	8
Total income tax expense recognised in the statement of profit and loss	**531**	**873**

25.2 Deferred Tax Balances

The following is the analysis of the net deferred tax asset position as presented in the financial statements

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Deferred tax assets	1,012	1,297
Less: Deferred tax liabilities	46	53
Deferred tax asset (net)	**966**	**1,244**

Movement in the deferred tax balance :

Particulars	For the year ended 31 March 2021				
	Opening Balance	MAT credit utilisation	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Depreciation on Property, Plant and Equipment	547	-	(17)	-	530
Employee Benefit Expenses	207	-	25	12	244
Provision for Expected Credit Loss on Financial Assets	38	-	(7)	-	31
Impact on account of ROU asset and lease liabilities	16	-	18	-	34
Fair valuation adjustments - Financial Assets	(53)	-	7	-	(46)
MAT credit	489	(316)	-	-	173
Deferred Tax Asset /(Liabilities)	**1,244**	**(316)**	**26**	**12**	**966**

Particulars	For the year ended 31 March 2020				
	Opening Balance	MAT credit utilisation	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Depreciation on Property, Plant and Equipment	560	-	(13)	-	547
Employee Benefit Expenses	163	-	(7)	51	207
Provision for Expected Credit Loss on Financial Assets	6	-	32	-	38
Impact on account of ROU asset and lease liabilities	-	-	16	-	16
Fair valuation adjustments - Financial Assets	1	-	(54)	-	(53)
MAT credit	711	(222)	-	-	489
Deferred Tax Asset /(Liabilities)	**1,441**	**(222)**	**(26)**	**51**	**1,244**

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

26 Leases

The Company has leases for Buildings and Computers.

(a) Right of Use Asset "ROU"

The following are the changes in the carrying value of right of use assets for the year ended 31 March 2021:

Particulars	Category of ROU Asset		Total
	Buildings	Computers	
Balance as at 01 April 2019	1,758	-	1,758
Additions	126	687	813
Deletions	-	-	-
Depreciation*	(994)	(19)	(1,013)
Balance as at 31 March 2020	**890**	**668**	**1,558**
Balance as at 01 April 2020	890	668	1,558
Additions	1,428	-	1,428
Deletions	-	-	-
Depreciation*	(1,053)	(222)	(1,275)
Balance as at 31 March 2021	**1,265**	**446**	**1,711**

*The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

(b) Lease Liabilities

The following is the movement in lease liabilities during the year ended :

Particulars	Buildings	Computers	Total
Balance as at 01 April 2019	1,758	-	1,758
Additions	125	687	812
Finance cost accrued during the year	131	5	136
Deletions	-	-	-
Payment of lease liabilities	(1,074)	(21)	(1,095)
Balance as at 31 March 2020	**940**	**671**	**1,611**
Balance as at 01 April 2020	940	671	1,611
Additions	1,428	-	1,428
Finance cost accrued during the year	160	48	208
Deletions	-	-	-
Payment of lease liabilities	(1,165)	(252)	(1,417)
Balance as at 31 March 2021	**1,363**	**467**	**1,830**

The following is the break-up of current and non-current lease liabilities :

Particulars	As at 31 March 2021	As at 31 March 2020
Current lease liabilities	1,183	592
Non-current lease liabilities	647	1,019

(c) Amounts recognized in profit and loss were as follows

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation Expenditure	1,275	1,013
Finance Cost on Lease Liabilitities	208	136

(d) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020
Not later than 1 year	1,289	712
Later than 1 year and not later than 5 years	689	2,209
Later than 5 years	-	-

Note: The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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27 Related party transactions

A. Names of related parties and related party relationships

Nature of Relationship*	Name of the related party
Ultimate Holding Company	Quess Corp Limited
Holding Company	Conneqt Business Solutions Limited
Fellow Subsidiaries	Simpliance Technologies Pvt Ltd MFX Infotech Private Limited Monster.Com (India) Private Limited Terrier Security Services (India) Private Limited QDigi Services limited Heptagon Technologies Private Limited Coachieve Solutions Pvt Ltd MFXchange US, Inc. Quessglobal (Malaysia) Sdn. Bhd. Vedang Cellular Services Private Limited Golden Star Facilities And Services Private Limited Greenpiece Landscapes India Private Limited Trimax Smart Infraprojects Private Limited
Related parties where control exists Subsidiaries (Wholly owned)	Allsectech Inc., USA Allsectech Manila Inc., Philippines Retreat Capital Management Inc., USA (Till 19 February 2021)
Entity in which key managerial personnel have significant	Careworks Foundation
Key management personnel	
Chief Executive Officer	Mr. Ashish Johri
Chief Financial officer	Mr. Raghunath. P (w.e.f 19 June 2020)
Chief Financial officer	Mr. Nataraj Lakshmipathy (till 18 June 2020)
Company Secretary	Mr. Gagan Preet Singh
Directors	
Chairman of the Board of Directors	Mr. Ajit Abraham Isaac
Independent director	Mr. Sanjay Anandaram
Independent director	Mr. Milind Chalisgaonkar
Independent director	Ms. Lakshmi Sarada R
Non-executive Non-Independent director	Mr. Suraj Krishna Moraje
Non-executive Non-independent director	Mr. Subramanian Ramakrishnan (till 31 March 2021)
Non-executive Non-independent director	Mr. Ravi Vishwanath Narayanaswamy (w.e.f 01 April 2021)

* Related Party relationships are as identified by the Management.

27 Related party transactions (continued)

B. Transactions with related parties

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Income from services billed to		
Allsectech Inc., USA	1,265	367
Allsectech Manila Inc., Philippines	117	707
Quess Corp Limited	116	44
Conneqt Business Solutions Limited	35	15
Simpliance Technologies Pvt Ltd	26	12
Monster.Com (India) Private Limited	4	2
Heptagon Technologies Private Limited	-	1
Terrier Security Services (India) Private Limited	1	-
MFX Infotech Private Limited	4	-
MFXchange US, Inc.	522	-
Quessglobal (Malaysia) Sdn. Bhd.	4	-
Qdigi Services Limited	20	-
Purchase of capital goods		
MFX Infotech Private Limited	-	5
Terrier Security Services (India) Private Limited	1	-
Expense incurred for recruitment/professional/consulting/security/AMC etc		
MFX Infotech Private Limited	190	4
Monster.Com (India) Private Limited	1	2
Simpliance Technologies Pvt Ltd	328	257
Quess Corp Limited	469	165
Terrier Security Services (India) Private Limited	154	110
Quessglobal (Malaysia) Sdn. Bhd.	71	19
QDigi Services limited	-	4
Heptagon Technologies Private Limited	-	5
Conneqt Business Solutions Limited	107	-
Allsectech Manila Inc., Philippines	1	-
Dividend paid to Holding company		
Conneqt Business Solutions Limited	-	396
Consideration paid towards business combination (Refer Note 36)		
Coachieve Solutions Pvt Ltd - HRO Stat Division	-	1,680
Provision for impairment of investment in subsidiary (Refer Note 37)		
Allsectech Inc., USA	-	1,214

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31 Employee Benefits

a) Defined Contribution plans

The Company makes Provident and Pension Fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Expenses recognised :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Included under 'Contributions to Provident and other Funds'		
Contributions to Employee state insurance	165	160
Contributions to provident funds	484	474

b) Defined Benefit Plans:

The Company offers 'Gratuity' (Refer Note 20 Employees Benefits Expense) as a post employment benefit for qualifying employees and operates a gratuity plan. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards its gratuity liability is a defined benefit plan

Description of Risk Exposures
Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

A) Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

B) Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

C) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

D) Demographic Risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

E) Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts.This may arise due to non availabilty of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2021. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement :

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Changes in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	**690**	**544**
Interest cost	39	32
Current service cost	61	61
Past service cost	-	-
Benefits paid	(56)	(99)
Actuarial loss	44	151
Present value of defined benefit obligation at the end of the year	**778**	**690**
Changes in fair value of plan assets		
Fair value of plan assets at the beginning of the year	**181**	**162**
Expected return	11	11
Contributions by the Company	81	104
Benefits paid and charges deducted	(66)	(99)
Actuarial gains	3	2
Fair value of plan assets at the end of the year	**210**	**181**
Net defined benefit obligation (deficit)	**568**	**509**
Current	**60**	**60**
Non-current	**508**	**449**

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Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Amount recognised in profit or loss		
Current service cost	61	61
Past service cost	-	-
Interest cost	39	32
Expected return on planned assets	(11)	(11)
Provision for gratuity acquired as part of Business combination	-	(64)
Total amount recognised in profit or loss	**89**	**18**
Amount recognised in other comprehensive income		
Remeasurement due to changes in actuarial assumptions	41	149
Total amount recognised in other comprehensive income	**41**	**149**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Significant actuarial assumptions		
a) Discount rate and expected return on plan assets	5.64%	5.94%
b) Long-term rate of compensation increase	5.00%	5.00%
c) Attrition rate		
- employees with service upto 5 years as at valuation date	39.00%	39.00%
- employees with service more than 5 years as at valuation date	1.50%	1.50%

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. It is assumed that the active members of the scheme will experience in service mortality in accordance with the Indian Assured Lives Mortality (2012-14) Ultimate Table. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

Particulars	Atrrition Rate		Discount Rate		Future Salary Increase	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2021						
Sensitivity Level	1%	(1%)	1%	(1%)	1%	(1%)
Impact on defined benefit obligation	5	(6)	(84)	100	94	(83)
31 March 2020						
Sensitivity Level	1%	(1%)	1%	(1%)	1%	(1%)
Impact on defined benefit obligation	7	(9)	(76)	91	85	(75)

Other information

Expected contribution to post-employment benefit plans for the year ending 31 March 2022 is ₹ 60 lakhs. The weighted average duration of the defined benefit obligation is 12.70 years (31 March 2020: 13 years).

The expected benefit payments for the 10 years after balance sheet date is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	5-10 years	Total
31 March 2021					
Defined benefit obligation	26	41	171	178	416
31 March 2020					
Defined benefit obligation	20	29	161	185	395

c) Compensated Absences

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Included under ' Salaries and Bonus '	41	46

Particulars	As at 31 March 2021	As at 31 March 2020
(b) Net asset / (liability) recognised in the Balance Sheet	**209**	**202**
Current portion of the above	209	202
Non - current portion of the above	-	-

The Key Assumptions used in the computation of provision for compensated absences are as given below:

Particulars	2020 -2021	2019 -2020
Discount Rate (% p.a)	5.64%	5.94%
Future Salary Increase (% p.a)	5.00%	5.00%

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32 Financial Instruments

32.1 Capital Management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes equity share Capital and Other Equity and Debt includes Borrowings and Other Financial Liabilities net of Cash and bank balances. The Company monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Company compared to last year.

Gearing Ratio :

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings	16	40
Cash and Bank Balance	(3,876)	(3,846)
Net Debt over and above the cash and bank balances (A)	-	-
Total Equity (B)	**15,629**	**14,061**
Net Debt to equity ratio (A/B)	- %	- %

32.2 Categories of Financial Instruments

The carrying value of the financial instruments by categories as on 31 March 2021 and 31 March 2020 is as follows:

Particulars	Carrying Value		Fair Value	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
(a) Financial Assets				
Measured at cost				
Investment in subsidiaries	1,020	1,020	1,020	1,020
Measured at fair value through P&L				
- Current Investments	4,971	3,339	4,971	3,339
- Other financial assets	-	-	-	-
Measured at amortised cost				
- Cash and Bank balances	3,737	3,711	3,737	3,711
- Other Bank balances	139	135	139	135
- Trade receivables	3,450	3,344	3,450	3,344
- Other financial assets	2,007	1,752	2,007	1,752
	15,324	**13,301**	**15,324**	**13,301**
(b) Financial Liabilities :				
Measured at fair value through P&L				
- Other financial liabilities	-	81	-	81
Measured at amortised cost				
- Borrowings	1	18	1	18
- Trade Payables	1,642	1,856	1,642	1,856
- Lease Liabilities	1,830	1,611	1,830	1,611
- Other financial liabilities	15	22	15	22
	3,488	**3,588**	**3,488**	**3,588**

The management assessed that fair value of cash and cash equivalents, trade receivables, loans, borrowings, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estmate the fair value/amortized cost

1) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual losses and creditworthiness of the receivables

2) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the unquoted instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

3) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non- performance risk as at 31 March 2021 was assessed to be insignificant.

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Fair Value Hierarchy
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
There were no items of financial assets or financial liabilities which were valued at fair value as of 31 March 2021 and 31 March 2020.

32.3 Financial Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk.
The Company's activities expose it to a variety of financial risks: liquidity risk, credit risk and market risk (including interest rate risk and other price risk). The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

(a) Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company periodically. The Company believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Liquidity and Interest Risk Tables :

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
31 March 2021				
Interest bearing*	1,198	648	-	1,846
Non-interest bearing	1,642	-	-	1,642
Total	**2,840**	**648**	**-**	**3,488**
31 March 2020				
Interest bearing	614	1,037	-	1,651
Non-interest bearing	1,937	-	-	1,937
Total	**2,551**	**1,037**	**-**	**3,588**

*Includes Lease liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial Assets with agreed repayment periods. The Company does not hold any derivative financial instrument.

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
31 March 2021				
Interest bearing	139	-	-	139
Non-interest bearing	13,569	596	1,020	15,185
Total	**13,708**	**596**	**1,020**	**15,324**
31 March 2020				
Interest bearing	135	-	-	135
Non-interest bearing	11,672	474	1,020	13,166
Total	**11,807**	**474**	**1,020**	**13,301**

(b) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the Company result in material concentration of credit risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

The carrying amount of the financial assets recorded in these financial statements, grossed up for any allowance for losses, represents the maximum exposures to credit risk.

Trade receivables: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and credit history, also has an influence on credit risk assessment.

Credit risk on current investments, cash & cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in fixed deposits.

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Allsec Technologies Limited Chennai 600 042

33 Fair value measurement

Financial Assets and Financial Liabilities that are measured at fair value on a recurring basis
Some of the financial assets and financial liabilities are measured at end of the each reporting period. The following table gives information about how the fair value of these financial assets and liabilities are considered:

Financial Assets / Financial Liabilities	Fair Value as at		Fair Value Hierarchy	Value Techniques and Key Inputs
	31-Mar-21	31-Mar-20		
Investments in Mutual Funds	4,971	3,339	Level 1	Quoted Net Asset Value in Active Markets
Foreign Currency Forward contracts	51	(81)	Level 2	Refer below

There have been no transfers between Level 1 and Level 2 for the year ended 31 March 2021 and 31 March 2020.

Measurement of fair value of financial instruments
Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the chief financial officer (CFO) and to the audit committee. Valuation processes and fair value changes are discussed among the audit committee and the valuation team at least every year, in line with the Company's reporting dates.

The valuation techniques used for instruments categorised in Levels 1, 2 and 3 are described below:

Investments in mutual fund units (Level 1)
The mutual funds are valued using the closing NAV.

Foreign exchange forward contracts (Level 2)
The Company's foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

Investments in equity instruments of other companies (Level 3)
These investments are not traded in active markets, and management considers the cost of investments to approximate the fair value.

Financial instruments measured at amortised cost for which the fair value is disclosed
The carrying amount of all financial instruments measured at amortised cost are considered to be a reasonable approximation of the fair value.

Fair value measurement of non-financial assets
There are no non-financial assets that were measured at fair value on the reporting dates.

34 Capital management policies and procedures

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

35 Dividend
Interim Dividend of ₹ 15 per share on the equity share (150% of par value of ₹ 10 each) has been approved by the Board of Directors in its board meeting held on 29 April 2021 and will be paid during the financial year 2021-22.

36 Business combination
During the previous year, the Company acquired on a slump sale basis with effect from 30 September 2019 ,the assets and liabilities of HR Compliance business of Coachive Solutions Private Limited ('CSPL'), a subsidiary of Quess Corp Limited for a purchase consideration of ₹ 1,680 lakhs against the net liability of ₹ 746 lakhs (including inter-company loans). The Company accounted for the business combination in accordance with the requirements of Appendix C of Ind AS 103 'Business Combinations' which lays down the principles inrespect of accounting for business combinations of entities or businesses under common control. As required by the Standard, pooling of interests method has been considered for common control business combination and accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts and an adjustment of ₹ 2,426 lakhs (debit) has been made to the capital reserve of the Company.

37 Provision for Impairment of investment in subsidiary
During the previous year ended 31 March 2020, the Company's subsidiary Allsectech Inc., USA incurred material losses due to non-renewal of a significant customer contract. In addition the subsidiary had accumulated losses primarily on account of the settlement of class action suits in the previous financial year. Accordingly, in line with the Company's policy the investment was tested by the management for impairment. The Company assessed the expected revenues, profitability, cash flows as also the business outlook for the financial year 2020-21 and beyond for the test of impairment. Based on such assessment, the Company concluded that the carrying value of the investments in this subsidiary would be impaired to the extent of the entire carrying value of ₹ 1,214 lakhs. Consequently, the Company has impaired the value of investments in Allsectech Inc, USA as at 31 March 2020 amounting to ₹ 1,214 lakhs and disclosed the same as exceptional item in Statement of Profit or Loss for the year ended 31 March 2020.

During the current year, the management has performed an assessment of the impairment and considering the profitability, cash flows and business outlook, continued to retain the impairment provision.

Also, the provision for impairment of investment in Retreat Capital Management Inc., USA has been actually written off during the current year.

38 Note on Covid 19 assessment

In assessing the recoverability of receivables including unbilled receivables, intangible assets, and certain investments in the context of prevailing economic conditions on account of COVID-19, the Company has considered internal and external information up to the date of approval of these audited financial statements including credit reports and economic forecasts. Based on this analysis, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

DELOITTE HASKINS & SELLS LLP CHENNAI-17 CHARTERED ACCOUNTANTS

Allsec Technologies Limited Chennai 600 042

39 Approval of Financial Statements

In connection with the preparation of the standalone financial statements for the year ended 31 March 2021, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the standalone financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these standalone financial statements in its meeting held on 26 May 2021 in accordance with the provisions of Companies Act, 2013.

For and on behalf of the Board of Directors of
Allsec Technologies Limited

Ajit Abraham Isaac
Chairman

Place : Bengaluru
Date : 26 May 2021

Suraj Krishna Moraje
Director

Place : Bengaluru
Date : 26 May 2021

Ashish Johri
Chief Executive Officer

Place : Chennai
Date : 26 May 2021

Raghunath P
Chief Financial Officer

Place : Chennai
Date : 26 May 2021

Gagan Preet Singh
Company Secretary

Place : Chennai
Date : 26 May 2021

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Allsec Technologies Limited
Chennai
600 042

QUESS CORP LANKA (PRIVATE) LIMITED

FINANCIAL STATEMENTS - 31 MARCH 2021

QUESS CORP LANKA (PRIVATE) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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QUESS CORP LANKA (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Independent auditor's report

To the board of directors of Quess Corp Lanka (Private) Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Quess Corp Lanka (Private) Limited ("the Company") as at March 31, 2021, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

What we have audited

The financial statements of the Company, which comprise:

- the statement of financial position as at March 31, 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics.

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Partners **D T S H Mudalige FCA, C S Manoharan FCA, Ms S Hadgie FCA, Ms S Perera ACA, N R Gunasekera FCA**
T U Jayasinghe FCA, H P V Lakdeva FCA, M D B Boyagoda FCA, Ms W D A S U Perera ACA

Independent auditor's report

To the board of directors of Quess Corp Lanka (Private) Limited (Contd.)

Report on the audit of the financial statements (Contd.)

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

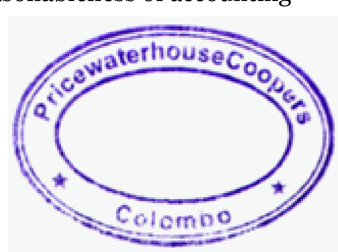
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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.



Independent auditor's report

To the board of directors of Quess Corp Lanka (Private) Limited (Contd.)

Report on the audit of the financial statements (Contd.)

Auditor's responsibilities for the audit of the financial statements (Contd.)

- 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 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 financial statements, including the disclosures, and whether the 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.

Basis of preparation and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 2.1 to the special purpose financial statements, which describes the basis of accounting. This special purpose financial statements have been prepared for purposes of providing information to Quess Corp Limited to enable it to prepare the consolidated financial statements of the group as at 31 March 2020. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the board of directors of Quess Corp Lanka (Private) Limited and Quess Corp Limited and should not be distributed to or used by parties other than the board of directors of Quess Corp Lanka (Private) Limited and Quess Corp Limited.

PricewaterhouseCoopers

CHARTERED ACCOUNTANTS
COLOMBO
13 July 2021

PricewaterhouseCoopers
Colombo

QUESS CORP LANKA (PRIVATE) LIMITED

Statement of comprehensive income

(all amounts in Sri Lanka Rupees)

	Note	1 April to 31 March 2021	1 April to 31 March 2020
Revenue from contract with customers	7	191,656,803	179,537,057
Administrative expenses	8	(39,978,112)	(58,382,957)
Operating profit		151,678,691	121,154,100
Other income		Nil	374,132
Net finance income / (expense)	9	3,976,799	(4,185,811)
Profit before income tax		155,655,490	117,342,421
Income tax expense	10	(38,479,818)	(17,695,111)
Profit for the year		**117,175,672**	**99,647,310**
Other comprehensive income		Nil	Nil
Total comprehensive income		**117,175,672**	**99,647,310**
Earnings per share	11	**96.34**	**81.93**

The notes on pages 8 to 25 form an integral part of these financial statements.

Independent auditor's report - pages 1 - 3

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Colombo

QUESS CORP LANKA (PRIVATE) LIMITED

Statement of financial position

(all amounts in Sri Lanka Rupees)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	12	14,05,919	24,67,538
Intangible assets	13	Nil	Nil
Deferred income tax assets	18	1,89,58,786	3,11,79,909
		2,03,64,704	3,36,47,447
Current assets			
Trade and other receivables	14	33,96,57,085	40,35,75,734
Cash and cash equivalents	15	27,04,69,622	11,06,80,303
		61,01,26,707	51,42,56,037
Total assets		**63,04,91,411**	**54,79,03,484**
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	17	1,21,62,840	1,21,62,840
Retained earnings		42,48,92,008	30,77,16,336
Total equity		43,70,54,848	31,98,79,176
Non-current liabilities			
Defined benefit obligations	19	5,86,72,048	5,27,75,166
		5,86,72,048	5,27,75,166
Current liabilities			
Trade and other payables	20	11,93,45,133	16,76,59,039
Current income tax liabilities	21	1,54,19,381	75,90,103
		13,47,64,514	17,52,49,142
Total liabilities		**19,34,36,562**	**22,80,24,308**
Total equity and liabilities		**63,04,91,411**	**54,79,03,484**

I certify that these financial statements have been prepared and presented in accordance with Sri Lanka Accounting Standards.

....

Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements. The financial statements were authorised for issue by Board of Directors on 13 July 2021.

....

Guruprasad Srinivasan

....

Vijay Sivaram

Directors

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The notes on pages 8 to 25 form an integral part of these financial statements.

Independent auditor's report - pages 1 - 3

QUESS CORP LANKA (PRIVATE) LIMITED

Statement of changes in equity

(all amounts in Sri Lanka Rupees)

	Stated capital	Retained earnings	Total equity
Balance at 1 April 2019	12,162,840	208,069,026	220,231,866
Profit for the year	Nil	99,647,310	99,647,310
Other comprehensive income	Nil	Nil	Nil
Total comprehensive expense	Nil	99,647,310	99,647,310
Balance at 31 March 2020	**12,162,840**	**307,716,336**	**319,879,176**
Balance at 1 April 2020	12,162,840	307,716,336	319,879,176
Profit for the year	Nil	117,175,672	117,175,672
Other comprehensive income	Nil	Nil	Nil
Total comprehensive income	Nil	117,175,672	117,175,672
Balance at 31 March 2021	**12,162,840**	**424,892,008**	**437,054,848**

The notes on pages 8 to 25 form an integral part of these financial statements.

Independent auditor's report - pages 1 - 3

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QUESS CORP LANKA (PRIVATE) LIMITED

Statement of cash flows

(all amounts in Sri Lanka Rupees)

	Note	As at 31 March 2021	As at 31 March 2020
Cash flows from operating activities			
Cash generated from operations	22	178,331,326	97,332,687
Net finance income received / (expense paid)	9	3,976,799	(4,185,811)
Income tax paid		(18,429,414)	(35,235,196)
Retirement benefit obligation paid		(3,979,392)	Nil
Net cash generated from operating activities		**159,899,319**	**57,911,680**
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(110,000)	(1,197,660)
Net cash used in investing activities		**(110,000)**	**(1,197,660)**
Increase in cash and cash equivalents		**159,789,319**	**56,714,020**
Movement in cash and cash equivalents			
At beginning of the year		110,680,303	53,966,283
Increase during the year		159,789,319	56,714,020
At end of the year	15	**270,469,622**	**110,680,303**

The notes on pages 8 to 25 form an integral part of these financial statements.

Independent auditor's report - pages 1 - 3

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Colombo

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements

(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)

1 General information

The Company is a limited liability company incorporated in Sri Lanka and approved under section 16 of the BOI law. The company has been incorporated on 09 February 2004 and has its registered office at 7th Floor, BOC Merchant Tower, 28 St. Michael's Road, Colombo 03. The Company was formerly known as Randstad Lanka (Private) Limited and was acquired by Quess Corp Holdings PTE Ltd with effect from 26 April 2016. The company is engaged in the business of providing human resource services to clients.

Quess Corp Lanka (Private) Limited is a 100% subsidiary company of Quess Corp Holdings PTE Ltd, a company incorporated in Singapore while Ultimate Parent of the company is Quess Corp Limited. a company incorporated in India.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements are prepared by the management for purposes of providing information to Quess Corp Limited to enable it to prepare the consolidated financial statements of the group. The financial statements cover the year from 1 April 2020 to 31 March 2021. Comparative figures are for the period from 1 April 2018 to 31 March 2020.

The financial statements are prepared in accordance with and comply with Sri Lanka Accounting Standards (LKASs and SLFRSs). The financial statements are prepared under the historical cost basis.

The preparation of financial statements in conformity with SLFRS/LKAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2.2 Foreign currency translation

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

2 Summary of significant accounting policies (Contd.)

2.3 Property, plant and equipment

All property, plant and equipment is initially recorded at cost and stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation begins when an item of property, plant and equipment is available for use and will continue until it is derecognised, even if during that period the item is idle.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Depreciation is calculated on a straight line method to write off the cost of each asset to their residual values over their estimated useful lives or the lease term, whichever is lower.

	%
Office equipment	25
Furniture and fittings	25
Computer equipment	25

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the income statement.

2.4 Intangible assets

Intangible assets wholly consist of computer software. Acquisition cost of computer software is capitalised and amortised using the straight-line method over the useful life of three years.

2.5 Impairment of non financial assets

Assets that have an indefinite useful life that intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets are reviewed for possible reversal of the impairment at each reporting date.

2.6 Financial assets

2.6.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

There were no financial assets other than loans and receivables at the statement of financial position date.

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

2 Summary of significant accounting policies (Contd.)

2.6 Financial assets (Contd.)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets as trade and other receivables except for maturities greater than 12 months after the statement of financial position date in which case classified as non-current assets.

2.6.2 Recognition and measurement of financial asset

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

During the reporting period, the Company did not record any financial assets that were available for sale or fair value through profit or loss or held to maturity.

2.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.8 Impairment of financial assets

Assets carried at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or a group of financial assets that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

(i) adverse changes in the payment status of borrowers in the portfolio; and

(ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Company first assesses whether objective evidence of impairment exists.

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

2 Summary of significant accounting policies (Contd.)

2.8 Impairment of financial assets (Contd.)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan or held to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

2.9 Financial liabilities

The Company's financial liabilities include trade and other payables. All other financial liabilities except for financial liabilities at fair value through profit or loss are recognised initially at their fair values and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

2.10 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'administrative expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative expenses' in the income statement.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.12 Provisions

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

Colombo

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

2 Summary of significant accounting policies (Contd.)

2.13 Employee benefits

(a) Defined benefit plan - gratuity

Provision has been made for retirement gratuities from the first year of services for all employees in conformity with LKAS 19. However, under the payment of Gratuity Act No.12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability has not been externally funded nor actuarially valued.

(b) Defined contribution plan

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.14 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Revenue recognition

The revenue represents all billings made during the accounting period. The company is not in the practice of accounting for work-in-progress.

Revenue is recognised upon performance of service. Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is shown net of value added tax and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

In agency relationships, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission.

2.16 Current and deferred income taxes

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

2.17 Stated capital

The Ordinary shares are classified under the stated capital.

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

2 Summary of significant accounting policies (Contd.)

2.18 Contingent liabilities and contingent assets

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

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company. The Company recognises contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

3 Financial risk management

3.1 Financial risk factors

The Company is exposed to a variety of financial risks. These include foreign exchange risks, credit risks, interest rate risks, liquidity risks and investment risks. Based on our economic outlook and the Company's exposure to these risks, the Board of the Company approves various risk management strategies from time to time.

(a) Market risk

(i) Foreign exchange risk

The company is sensitive to the fluctuations in exchange rates and is principally exposed to fluctuations in the value of the Sri Lankan Rupee (LKR) against the US Dollar (USD). The company's functional currency is LKR in which most of the transactions are denominated, and all other currencies are considered foreign currencies for reporting purposes. Certain bank balances and trade and other payables are denominated in foreign currencies.

The Company's Financial Statements which are presented in Sri Lankan Rupees, are affected by foreign exchange fluctuations through both translation risk and transaction risk. Changes in foreign currency exchange rates may affect the company's pricing of services rendered and cost incurred in foreign currencies. In particular, weakening of the Sri Lankan Rupee against the US Dollar can have adverse effects on the company's operating results through its impact on overheads incurred in Sri Lanka .

The table below shows the Company's sensitivity to reasonable possible change in exchange rate of LKR against USD, assessed by the Company, while all other variables are held constant. The USD is the major currency in which Company's financial instruments are denominated after the Company's presentation and document currency - LKR. The impact of the movement in exchange rates on equity is given in the table below.

	Increase in income LKR	Increase in income LKR
	2021	**2020**
10% depreciation (2020 - 10% depreciation) of the LKR against USD	56,032	50,939
Net decrease in income	**56,032**	**50,939**

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

3 Financial risk management (Contd.)

3.1 Financial risk factors (Contd.)

(ii) Interest rate risk

The Company's interest rate risk arises from short - term borrowings. Borrowings issued at variable rates expose the company to interest rate risk which is determined by the Government Bond rate of the country in which the lender is domiciled.

(b) Credit risk

The credit risk arises from trade and other receivables. Refer Note 14(b) for further disclosures on credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 March 2021	Less than 1 year	Between 1 to 3 years	Total
Trade and other payables (excluding statutory liabilities)	59,856,287	Nil	59,856,287
	59,856,287	**Nil**	**59,856,287**

At 31 March 2020	Less than 1 year	Between 1 to 3 years	Total
Trade and other payables (excluding statutory liabilities)	50,400,958	Nil	50,400,958
	50,400,958	**Nil**	**50,400,958**

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The company assesses solvency prior to declaration of dividend to maintain the dividend ratio. In addition the Company may adjust intercompany receivables and payables in managing capital and solvency.

3.3 Fair value estimation

The Company had no financial instruments measured at fair value.

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Impairment of trade receivable

The Company assesses at the date of the statement of financial position whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of current status of existing receivable and historical collection experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

(b) Provisions

The Company recognises provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each statement of financial position date and adjusted to reflect the Company's current best estimate.

5 Changes in comparatives

Where necessary, comparative figures have been re-classified since mangement believes such reclassification gives a farier presentation and conforms with the current year's presentation.

6 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations.

7 Revenue from contract with customers

	2021	2020
Recruitment fee	2,912,835	2,728,637
Contract staffing	177,251,452	166,042,653
Facility management service	11,492,516	10,765,767
	191,656,803	**179,537,057**

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

8 Expenses by nature

	2021	2020
Directors' emoluments	Nil	Nil
Auditors' remuneration - audit fee	400,000	825,000
- non-audit fee	Nil	Nil
Depreciation on property, plant and equipment (Note 12)	1,171,619	1,099,323
Amortisation on intangible assets (Note 13)	Nil	Nil
Staff costs (Note 8.1)	45,375,512	39,831,170
Consultancy charges	1,217,967	196,275
Rent - Office	5,185,669	5,513,733
(Reversal) /provision for impairment of trade receivables	(38,032,645)	273,388
Bad debts written-off	15,881,213	Nil
Utilities	1,317,514	2,435,797
Rates and taxes	338,658	282,644
Travelling expenses - Local	710,585	523,298
Travelling expenses - Foreign	805,500	1,039,008
Printing and stationery	443,553	597,829
Database login charges	1,834,730	1,622,966
Insurance	2,679,100	3,315,234
Maintenance expenses	190,871	640,422
Other expenses	458,266	186,870
Total administrative expenses	**39,978,112**	**58,382,957**

8.1 Staff costs

	2021	2020
Salaries and wages	36,526,984	40,383,593
Defined contribution plans	1,637,630	2,294,239
Defined benefit obligations (Note 19)	5,896,883	(10,000,000)
Staff incentive	618,898	5,555,578
Staff welfare	695,117	1,597,760
	45,375,512	**39,831,170**

Average monthly number of persons employed by the Company during the period:

Full time	25	29

9 Net finance expense / (income)

	2021	2020
Bank charges	2,307,751	912,018
Net exchange (gain) / (loss)	(7,421,928)	2,197,757
Interest expenses	1,137,378	1,076,036
	(3,976,799)	**4,185,811**

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

10 Income tax expense

	2021	2020
Current income tax	26,258,695	40,448,322
Deferred income tax charge / (credit) (Note 18)	12,221,123	(22,753,211)
Income tax expense	**38,479,818**	**17,695,111**

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the basic rate of the Company as follows:

	2021	2020
Profit before income tax	155,655,490	117,342,421
Tax calculated at tax rate of 24% (2020 - 28%)	37,357,318	32,855,878
Tax effects of:		
- Expenses not deductible for tax purposes	Nil	Nil
- Recognition of previously unrecognized deferred taxes	Nil	Nil
- Net adjustment due to change in tax rate	1,122,500	(15,160,767)
Income tax expense	**38,479,818**	**17,695,111**

11 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of shares in issue during the year, as follows:

	2021	2020
Net profit attributable to shareholders	117,175,672	99,647,310
Weighted average number of ordinary shares in issue	1,216,284	1,216,284
Earnings per share	**96.34**	**81.93**

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

12 Property, plant and equipment

	Office equipment	Furniture and fittings	Computer equipment	Total
At 1 April 2019				
Cost	972,005	1,598,360	5,134,634	7,704,999
Accumulated depreciation	(762,388)	(901,740)	(3,671,669)	(5,335,797)
Net book amount	**Nil**	**696,620**	**1,462,965**	**2,369,202**
Period ended 31 March 2020				
Opening net book amount	209,617	696,620	1,462,965	2,369,202
Additions	Nil	65,642	1,132,017	1,197,659
Depreciation charge (Note 8)	(66,555)	(316,474)	(716,294)	(1,099,323)
Closing net book amount	**143,062**	**445,788**	**1,878,688**	**2,467,538**
At 31 March 2020				
Cost	972,005	1,664,002	6,266,651	8,902,658
Accumulated depreciation	(828,943)	(1,218,214)	(4,387,963)	(6,435,120)
Net book amount	**143,062**	**445,788**	**1,878,688**	**2,467,538**
Year ended 31 March 2021				
Opening net book amount	143,062	445,788	1,878,688	2,467,538
Additions	Nil	Nil	110,000	110,000
Depreciation charge (Note 8)	(66,555)	(316,474)	(788,590)	(1,171,619)
Closing net book amount	**76,506**	**129,314**	**1,200,098**	**1,405,919**
At 31 March 2021				
Cost	972,005	1,664,002	6,376,651	9,012,658
Accumulated depreciation	(895,499)	(1,534,688)	(5,176,553)	(7,606,739)
Net book amount	**76,506**	**129,314**	**1,200,098**	**1,405,919**

Cost and accumulated depreciation include fully depreciated office equipment of Rs 705,783, furniture and fittings of Rs 332,465, and computer equipment of Rs 2,680,311 at at 31 March 2021.

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

13 Intangible assets

	Computer software	Total
At 1 April 2019		
Cost	677,633	677,633
Accumulated amortisation	(677,633)	(677,633)
Net book amount	**Nil**	**Nil**
Period ended 31 March 2020		
Opening net book amount	Nil	Nil
Amortisation charge (Note 8)	Nil	Nil
Closing net book amount	**Nil**	**Nil**
At 31 March 2020		
Cost	677,633	677,633
Accumulated amortisation	(677,633)	(677,633)
Net book amount	**Nil**	**Nil**
Year ended 31 March 2021		
Opening net book amount	Nil	Nil
Amortisation charge (Note 8)	Nil	Nil
Closing net book amount	**Nil**	**Nil**
At 31 March 2021		
Cost	677,633	677,633
Accumulated amortisation	(677,633)	(677,633)
Net book amount	**Nil**	**Nil**

Net book value consists of 'Sage UBS HRM System' for employee data management amounting to cost Rs 163,710 and accumulated depreciation Rs 163,710; and ' Sage UBS Payroll System' for employee salary recording amounting to cost Rs 96,390 and accumulated depreciation Rs 96,390. Cost and accumulated depreciation include fully depreciated computer software amounting to Rs 677,633.

14 Trade and other receivables

	2021	2020
Trade receivables	357,569,882	458,606,654
Less: provision for impairment of trade receivables	(21,029,648)	(59,062,293)
Trade receivables - net	336,540,234	399,544,362
Prepayments	335,050	898,279
Deposits	1,513,780	1,513,780
Other receivables	1,268,021	1,619,313
	339,657,085	**403,575,734**

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

14 Trade and other receivables (Contd.)

The directors consider the carrying amount of the balance approximates its fair value. The carrying amounts of trade and other receivables are denominated in Sri Lanka Rupees.

Movement of the provision for impairment of trade receivables are as follows:

	2021	2020
1 April	59,062,446	58,789,058
Reversal of provision during the year	(38,032,798)	Nil
Provision during the year	Nil	273,388
At 31 March 2021	**21,029,648**	**59,062,446**

The creation and release of the provision for impaired receivables have been included in 'administrative expenses' in the income statement. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

Deposits mainly consist of refundable deposit made on building rent amounting to Rs 1,066,000 and Office premises Rs 417,780. Further, information in this regard is disclosed in Note 25(c).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Company does not hold any collateral as security.

15 Cash and cash equivalents

	2021	2020
Cash at bank	270,469,622	110,680,303
Short term deposits	Nil	Nil
Cash in hand	Nil	Nil
Cash at bank and in hand	**270,469,622**	**110,680,303**

For the purposes of the statement of cash flows, the year-end cash and cash equivalents comprise of the following:

	2021	2020
Cash at bank and in hand	270,469,622	110,680,303
Short term deposits	Nil	Nil
	270,469,622	**110,680,303**

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

16 (a) Financial instruments by category

	Loans and receivables	Total
31 March 2021		
Assets as per statement of financial position		
Trade and other receivables (excluding prepayments)	339,322,035	339,322,035
Cash and cash equivalents (Note 15)	270,469,622	270,469,622
	609,791,657	**609,791,657**

	Other financial liabilities	Total
31 March 2021		
Liabilities as per statement of financial position		
Trade and other payables (excluding statutory liabilities)	59,856,287	59,856,287
	59,856,287	**59,856,287**

	Loans and receivables	Total
31 March 2020		
Assets as per statement of financial position		
Trade and other receivables (excluding prepayments)	402,677,455	402,677,455
Cash and cash equivalents (Note 15)	110,680,303	110,680,303
	513,357,758	**513,357,758**

	Other financial liabilities	Total
31 March 2020		
Liabilities as per statement of financial position		
Trade and other payables (excluding statutory liabilities)	50,400,958	50,400,958
	50,400,958	**50,400,958**

(b) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2021	2020
Trade receivables		
Counterparties without external credit rating		
Group 1	259,941,472	269,487,268
Group 2	76,598,762	130,057,094
Total unimpaired trade receivables	**336,540,234**	**399,544,362**

	2021	2020
Cash at bank		
AA(lka)	244,744,512	89,424,631
AAA(lka)	25,725,109	21,255,672
Total	**270,469,621**	**110,680,303**

- *Group 1 - Fully performing trade receivables (T to T + 3)*
- *Group 2 - Past due and not impaired (More than T to T + 3 but not impaired)*

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

17 Stated capital

	Ordinary shares	
	Number of shares	Value
Issued and fully paid		
At 31 March 2020	1,216,284	12,162,840
At 31 March 2021	**1,216,284**	**12,162,840**

18 Deferred income tax assets

Deferred income taxes are calculated on all temporary differences under the liability method using a tax rate of 24% (2020 - 28%).

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows :

	2021	2020
Deferred tax assets		
- Deferred tax asset to be recovered after more than 12 months	(14,081,292)	(16,537,485)
- Deferred tax asset to be recovered within 12 months	(5,047,116)	(14,777,046)
Deferred tax liabilities		
- Deferred tax liability to be recovered after more than 12 months	Nil	Nil
- Deferred tax liability to be recovered within 12 months	169,623	134,623
Deferred tax liabilities / (assets) - net	**(18,958,786)**	**(31,179,909)**

The gross movement of the deferred tax account is as follows:

	2021	2020
At 1 April 2020	(31,179,909)	(8,426,697)
Charge / (credit) to income statement (Note 10)	12,221,123	(22,753,212)
At 31 March	**(18,958,786)**	**(31,179,909)**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities/(assets)	Accelerated tax depreciation	Retirement benefit obligations	Provision for impairment of receivables	Total
At 1 April 2019	83,071	(2,630,861)	(5,878,906)	(8,426,697)
Charge / (credit) to the income statement	51,552	(13,906,624)	(8,898,140)	(22,753,212)
At 31 March 2020	**134,623**	**(16,537,485)**	**(14,777,046)**	**(31,179,909)**
At 1 April 2020	134,623	(16,537,485)	(14,777,046)	(31,179,909)
Charge / (credit) to the income statement	35,000	2,456,193	9,729,930	12,221,123
At 31 March 2021	**169,623**	**(14,081,292)**	**(5,047,116)**	**(18,958,786)**

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

19 Defined benefit obligations

The amounts recognised in the statement of financial position are determined as follows:

	2021	2020
At 1 April 2020	52,775,166	26,308,616
Payments made during the year	(3,979,392)	Nil
Charge for the year	9,876,274	26,466,550
At 31 March 2021	**58,672,048**	**52,775,166**

20 Trade and other payables

	2021	2020
Trade payables	4,406,783	1,197,913
Payables to related parties (Note 25(d))	55,449,504	49,203,044
Accrued expenses and other payables	59,488,846	117,258,082
	119,345,133	**167,659,039**

Other payables mainly consist of Salary payable amounting to Rs 54,715,965 (31 March 2020 - Rs 60,609,509), EPF/ETF payable amounting to Rs 3,343,629 (31 March 2020 - Rs 18,452,358) and VAT payable amounting to Rs 397,607 (31 March 2020 - Rs 9,880,319) and advance from Customers amounting to Rs 1,062,188 (31 Mar 2020- Rs 25,952,874).

21 Current income tax liabilities

	2021	2020
Balance at 1 April 2020	7,590,103	2,376,977
Provision during the year	26,258,695	40,448,322
Income tax paid	(18,429,416)	(35,235,197)
Balance at 31 March	**15,419,381**	**7,590,103**

22 Cash generated from operations

Reconciliation of profit before income tax to cash generated from operations:

	2021	2020
Profit before income tax	155,655,490	117,342,421
Adjustments for:		
Net finance (income) / expense (Note 9)	(3,976,799)	4,185,811
Depreciation (Note 12)	1,171,619	1,099,323
Defined benefit obligations	9,876,274	(10,000,000)
Changes in working capital		
- (Increase) / decrease in trade and other receivables	63,918,649	(48,563,613)
- Increase / (decrease) in trade and other payables	(48,313,906)	33,268,744
Cash generated from operations	**178,331,326**	**97,332,687**

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

23 Contingent liabilities

There were no material contingent liabilities outstanding at the statement of financial position date.

24 Commitments

Capital commitments

There were no material capital commitments outstanding at the statement of financial position date.

Financial commitments

There were no material financial commitments outstanding at the statement of financial position date.

25 Directors' interests in contracts and related party transactions

(a) The directors' interests in the shares of the Company on the statement of financial position date were as follows:

	Number of shares	
	2021	**2020**
Name of the directors		
Mr. Vijay Sivaram	Nil	Nil
Mr. Guruprasad Srinivasan	Nil	Nil
Mr. Amitabh Jaipuria	Nil	Nil

(b) Key management compensation

Key management includes directors (executive and non executive), and other key management personnel. The compensation paid or payable to key management for employee services is shown here.

	2021	**2020**
Salaries and other short term employee benefits	**Nil**	**Nil**

(c) Receivable from related parties

	2021	**2020**
Receivable from General Manager	Nil	Nil
	Nil	**Nil**

(d) Payable to related parties

	2021	**2020**
Quess Holdings PTE Ltd - Loan amount	50,980,832	46,255,624
- Interest payable	4,468,672	2,947,420
	55,449,504	**49,203,044**

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

25 Directors' interests in contracts and related party transactions (Contd.)

(d) Payable to related parties

Loan is repayable within a period not exceeding twelve (12) months from the date of disbursement. Interest is payale monthly at the Government Bond rate of the country in which the lender is domiciled.

(e) Transactions with related parties

Transactions with related parties	2021	2020
Quess Holdings PTE Ltd		
Proceeds from short term loan	Nil	Nil
Translation of short term loan - Exchange loss	5,109,081	1,860,262
Provision for Interest on short term loan facility	1,137,378	1,073,410
	6,246,459	**2,933,672**

26 Events after the reporting period

No significant events have occurred since the statement of financial position date, which would require adjustments to, or disclosure in the financial statements.

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Company Registration No: 200001010874 (513480 X)

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

REPORTS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31st March 2021.

PRINCIPAL ACTIVITY

The Company is principally engaged as provider of online recruitment solutions, to carry on the activities of employment placement and to carry on the activities of private employment agency to recruit and/to place a worker to another employer. There has been no significant change in this activity during the financial year.

FINANCIAL RESULTS

	RM
Net profit for the financial year after income tax	265,799

DIVIDENDS

The directors did not propose any final dividends for the financial year ended 31st March 2021.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year under review.

ISSUE OF SHARES

The Company did not issue any new shares during the financial year.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to date of the report are:-

Vijay Sivaram
Muhunthan a/l Krishnan
Ramakrishnan Subramanian (Resigned on: 31.3.2021)
Rajesh Kharidehal

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit by reason of a contract made by the Company or by a related corporation with the director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object was to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES

According to the register of directors' shareholdings, required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations were as follows:-

	Number of Ordinary Shares			
	As at 1.4.2020	**Bought**	**Sold**	**As at 31.3.2021**
Muhunthan a/l Krishnan	255,000	-	-	255,000

No other directors in office held any interest in shares of the Company or its related corporation at the end of the financial year.

DIRECTORS'REMUNERATION

No director's remuneration was paid or payable for directors and past directors of the Company during the financial year.

No indemnities have been given or insurance premium paid for director or officers of the Group and Company during the financial year.

ULTIMATE HOLDING COMPANY

The directors regard Quess Corp Limited (Company No: U74140KA2007PLC043909), a company incorporated in India as the ultimate holding company.

HOLDING COMPANY

The directors regard Quesscorp Holdings Pte Ltd (Company No: 201526129N), a company incorporated in Singapore as the holding company.

OTHER FINANCIAL INFORMATION

Before the financial statements of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts have been written off and adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability in respect of the Company which has arisen since the end of the financial year.

No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the directors:

(a) the results of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

Total amount paid to or receivable by auditors as remuneration for their services as auditors is disclosed in Note 14 to the financial statements.

There are no indemnity and insurance purchased for the auditors of the Company during the financial year.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year are disclosed in Note 20 to the financial statements.

AUDITORS

The auditors, Messrs HALS & Associates have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on

Signed in accordance with a resolution of the directors:

VIJAY SIVARAM

MUHUNTHAN A/L KRISHNAN

Directors

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2021

	Note	2021 RM	2020 RM
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment	7	303,168	234,051
Total non-current asset		303,168	234,051
CURRENT ASSETS			
Trade and other receivables	8	3,504,523	5,142,626
Tax recoverable		887,276	860,952
Cash and cash equivalents	9	907,635	611,193
Total current assets		5,299,434	6,614,771
TOTAL ASSETS		5,602,602	6,848,822
EQUITY			
Share capital	10	500,000	500,000
Retained profit		2,727,373	2,461,574
Total equity		3,227,373	2,961,574
CURRENT LIABILITIES			
Trade and other payables	11	1,100,047	1,348,688
Deferred revenue	12	1,275,182	2,538,560
Total current liabilities		2,375,229	3,887,248
TOTAL LIABILITIES		2,375,229	3,887,248
TOTAL EQUITY AND LIABILITIES		5,602,602	6,848,822

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 22.

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2021

	Note	2021 RM	2020 RM
REVENUE	13	4,261,503	6,077,110
Other operating income		113,909	21,491
		4,375,412	6,098,601
Less:			
Administrative expenses		(3,983,017)	(4,758,043)
Profit before taxation	14	392,395	1,340,558
Taxation	15	(126,596)	(169,998)
Profit for the year		265,799	1,170,560

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 22.

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2021

	Share Capital RM	Retained Profit RM	Total Equity RM
Balance at 1st April 2019	500,000	1,291,014	1,791,014
Non-owner changes in equity			
Profit for the year	-	1,170,560	1,170,560
Total comprehensive income for the year	-	1,170,560	1,170,560
Balance at 31st March 2020	500,000	2,461,574	2,961,574
Non-owner changes in equity			
Profit for the year	-	265,799	265,799
Total comprehensive income for the year	-	265,799	265,799
Balance at 31st March 2021	500,000	2,727,373	3,227,373

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 22.

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

	Note	2021 RM	2020 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		392,395	1,340,558
Adjustments for:			
Allowance for doubtful debts		-	14,221
Recovery from doubtful debts		(19,443)	-
Bad debts written off		60,458	23,456
Depreciation		8,586	10,352
Unrealised (gain)/loss on foreign currency		(71,289)	8,265
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		370,707	1,396,852
Decrease/(Increase) in receivables		1,649,062	(2,003,397)
Decrease in payables		(1,492,799)	(426,098)
CASH GENERATED FROM/(USED IN) OPERATIONS		526,970	(1,032,643)
Tax paid		(611,663)	(476,663)
Tax refund		458,743	778,781
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		374,050	(730,525)
CASH FLOW FROM INVESTING ACTIVITY			
Purchase of property, plant and equipment		(77,703)	(231,032)
NET CASH USED IN INVESTING ACTIVITY		(77,703)	(231,032)
Unrealised loss/(gain) in cash and cash equivalents		95	(72,273)
Net increase/(decrease) in cash and cash equivalents		296,347	(961,557)
Cash and cash equivalents at beginning of the year		611,193	1,645,023
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9	907,635	611,193

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 22.

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2021

1. **GENERAL**

The financial statements of the Company are presented in Ringgit Malaysia (RM) which is the Company's functional currency. All financial information is presented in RM.

The Company was incorporated and domiciled in Malaysia as a private company limited by shares. It is resident in Malaysia with its registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur and the principal place of business at Level 8, 1 KYM Tower, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan.

2. **PRINCIPAL ACTIVITY**

The Company is principally engaged as provider of online recruitment solutions, to carry on the activities of employment placement and to carry on the activities of private employment agency to recruit and/to place a worker to another employer. There has been no significant change in this activity during the financial year.

3. **BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") issued by Malaysian Accounting Standards Board's ("MASB") and the provisions of the Companies Act 2016.

4. **AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS**

The financial statements of the Company have been approved by the Board of Directors for issuance on………………………...

5. **BASIS OF PREPARATION**

5.1 **Basis of Measurement**

The financial statements of the Company have been prepared using cost bases (which include historical cost and amortised cost) and fair value bases.

5.2 **Critical Judgements and Estimates Uncertainty**

The preparation of the financial statements in conformity with MPERS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognized in the financial statements other than as disclosed below:-

A. Estimation Uncertainty

(a) **Loss Allowance of Financial Assets**

The Company recognizes impairment losses for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Company's past experience of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Company's financial position and results.

(b) **Depreciation of Property, Plant and Equipment**

The cost of an item of property, plant and equipment is depreciated on the straight line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual value. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

(c) **Measurement of Income Taxes**

Significant judgement is required in determining the Company's provision for current and deferred taxes because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities in each jurisdiction, the amounts might be different for the initial estimates of the taxes payables. Such differences may impact the current and deferred taxes in the period where such determination is made. The Company will adjust for the differences as over or under provision of current or deferred taxes in the current period in which those differences arise.

6. SIGNIFICANT ACCOUNTING POLICIES

(a) Property, Plant and Equipment

(i) Recognition and Measurement

All property, plant and equipment are initially measured at cost.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. The cost of self constructed assets also includes the cost of direct and indirect cost of construction.

For an exchange of non-monetary assets that has a commercial substance, cost is measured by reference to the fair value of the asset received.

All property, plant and equipment are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amounts of property, plant and equipment and is recognized net within "other income" or "other expenses" respectively in profit or loss.

(ii) **Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized to profit or loss. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) **Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. The annual rates used are as follows:-

Computer	3 years
Computer software	3 years
Office equipment	3 years

Software under construction will be depreciated upon completion.

At the end of each reporting period, the residual values, useful life and depreciation method for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

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

The carrying amounts of non-financial assets (ie. property, plant and equipment) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset, if an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and the value in use. The Company determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on: (i) price in a sale agreement, (ii) market price traded in an active market; and (iii) estimate of market price using the best information available. The value in use is estimated by discounting the net cash inflows (by an appropriate pre-tax discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecast cash flows.

An impairment loss is recognized if the carrying amount of an asset or its related cash- generating unit exceeds its estimated recoverable amount.

For an asset measured on a cost-based model, any impairment loss is recognized in profit or loss. For a property, plant and equipment measured on the revaluation model, any impairment loss is treated as a revaluation decrease.

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognized previously may have reversed.

Any reversal of impairment loss for an asset carried at a cost-based model is recognized in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognized previously.

(c) **Financial instruments**

(i) **Initial recognition and measurement**

A financial asset or financial liability is recognised in the statement of financial position when, and only when the Company becomes a party to the contractual provisions of the instruments.

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss, transaction cost are expensed to profit or loss when incurred) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instruments.

(ii) **Subsequent measurement**

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss, and (ii) financial assets at amortised costs.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 6c(v).

After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method.

(iii) **Fair Value Measurement of Financial Instruments**

All other financial assets or liabilities not measured at amortised cost or cost less impairment are measured at fair value with changes recognised in profit or loss.

The fair value is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique.

(iv) **Recognition of Gains and Losses**

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognized in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognized in profit or loss only when the financial asset or financial liability is derecognized or impaired, and through the amortization process of the instruments.

(v) **Impairment and Uncollectibility of Financial Assets**

The Company applies the incurred loss model to recognise impairment losses of financial assets. At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset (except for financial assets measured at fair value through profit or loss) or a group of financial assets is impaired.

An impairment loss is measured as follows:-

* For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

* For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

(vi) **Derecognition**

A financial asset or part of it is derecognized when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of financial asset, the difference between the carrying amount of the financial asset derecognized and the consideration received, including any newly created rights, and obligations, is recognized in profit or loss.

A financial liability or part of it is derecognized when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(d) **Equity instruments**

Ordinary shares classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(e) **Revenue Recognition**

Revenue from services rendered is recognized in profit or loss upon services rendered and acceptance by customers. Revenue spanning more than one financial year is recognised on time apportioned basis over the duration of the services ot be rendered.

(f) **Income Tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is provided by the balance sheet liability method based on all taxable temporary differences by comparing carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax is not recognized if the temporary differences arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time the transaction, affects neither accounting profit nor taxable profits.

Deferred tax is measured at the tax rates that is expected to be applied to the temporary differences when they reverse, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

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

Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

(g) **Cash and Cash Equivalents**

Cash and cash equivalents consists of cash in hand, bank balances, deposits with bank and highly liquid investments with maturing within three months from the date of acquisition which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(h) **Employee Benefits**

(i) **Short term employee benefits**

Short term employee benefits in respect of wages, salaries, social security contributions, paid annual leaves, paid sick leaves, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed in the financial period when employees have rendered their services to the Company.

Bonuses are recognised as an expense when there is a present, legal or constructive obligations to make such payments, as a result of past services provided by employees and when a reliable estimate can be made of the amount of the obligations.

(ii) **Defined contribution plan**

The Company makes contributions to a statutory provident fund and recognise the contribution payable as an expense in the financial year in which the employees render their services. Once the contributions have been paid, the Company have no further payment obligations.

(i) **Currency Conversion**

Transactions denominated in foreign currencies are translated and recorded at the exchange rates prevailing at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currency are retranslated at the rates prevailing at the end of the period (ie. closing rate). Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair value were determined. Non-monetary items that are measured at their historical costs amounts continue to be translated at their respective historical rates and are not retranslated.

All exchange gain or losses, including those arising from translation, are taken up in profit or loss.

7. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:-

2021 Cost:	At 1st April 2020 RM	Addition RM	At 31st March 2021 RM
Computer	97,781	18,160	115,941
Computer software	13,349	-	13,349
Office equipment	1,479	-	1,479
Software under construction	231,032	59,543	290,575
Total	343,641	77,703	421,344

Accumulated Depreciation:	At 1st April 2020 RM	Charge for the year RM	At 31st March 2021 RM	Carrying amount at 31st March 2021 RM	Carrying amount at 31st March 2020 RM
Computer	94,762	8,586	103,348	12,593	3,019
Computer software	13,349	-	13,349	-	-
Office equipment	1,479	-	1,479	-	-
Software under construction	-	-	-	290,575	231,032
Total	109,590	8,586	118,176	303,168	234,051

8. TRADE AND OTHER RECEIVABLES

	2021 RM	2020 RM
Current:		
Trade receivables	384,371	388,856
Other receivables	5,815	146,565
Deposits and prepayments	277,517	44,292
Amount due from related companies	2,897,356	4,600,217
Total at cost	3,565,059	5,179,930
Less:		
Bad debts written off - trade receivables	60,458	17,783
Accumulated impairment losses (**) - trade receivables	78	19,521
	3,504,523	5,142,626

** Movement of impairment losses:

	2021 RM	2020 RM
Balance at beginning of the year	19,521	5,300
Allowance for doubtful debts recognised in profit or loss	-	14,221
Recovery of doubtful debts	(19,443)	-
Balance at end of the year	78	19,521

Other receivables represent non trade advances/loan made and are unsecured, interest free and payable on demand.

Amount due from related companies represent trade balances and non trade advances made and are unsecured, interest free and repayable on demand.

9. CASH AND CASH EQUIVALENTS

	2021 RM	2020 RM
Cash and bank balances	907,635	611,193

10. SHARE CAPITAL

	2021 RM	2020 RM
Issued and fully paid:		
500,000 Ordinary shares	500,000	500,000

The share capital of the Company has no par value. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company.

11. TRADE AND OTHER PAYABLES

	2021 RM	2020 RM
Trade payables	7,912	-
Other payables and accruals	746,194	1,061,386
Amount due to related companies	345,941	287,302
	1,100,047	1,348,688

Amount due to related companies represent loan/advances made and are unsecured, interest free and payable on demand.

12. DEFERRED REVENUE

Deferred revenue represents deferred fees and is recognised as revenue on a time apportionment basis over the remaining period of the respective agreements in line with the services to be rendered.

13. REVENUE

Revenue represents the invoiced value of services rendered net of discounts.

14. PROFIT FROM OPERATIONS

	2021 RM	2020 RM
Profit from operations before taxation is stated after charging/(crediting):-		
Audit fee	15,000	18,045
Employee benefits:-		
- salaries and other benefits	792,425	951,234
- EPF	90,871	71,934
Realised (gain)/loss on foreign exchange	(10,828)	34
Unrealised gain on foreign exchange	(71,289)	(21,491)
Unrealised loss on foreign exchange	-	29,756

15. **TAXATION**

	2021 RM	2020 RM
Current year's provision	111,287	256,000
Under/(Over)provision in prior year	15,309	(86,002)
	126,596	169,998

Income tax is calculated at the Malaysian Statutory tax rate of 24% of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:-

	2021 RM	2020 RM
Profit before taxation	392,395	1,340,558
Taxation at Malaysian Statutory tax rate at 24%	94,175	321,734
Expenses not deductible for tax purposes	33,904	4,536
Income not subject to tax	(17,109)	(71,264)
Under/(Over)provision in prior year	15,309	(86,002)
Deferred tax asset not recognised	317	994
Tax expense for the year	126,596	169,998

The above are subject to the approval of the tax authorities.

16. FINANCIAL INSTRUMENTS

16.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorized as follows:-

(a) Financial assets and financial liabilities measured at amortised cost ("AC").

2021 **Financial assets**	**Carrying Amount** **RM**	**AC** **RM**
Deposits	267,910	267,910
Trade and other receivables	3,227,006	3,227,006
Cash and cash equivalents	907,635	907,635
	4,402,551	4,402,551
Financial liability		
Trade and other payables	1,100,047	1,100,047

2020 **Financial assets**	**Carrying Amount** **RM**	**AC** **RM**
Deposits	35,070	35,070
Trade and other receivables	5,098,334	5,098,334
Cash and cash equivalents	611,193	611,193
	5,744,597	5,744,597
Financial liability		
Trade and other payables	1,348,688	1,348,688

17. RELATED PARTIES

The significant related parties transactions of the Company are disclosed below:-

	2021 RM	2020 RM
a. Entities controlled by the holding company		
Monster India		
- Global revenue transfer from/(to)	(198,986)	529,197
- Professional fee	2,023,937	1,163,240
- Commission paid	28,929	66,911
- General managerial cost	24,537	47,254
- Intersegment sales support	9,508	48,337
- Telecalling service cost	17,335	-
Monster Singapore		
- Global revenue transfer from/(to)	337,008	928,529
- Intersegment sales support	33,701	91,671
Monster Hong Kong		
- Global revenue transfer from/(to)	31,433	57,048
- Intersegment sales support	3,144	5,706
Monster Middle East		
- Global revenue transfer from/(to)	3,859	128,746
- Intersegment sales support	386	12,709
Monster Philippines		
- Global revenue transfer from/(to)	(62,990)	(30,689)
- Intersegment sales support	6,299	1,678
Quessglobal (Malaysia) Sdn Bhd		
- Cost of sales	18,492	12,225

The related parties balances are disclosed in Note 8 and 11 to the financial statements.

18. EMPLOYEES

The number of employees at the end of the financial year are as follows:-

	2021 No.	2020 No.
Directors	4	4
Employees	6	6
	10	10

19. CAPITAL COMMITMENT

	2021 RM	2020 RM
Contracted but not provided for:-		
Software under construction development	-	117,400

20. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 11 March 2020, the World Health Organisation declared the outbreak of a coronavirus ("COVID-19") as a pandemic. COVID-19 is an unprecedented event, which continues to cause a high-level of uncertainty and volatility. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries.

Before these financial statements were made out, the Board of Directors had considered the impact of COVID-19 outbreak in Malaysia, which would have affected the financial position, performance and cash flow of the Company as ended on the reporting date thereon.

The Management concluded that the impact from this COVID-19 outbreak has not significantly affected the fair value of the financial assets/liabilities and non-financial assets of the Company, including the classification of current and non-current items that were presented on the reporting date.

The Company will continuously monitor the impact of COVID-19 and will be taking appropriate and timely measures to minimize the impact of the outbreak on the Company's operational financial performance.

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, MUHUNTHAN A/L KRISHNAN and VIJAY SIVARAM, being two of the directors of AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD., do hereby state that in our opinion, the financial statements set out on pages 5 to 22 are drawn up so as to give a true and fair view of the financial position of the Company as at 31st March 2021 and financial performance of the Company for the financial year ended 31st March 2021 in accordance with the Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated

MUHUNTHAN A/L KRISHNAN

VIJAY SIVARAM

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, MUHUNTHAN A/L KRISHNAN, IC No. 751206-01-5759, being the director primarily responsible for the accounting records and financial management of AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD., do solemnly and sincerely declare that the financial statements set out on pages 5 to 22 of the Company are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in Wilayah Persekutuan on

Before me,

MUHUNTHAN A/L KRISHNAN

COMMISSIONER FOR OATHS

HALS & Associates
Chartered Accountants
AF No: 0755

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Agensi Pekerjaan Monster Malaysia Sdn. Bhd. which comprise the statement of financial position as at 31st March 2021 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 22.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2021 and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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 the directors.

* Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HALS & ASSOCIATES
A.F. 0755
CHARTERED ACCOUNTANTS

Lim Kian Keong
Bil 02043/09/2022 J
Partner

KUALA LUMPUR

DATE:

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

The pages which follow do not

form part of the Statutory

financial statements of the Company

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021

	2021	2020
	RM	RM
REVENUE	4,261,503	6,077,110
Add: OTHER INCOME		
Miscellaneous income	12,349	-
Recovery of doubtful debts	19,443	-
Realised gain on foreign exchange	10,828	-
Unrealised gain on foreign exchange	71,289	21,491
	4,375,412	6,098,601
Less:		
ADMINISTRATIVE EXPENSES (Schedule I)	(3,983,017)	(4,758,043)
PROFIT BEFORE TAXATION	392,395	1,340,558

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31ST MARCH 2021

	2021 RM	2020 RM
Accounting fee	24,920	74,198
Allowance for doubtful debts	-	14,221
Audit fee	15,000	18,045
Bank charges	3,521	14,953
Bad debts written off		
- trade	60,458	17,783
- other	-	5,673
Commission	88,375	270,441
Courier and postage	15	3,817
Depreciation	8,586	10,352
EPF and Socso	90,915	75,555
General expenses	442	620
GST not claimable	-	6
Insurance	4,353	1,926
Intersegment sales support	21,424	154,459
Managerial cost	24,537	47,254
Office maintenance	8,670	38,226
Office internet connection	6,464	34,525
Office rental	118,822	162,419
Penalty	118	6,449
Printing and stationery	2,057	1,148
Professional fee	2,041,273	1,169,603
Promotions and advertisement	82,547	695,988
Realised loss on foreign exchange	-	34
Recruitment fee	907	39,776
Reseller distribution services purchase	601,904	1,037,636
Salaries, bonus and allowances	698,530	659,910
Secretarial fee	483	(635)
Staff refreshment	5,476	17,262
Taxation fee	2,370	21,963
Telephone and fax	67,630	131,631
Travelling expenses	2,720	2,970
Unrealised loss on foreign exchange	-	29,756
Work permit	500	79
	3,983,017	4,758,043

Kumar Jain & Associates

Chartered Accountants

4, 2nd Floor, Sudarshan Complex
3, P.S. Lane, Santhusapet, Chickpet
Bengaluru - 560 053
Tel.: +91-80-4122 2245
www.kumarjain.co.in

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of Quess Corp Limited

We have audited the accompanying financial statements of Quess Services Limited, Bangladesh (hereinafter referred to as "special purpose financial statements"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of Quess Corp Limited (hereinafter referred to as "the Company") based on the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act').

Management's Responsibility for the Special Purpose Financial Statements

Management is responsible for the preparation of these special purpose financial statements in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act'); this includes the design, implementation and maintenance of internal control relevant to the preparation of special purpose of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Kumar Jain & Associates * Bengaluru * Chartered Accountants

Opinion

In our opinion, the special purpose financial statements as at and for the year ended 31 March 2021 are prepared, in all material respects, in accordance with the accounting principles generally accepted in India, including the Ind AS.

Restriction on Distribution and Use

These special purpose financial statements have been prepared for purposes of providing information to Quess Corp Limited to enable it to prepare the consolidated financial statements of the Company as at and for the year ended 31 March 2021. As a result, the financial statements may not be suitable for any other purpose.

for **Kumar Jain & Associates**
Chartered Accountants
Firm registration number: 016717S

Pawan Jain

Pawan Jain
Partner
Membership No.: 228026

Kumar Jain & Associates Bengaluru Chartered Accountants

Place: Bengaluru
Date: 31 May 2021

UDIN: 21228026AAAAFO8482

Quess Services Limited
(A Subsidiary of Quess Corp Limited)
Balance Sheet

(Amount in BDT)

Particulars	Note	31-Mar-2021	31-Mar-2020
ASSETS			
Non-current assets			
Property, plant and equipment		-	-
Capital work-in-progress		-	-
Intangible asset		-	-
Intangible assets under development		-	-
Financial assets			
(i) Investments		-	-
(ii) Non-current loans	3	5,61,000	8,88,250
(iii) Other non-current financial assets		-	-
Deferred tax assets (net)		-	-
Income tax assets (net)	4	90,933	-
Other non-current assets	5	1,70,671	-
Total non-current assets		**8,22,604**	**8,88,250**
Current assets			
Financial assets			
(i) Trade receivables	6	30,88,345	8,78,339
(ii) Cash and cash equivalents	7	2,03,058	31,42,523
(iii) Current loans	8	12,856	6,60,107
(iv) Unbilled revenue	9	18,09,026	7,18,124
Other current assets	10	716	-
Total current assets		**51,14,001**	**53,99,093**
Total assets		**59,36,605**	**62,87,343**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	42,00,000	42,00,000
Other equity	12	(50,88,824)	(27,74,800)
Total equity		**(8,88,824)**	**14,25,200**
Liabilities			
Total non current liabilities		-	-
Current liabilities			
Financial liabilities			
(i) Borrowings		-	-
(ii) Trade payables	13	33,50,742	33,50,742
(iii) Other current financial liabilities	14	23,09,632	11,14,300
Other current liabilities	15	11,65,055	3,97,101
Total current liabilities		**68,25,429**	**48,62,143**
Total Liabilities		**68,25,429**	**48,62,142**
Total Equity and Liabilities		**59,36,605**	**62,87,343**

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Kumar Jain & Associates
Chartered Accountants
Firm's Registration No:016717S

Pawan Jain
Partner
Membership No. 228026

Kumar Jain & Associates Bengaluru Chartered Accountants

Place: Bengaluru
Date: 31 MAY 2021
UDIN: 21228026AAAAFO8482

for and on behalf of Board of Directors of
Quess Services Limited

Lohit Bhatia
Director

Kundan Kumar Lal
Director

Quess Services Limited

Quess Services Limited
(A Subsidiary of Quess Corp Limited)
Statement of Profit and Loss

(Amount in BDT)

Statement of profit and loss	Note	For the year ended 31-Mar-2021	For the period 25- Jun-2019 to 31-Mar-2020
Income			
Revenue from operations	16	3,22,82,772	14,81,897
Total income		**3,22,82,772**	**14,81,897**
Expenses			
Employee benefit expenses	17	3,11,57,199	12,76,259
Other expenses	18	32,45,899	29,71,546
Total expenses		**3,44,03,099**	**42,47,805**
Profit before share of profit of equity accounted investees and income tax to be added before that		**(21,20,327)**	**(27,65,909)**
Share of profit of equity accounted investees (net of income tax)		-	
Profit/(loss) for the Period before tax		**(21,20,327)**	**(27,65,909)**
Tax expense	19		
Current tax		1,93,697	8,891
Adjustments of tax relating to earlier periods		-	-
Income tax expenses		1,93,697	8,891
Profit for the period		**(23,14,024)**	**(27,74,800)**
Total comprehensive income for the period		**(23,14,024)**	**(27,74,800)**
Earnings per equity share (face value of 100 each)	24		
Basic		(55.10)	(85.82)
Diluted		(55.10)	(85.82)

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Kumar Jain & Associates
Chartered Accountants
Firm's Registration No:016717S

Pawanjain

Pawan Jain
Partner
Membership No. 228026

Place: Bengaluru
Date: 31 MAY 2021
UDIN: 21228026AAAAFO8482

Kumar Jain & Associates Bengaluru Chartered Accountants

for and on behalf of Board of Directors of
Quess Services Limited

Lohit Bhatia
Director

Kundan Kumar Lal
Director

Quess Services Limited

Quess Services Limited
(A Subsidiary of Quess Corp Limited)
Statement of Changes in Equity for the year ended 31 March 2021

(Amount in BDT)

Particulars	Share Capital	Other Equity				Total Equity attributable to Equity holders of the Company
		Securities Premium	Retained Earnings	Other Reserves	Other Items of Other comprehensive Income	
Balance as of 1 April 2019	-	-	-	-	-	-
Add: Increase in Share Capital	42,00,000	-	-	-	-	42,00,000
Add: Premium received on Issue of Shares	-	-	-	-	-	-
Add: Profit for the Period	-	-	(27,74,800)	-	-	(27,74,800)
Add: Fair value of financial guarantee received	-	-	-	-	-	-
Less: Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	-	-
Balance as of 31 March 2020	**42,00,000**	-	**(27,74,800)**	-	-	**14,25,200**
Balance as of 1 April 2020	**42,00,000**	-	**(27,74,800)**	-	-	**14,25,200**
Add: Increase in Share Capital	-	-	-	-	-	-
Add: Premium received on Issue of Shares	-	-	-	-	-	-
Add: Profit for the Period	-	-	(23,14,024)	-	-	(23,14,024)
Add: Fair value of financial guarantee received	-	-	-	-	-	-
Less: Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	-	-
Balance as of 31 March 2021	**42,00,000**	-	**(50,88,824)**	-	-	**(8,88,824)**

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Kumar Jain & Associates
Chartered Accountants
Firm's Registration No:016717S

Pawanjain

Pawan Jain
Partner
Membership No. 228026

Kumar Jain & Associates Bengaluru Chartered Accountants

Place: Bengaluru
Date: 31 MAY 2021
UDIN: 21228026AAAAFO8482

For and on behalf of Board of Directors of
Quess Services Limited

Lohit Bhatia
Director

Kundan Kumar Lal
Director

Quess Services Limited

Quess Services Limited
(A Subsidiary of Quess Corp Limited)

Statement of Cash Flows

(Amount in BDT)

	For the Year Ended 31 March 2021	For the period 25-June-2019 to 31-March-2020
Cash flow from operating activities		
Profit / (Loss) for the year	(23,14,024)	(27,74,800)
Adjustments for:		
Depreciation and amortisation	-	-
Finance costs	-	-
Operating cash flows before working capital changes	**(23,14,024)**	**(27,74,800)**
Working capital adjustments:		
Changes in:		
Loans, other financial assets and other assets	8,03,115	(15,48,357)
Trade receivables and unbilled revenue	(33,00,908)	(15,96,462)
Trade payables and other financial liabilities	11,95,332	44,65,042
Other liabilities and provisions	7,67,954	3,97,101
Cash generated from operations	**(28,48,531)**	**(10,57,477)**
Direct taxes paid, net of refund	(90,933)	-
Net cash (used in) / provided by operating activities (A)	**(29,39,464)**	**(10,57,477)**
Cash flows from financing activities		
Proceeds from/ (repayment of) borrowings	-	-
Finance costs paid	-	-
Proceeds from issue of equity shares, net of issue expenses	-	42,00,000
Lease Liability Paid	-	
Net cash (used in) / provided by financing activities (C)	-	**42,00,000**
Net increase in cash and cash equivalents (A+B+C)	(29,39,464)	31,42,523
Cash and cash equivalents at the beginning of the year	31,42,523	-
Cash and cash equivalents at the end of the year (refer note 6)	**2,03,058**	**31,42,523**

As per our report of even date attached
for Kumar Jain & Associates
Chartered Accountants
Firm's Registration No:016717S

Kumar Jain & Associates Bengaluru Chartered Accountants

Pawan Jain
Partner
Membership No. 228026

Place: Bengaluru
Date: 31 MAY 2021
UDIN: 21228026AAAAF08482

for and on behalf of Board of Directors of
Quess Services Limited

Lohit Bhatia
Director

Kundan Kumar Lal
Director

Quess Services Limited

Quess Services Limited
(A Subsidiary of Quess Corp Limited)

Notes to the Financial Statements for the year ended 31 March 2021
(Amount in BDT , unless otherwise stated)

1 Corporate Information/Background:

Quess Services Limited (the 'Company') was formed and incorporated with the Registrar of Joint Stock Companies and Firms, Bangladesh on 25 June 2019 under the Companies Act 1994 as a private limited company limited by shares vide Registration no: C-152770/2019. The address of the registered office of the company is Ambon Complex (6th Floor), 99, Mohakhali C/A, Dhaka, PO : 1212, Bangladesh.

2.0 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)

ii) Asset classified as held for sale

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

(c) Use of estimates & judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Income taxes: Significant judgments are involved in determining the provision of income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

ii) Impairment of financial assets: The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost.

iii) Property, plant and equipment: : The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

iv) Other estimates: The impairment of non-financial assets involves key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets.

2.3 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Bangladesh Taka (BDT),

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

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

2.4 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:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

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

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

Kumar Jain & Associates Bengaluru Chartered Accountants

Quess Services Limited

2.5 Revenue Recognition

Revenue from Services

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration it expects to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognised as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation. Certain arrangements are on time and material basis and are recognised as the services are performed as per the terms of the arrangement with the customer.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

Revenue recognized in excess of billing are classified as contract assets (referred to as "Unbilled revenue"); while, billing in excess of revenue recognized is classified as contract liabilities (referred to as "Unearned/Unmatured revenues").

'Unearned/unmatured revenues' are included in other current liabilities.

Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

However, in case of interest income from short term financial assets such as term deposits, Interest income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Note: In case of interest income that may raise on refunds due from statutory authorities, income is recognised in the year of actual receipt of such interest on cash basis.

2.6 Taxes

Tax expense for the year, comprising of current tax, is included in the determination of the net profit or loss for the year. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Ordinance, 1984.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.7 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programmed to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

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2.10 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.11 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short- term deposits net of bank overdraft.

2.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/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 Company are segregated.

2.13 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.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

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

a) at amortized cost; or

b) at fair value through other comprehensive income (FVTOCI); or

c) at fair value through profit or loss (FVTPL).

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

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12- month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL. However, in case of trade receivables, in line with group policy, ECL measured at past 6 quarter average is used subject to any other estimate as deemed appropriate by the management.

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Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 180 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as expense/income in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

In addition to ECL, managaement also ealuating receivables at each level for credit risk and may consider same for impairment of such financial asset in full or part thereof.

The loss allowance for expected credit losses on the financial assets is considered at higher of ECL Model or Management estimate.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

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

(c) Offsetting financial instruments

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

2.14 Employee Benefits

(a) Short-term obligations

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

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: No contribution made during the F.Y 20-21

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Bangladesh Labour Act 2006 (as amended in 2013 & 2018). The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary.

2.15 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.17 Segment Reporting

The director of the company has been identifed has the Chief Operating Decision Maker (CODM) as identified by Ind AS 108, Operating Segments. The company is in the business of Professional Staffing and is considered as the only reportable segment taking into account the nature of the business,the organization structure,internal reporting structure and risk and rewards.(Refer note 27)

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(Amount in BDT)

3 Non current loans

Particulars	31-Mar-21	31-Mar-20
Unsecured, considered good		
Security deposits	5,61,000	8,88,250
Loans to employees	-	-
	5,61,000	**8,88,250**

4 Income tax assets (net)

Particulars	31-Mar-21	31-Mar-20
Advance income tax (Net of Provision for Taxes of Tk.193,697/-)	90,933	-
	90,933	**-**

5 Other non-current assets

Particulars	31-Mar-21	31-Mar-20
Balances with government authorities	1,70,671	-
	1,70,671	**-**

6 Trade receivables

Particulars	31-Mar-21	31-Mar-20
Unsecured		
Considered good	30,88,345	8,78,339
	30,88,345	**8,78,339**

7 Cash and cash equivalents

Particulars	31-Mar-21	31-Mar-20
Cash and cash equivalents		
In current accounts	2,03,058	31,42,523
Cash and cash equivalents in balance sheet	**2,03,058**	**31,42,523**

8 Current loans

Particulars	31-Mar-21	31-Mar-20
Loans to employees	12,856	6,60,107
	12,856	**6,60,107**

9 Unbilled revenue

Particulars	31-Mar-21	31-Mar-20
Unbilled revenue	18,09,026	7,18,124
Less: Provision for impairment of unbilled revenue	-	-
	18,09,026	**7,18,124**

10 Other current assets

Particulars	31-Mar-21	31-Mar-20
Advances other than capital advances		
Advances to suppliers	716	-
	716	**-**

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11 Share capital

Particulars	31-Mar-21	31-Mar-20
Authorised		
500,000 equity shares of par value of Tk 100 each	5,00,00,000	5,00,00,000
	5,00,00,000	**5,00,00,000**
Issued, subscribed and paid-up		
42,000 equity shares of par value of Tk 100 each, fully paid up	42,00,000	42,00,000
	42,00,000	**42,00,000**

12 Other equity*

Particulars	31-Mar-21	31-Mar-20
Retained earnings	(50,88,824)	(27,74,800)
	(50,88,824)	**(27,74,800)**

*For detailed movement of reserves refer Statement of changes in Equity

13 Trade payables

Particulars	31-Mar-21	31-Mar-20
Trade payables	33,50,742	33,50,742
	33,50,742	**33,50,742**

Refer note 25 for related party disclosures

14 Other current financial liabilities

Particulars	31-Mar-21	31-Mar-20
Provision for expenses	8,21,850	3,74,000
Accrued salaries and benefits	14,87,782	7,40,300
	23,09,632	**11,14,300**

15 Other current liabilities

Particulars	31-Mar-21	31-Mar-20
Balances payable to government authorities	11,65,055	3,97,101
	11,65,055	**3,97,101**

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(Amount in BDT)

16 Revenue from operations

Particulars	For the year ended 31 March 2021	For the period 25- Jun-2019 to 31-Mar-2020
Sale of services	3,22,82,772	14,81,897
Total	**3,22,82,772**	**14,81,897**

17 Employee benefits expense

Particulars	For the year ended 31 March 2021	For the period 25- Jun-2019 to 31-Mar-2020
Salaries and wages	3,11,52,299	12,76,259
Staff welfare expenses	4,900	-
	3,11,57,199	**12,76,259**

18 Other expenses

Particulars	For the year ended 31 March 2021	For the period 25- Jun-2019 to 31-Mar-2020
Legal and professional fees	4,95,869	-
Travelling and conveyance	10,645	14,688
Rent	19,32,700	15,05,350
Communication expenses	87,001	7,310
Foreign exchange loss, net	31,916	-
Bank charges	21,180	3,855
Printing and stationery	29,777	47,315
Power and Fuel	1,49,976	-
Miscellaneous expenses	1,13,171	3,90,318
Courier and postage	-	3,600
Core employee salary	-	9,09,849
Rates and taxes	3,73,664	89,261
	32,45,899	**29,71,546**

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Note : 19

(Amount in BDT)

A. **Reconciliation of effective tax rate**

Particulars	Tax Rate %	As at 31 March 2021	As at 31 March 2020
Profit before tax		(21,20,327)	(27,65,909)
Tax using company's domestic tax rate	32.50%	-	-
Minimum Tax @0.6% of gross receipts		1,93,697	8,891
Effective tax rate	**0.00%**	**1,93,697**	**8,891**
Total income tax expense	**0.00%**	**1,93,697**	**8,891**

The tax rates under the Income Tax Ordinance1984 , for the year ended March 31, 2021 is 32.50%
As per Income Tax Ordinance, 1984 under section 82C Minimum Tax, the Company is required to pay Corporation tax @0.60% on their gross receipt which is irrespective of its profit or loss during the year . Accordingly, the Company has provided for 0.60% of gross reciepts during the year as taxes.

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Notes to the financial statements for the year ended 31 March 2021

20 Financial instruments - fair value and risk management
Accounting classification and fair value
The following table shows the carrying amount and fair value of financial assets and financial liabilities:

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

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(Amount in BDT)

Particulars	Carrying amount		Fair value		
	31-Mar-21	31-Mar-20	Level 1	Level 2	Level 3
Financial assets					
Amortised cost					
Trade receivable	30,88,345	8,78,339	-	-	-
Cash and cash equivalents	2,03,058	31,42,523	-	-	-
Loans	5,73,856	15,48,357	-	-	-
Total financial assets	**38,65,259**	**55,69,220**	-	-	-

Particulars	Carrying amount		Fair value		
	31-Mar-21	31-Mar-20	Level 1	Level 2	Level 3
Financial liabilities					
Amortised cost					
Loans and borrowings	-		-	-	-
Trade payables	33,50,742	33,50,742	-	-	-
Other liabilities	23,09,632	11,14,300	-	-	-
Total financial liabilities	**56,60,374**	**44,65,042**	-	-	-

Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference shares included in level 3.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

A Financial Assets:

1) Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B Financial Liabilities:

1) **Borrowings**: It includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

2) **Finance lease obligations:** The fair value of obligations under finance leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

3) **Trade payables and other liabilities:** Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

4) **Financial liability:** The fair value of financial liability has been determined by discounting consideration payable on commitment to sell. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of this put option.

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21 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Board of Directors of Bangladesh Quess Services Limited has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customer. However, the management also considers the factors that may influence the credit risk of its customer base.
The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.
The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Liquidity risk

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

As at 31 March 2021

Particulars	Carrying amount	Contractual cash flows	
		Less than 1 year	1-2 years
Borrowings	-	-	-
Trade payables	33,50,742	33,50,742	-
Other financial liabilities	23,09,632	23,09,632	-

Market risk

Market risk is the risk that changes in market prices ,will affect company's income or value of its holding of instruments. Market risk is attributable to all market risk sensitive financial instruments including payables and long term debt. Since the major Customer is primarily based in India, Company's exposure to market risk is significantly lower.

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 borrowing as at 31st March 2021 comprises only of Loan from entity having Interest which is at a Fixed Interest rate.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:-

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	-	-

22 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

The capital structure is as follows :-

Particulars	As at 31 March 2021	As at 31 March 2020
Gross debt	-	-
Less: Cash and cash equivalents	2,03,058	31,42,523
Adjusted net debt	(2,03,058)	(31,42,523)
Total equity	(8,88,824)	14,25,200
Less: Effective portion of cash flow hedges and cost of hedging	-	-
Total equity	(8,88,824)	14,25,200
Net debt to equity ratio	**0.23**	**(2.20)**

Kumar Jain & Associates Bengaluru Chartered Accountants

Quess Services Limited

Quess Services Limited
(A Subsidiary of Quess Corp Limited)
Notes to the financial statements for the year ended 31 March 2021

23 Revenue from Contracts with customers

(i) Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Invoicing in excess of earnings if any are classified as unearned revenue. The company does have not have any Unbilled /unearned revenue as at the reporting date.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in BDT)

Particulars	**As at 31 March 2021**	**As at 1 April 2020**
Receivables, which are included in 'Trade and other receivables'	30,88,345	8,78,339
Contract assets (Unbilled revenue)	-	-
Contract liabilities (Unearned revenue & Advance r'd from customers)	-	-

Kumar Jain & Associates * Bengaluru * Chartered Accountants

Quess Services Limited

Quess Services Limited
(A Subsidiary of Quess Corp Limited)
Notes to the financial statements for the year ended 31 March 2021

24 Earnings per share

Particulars	As at 31 March 2021	As at 31 March 2020
Nominal value of equity shares (amount per share)	100	100
Net profit after tax for the purpose of earnings per share	(23,14,024)	(27,74,800)
Weighted average number of shares used in computing basic earnings per share	42,000	42,000
Basic earnings per share	**(55.10)**	**(85.82)**
Weighted average number of shares used in computing diluted earnings per share	-	-
Diluted earnings per share	**(55.10)**	**(85.82)**

25 Related party disclosures

(i) Name of related parties and description of relationship:

- Entity having Interest in the Company	Quess Corp Ltd
- Entity having significant influence	Fairfax Financial Holdings Limited Fairfax (US) Inc. HWIC Asia Fund Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (upto 6 December 2019) Fairfax (US) Inc. National Collateral Management Services Limited
- Fellow subsidiaries	MFX Infotech Private Limited Aravon Services Private Limited1 Brainhunter Systems Ltd. Mindwire Systems Limited Quess (Philippines) Corp. Quess Corp (USA) Inc. Quesscorp Holdings Pte. Ltd. Quess Corp Vietnam LLC Quessglobal (Malaysia) SDN. BHD. Quess Corp Lanka (Private) Limited Comtel Solutions Pte. Ltd. MFXchange Holdings, Inc. MFXchange US, Inc. MFX Chile SpA Dependo Logistics Solutions Private Limited Excelus Learning Solutions Private Limited Conneqt Business Solution Limited Vedang Cellular Services Private Limited Golden Star Facilities and Services Private Limited Comtelpro Pte. Limited. Comtelink Sdn. Bhd Monster.com (India) Private Limited Monster.com.SG PTE Limited Monster.com HK Limited Agensi Pekerjaan Monster Malaysia SDN. BHD. Quesscorp Management Consultancies Quesscorp Manpower Supply Services LLC Qdigi Services Limited Greenpiece Landscapes India Private Limited Simpliance Technologies Private Limited Allsec Technologies Limited Allsectech Inc., USA Allsectech Manila Inc., Philippiness Retreat Capital Management Inc., USA Trimax Smart Infraprojects Private Limited Quess Corp Services Terrier Security Quess East Bengal FC Private Limited
- Associates of Holding Company	Heptagon Technologies Private Limited Quess Recruit, Inc. Agency Pekerjaan Quess Recruit SDN. BHD. Stellars Log Technovation Private Limited
- Joint Venture of Holding Company	Himmer Industrial Services (M) Sdn Bhd
- Entity having common directors	Net Resources Investments Private Limited Isaac Enterprises Private limited Go Digit Infoworks Service Private Limited Go Digit General Insurance Limited

Kumar Jain & Associates Bengaluru Chartered Accountants

Quess Services Limited

Quess Services Limited
(A Subsidiary of Quess Corp Limited)
Notes to the financial statements for the year ended 31 March 2021

Key Managerial Personnel of the reporting entity

Lohit Bhatia	Director
Kundan Kumar Lal	Director

(ii) Related party transactions

(Amount in BDT)

Particulars	As at 31 March 2021	As at 31 March 2020
Revenue from operations		
Quess Corp Ltd	71,14,484	-
Payments made by related parties on behalf of the Company		
Quess Corp Ltd	-	33,50,742

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Payables		
Quess Corp Ltd	33,50,742	33,50,742
Trade Receivables		
Quess Corp Ltd	81,854	-

Terms and conditions
All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

26 Post Employment benefit

The Company operates the following post-employment defined benefit plan:
Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Bangladesh Labour Act 2006 (as amended in 2013 & 2018). The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary.

27 Segment Reporting
The director of the company has been identifed has the Chief Operating Decision Maker (CODM) as identified by Ind AS 108, Operating Segments. The company is in the business of Professional Staffing and is considered as the only reportable segment taking into account the nature of the business,the organization structure,internal reporting structure and risk and rewards.
Geographic Inforamtion
The geographical information analyses the Company's revenue by the Company's country of domicile (i.e. Bangladesh) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers

Geographic Inforamtion	For the year ended 31 March 2021	For the period 25 June 2020 31 March 2020
	Revenue	Revenue
Bangladesh	2,51,68,288	14,81,897
India	71,14,484	-

28 Comparability with previous period

Previous year figures are reclassified/ regrouped wherever necessary.

29 Impact on COVID

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

for Kumar Jain & Associates
Chartered Accountants
Firm's Registration No:016717S

Pawanjain

Pawan Jain
Partner
Membership No. 228026

Place: Bengaluru
Date: 31 MAY 2021
UDIN: 21228026AAAAFC8482

Kumar Jain & Associates Bengaluru Chartered Accountants

for and on behalf of Board of Directors of
Quess Services Limited

Lohit Bhatia
Director

Kundan Kumar Lal
Director

Quess Services Limited

BRAINHUNTER SYSTEMS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

BRAINHUNTER SYSTEMS LTD.

MARCH 31, 2021

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of:
Brainhunter Systems Ltd.

Opinion

We have audited the financial statements of Brainhunter Systems Ltd. (the Company), which comprise the balance sheet as at March 31, 2021, and the statements of income, deficit, and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are prepared, in all material respects, in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Canadian generally accepted auditing standards 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 financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

KNAV Professional Corporation

KNAV Professional Corporation
Chartered Professional Accountants

Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Toronto, Ontario
May 10, 2021

BRAINHUNTER SYSTEMS LTD.

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

	2021	2020
ASSETS		
Current		
Cash and cash equivalents (note 3)	$ 1,445,797	$ 2,263,614
Accounts receivable	5,275,581	9,238,702
Prepaid expenses	177,519	172,127
	6,898,897	11,674,443
Non-Current		
Deposits	12,581	37,849
Deposits with government authorities (note 13)	642,741	642,741
Future income tax recoverable (note 9)	453,147	480,787
Investments (note14)	5,001,375	5,001,375
Property and equipment (note 4)	702,713	846,878
Intangibles (note 5)	541,912	393,202
	7,354,469	7,402,832
	$ 14,253,366	$ 19,077,275
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 7)	$ 3,967,427	$ 5,978,733
Due to affiliated parties current portion (note 8)	1,246,756	2,244,148
Deferred revenue	209,933	84,223
Deferred leasehold inducement	295,116	339,300
Income tax payable (note 9)	78,016	284,016
	5,797,248	8,930,420
Non-Current		
Due to affiliated parties (note 8)	6,532,905	9,277,093
	12,330,153	18,207,513
SHAREHOLDER'S EQUITY		
Capital stock (note 10)	7,224,655	7,224,655
Deficit	(5,301,442)	(6,354,893)
	1,923,213	869,762
	$ 14,253,366	$ 19,077,275

Approved:_______________________________________

See accompanying notes.

BRAINHUNTER SYSTEMS LTD.

CONSOLIDATED STATEMENT OF INCOME AND DEFICIT

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
Revenue	$ 47,800,765	$ 53,664,470
Cost of sales	40,794,442	45,352,680
Gross margin	7,006,323	8,311,790
Expenses		
Salaries and benefits	3,800,947	4,523,176
Selling, general, and administrative	985,010	1,073,603
	4,785,957	5,596,779
Income before the undernoted items	2,220,366	2,715,011
Gain (loss) on foreign exchange	(69,783)	257,892
Interest expense (notes 6 and 8)	(418,769)	(591,067)
Financing costs	-	(173,847)
Depreciation of property and equipment (note 4)	(229,919)	(216,206)
Amortization of intangibles (note 5)	(201,698)	(76,334)
Income before income taxes	1,300,197	1,915,449
Income taxes		
Current (note 9)	219,106	293,635
Future (note 9)	27,640	28,906
	246,746	322,541
Net income	1,053,451	1,592,908
Deficit, beginning of year	(6,354,893)	(7,947,801)
Deficit, end of year	$ (5,301,442)	$ (6,354,893)

See accompanying notes.

BRAINHUNTER SYSTEMS LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
Cash flows from (used in) operating activities		
Net income	$ 1,053,451	$ 1,592,908
Adjustments for:		
Future income tax recoverable	27,640	28,906
Depreciation of property and equipment (note 4)	229,919	216,206
Amortization of intangibles (note 5)	201,698	76,334
Accrued interest on loans from related parties	32,159	41,250
	1,544,867	1,955,604
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	3,963,121	601,221
Decrease (increase) in prepaid expenses	(5,391)	(119,407)
Increase (decrease) in accounts payable and accruals	(2,011,305)	(420,008)
Increase (decrease) in income taxes payable	(206,001)	(14,365)
Increase (decrease) in deferred leasehold inducement	(44,184)	173,711
Increase (decrease) in deferred revenue	125,711	(32,370)
	3,366,818	2,144,386
Cash flows from (used in) investing activities		
Purchase of property and equipment	(85,755)	(111,215)
Deposits with government authorities	-	(28)
Deposits	25,268	32,105
Investments	-	(4,991,865)
Intangibles	(350,408)	(346,842)
	(410,895)	(5,417,845)
Cash flows from (used in) financing activities		
Loans from (to) affiliated parties	(3,773,740)	13,903,086
Bank indebtedness (note 6)	-	(9,399,970)
	(3,773,740)	4,503,116
Increase (decrease) in cash and cash equivalents	(817,817)	1,229,657
Cash and cash equivalents, beginning of year	2,263,614	1,033,957
Cash and cash equivalents, end of year	$ 1,445,797	$ 2,263,614
Supplemental cash flow information		
Interest paid	$ 386,610	$ 549,817
Income taxes paid	$ 425,107	$ 308,000

See accompanying notes.

BRAINHUNTER SYSTEMS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

1. Nature of operations:

The operations of Brainhunter Systems Ltd. (the "Company") primarily consists of consulting, solutions and services in the information technology and engineering sectors. The Company was incorporated on October 2, 2009 under the Ontario Business Corporations Act.

Pursuant to a share purchase agreement dated September 17, 2014, Quess Corp Limited ("Quess" or the "Parent"), acquired 7,000,100 common shares of Zylog Systems (Canada) Ltd. Simultaneously, 7,300,000 shares were issued to Quess Corp (USA) Inc. Subsequent to the acquisition described above, the Company changed its legal name to Brainhunter Systems Ltd.

Pursuant to a unanimous shareholders agreement dated March 31, 2019, Quess Corp (USA) Inc. converted debt of $2,710,153 into 22,542,531 common shares of the Company.

Pursuant to a share exchange agreement dated April 1, 2019, Quess Corp (USA) Inc. agreed to transfer 29,842,531 common shares, in the capital of the Company, to MFXchange Holdings Inc. (a Quess Corp North America holding company).

2. Significant accounting policies:

a. Basis of presentation:

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for private enterprises ("ASPE"), and are presented in Canadian dollars, which is the Company's functional currency. The consolidated financial statements include all the accounts of the Company and its wholly owned subsidiary. Mindwire Systems Ltd. All intercompany transactions and balances have been eliminated upon consolidation.

b. Property and equipment:

Property and equipment are recorded at cost. Amortization is provided annually on a straight-line basis over their estimated useful lives using the following annual rates:,

Computer equipment	30%
Office furniture and fixtures	20%
Computer software	100%
Leasehold improvements	Term of lease

c. Revenue recognition:

Revenue is generated from information technology and engineering staffing and consulting services.
Revenue from staffing services includes temporary and permanent placement fees. Revenue from temporary placement fees are recognized once the services have been rendered, collection is reasonably assured, and all significant obligations have been fulfilled. Revenue from permanent placement fees are based on a percentage of annual salaries and are recognized once the employees have been placed, collection is reasonably assured, and all significant obligations have been fulfilled.

2. Significant accounting policies (continued):

The Company enters into contracts with customers to complete software consulting projects. Customer billings are prepared monthly based on hours worked and agreed rates, at which time revenue is recognized. To a significantly lesser degree, certain other contracts are fixed price, for which revenue is recorded monthly using the percentage-of-completion basis, whereby revenue is recorded at the estimated net realizable value of the work completed to date.

The Company earns revenue from software licenses for in-house developed software that is deferred and recognized over the term of the license. Software customization revenue is recognized in the year the customization is completed.

d. Deferred financing costs:

Financing costs relating to the long-term debt and bank indebtedness are deferred and amortized using the effective interest method over the expected term of the corresponding loans. As the loans are repaid, the corresponding financial costs are charged to net income. Deferred financing costs are presented under bank indebtedness and long-term debt in the consolidated balance sheet and the related amortization under financing costs in the consolidated statement of operations and deficit.

e. Income taxes:

The Company accounts for income taxes using the liability method of tax allocation. Under this method, future income tax assets and liabilities are determined by reference to the temporary differences between carrying values and the tax basis of assets and liabilities. The future income tax assets or liabilities are measured using the income tax rates and laws that are anticipated to apply when these differences are expected to be recovered or settled. Future income tax assets are recognized to the extent that realization of such benefits are considered more likely than not. The effect on future income tax assets and liabilities of a change in income tax rates is recognized into net income in the year that includes the enactment date.

f. Management plans :

The operation of the company has improved since the prior year and projections for the future are favorable, so it is anticipated that the company will continue without any assistance. Consequently, the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The management has prepared future projections supported by business plans and contracted agreements supporting its sales. Further the Company has been generating positive operating cash flows in the current year and previous year. The Company also has been regular in its payment of bank debt and related party debt. As a result, these consolidated financial statements have been prepared on the basis that the Company will continue to be a going concern and has therefore continued to apply the going concern basis of accounting to the consolidated financial statements.

2. Significant accounting policies (continued):

g. Use of estimates:

The preparation of consolidated financial statements in conformity with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(i) Allowance for doubtful accounts:

The Company makes a provision to allow for potentially uncollectible amounts owed from customers. The allowance is reviewed by management periodically based on an analysis of the age of the outstanding accounts receivable. At March 31, 2021, an allowance of $62,312 (2020 - $57,630) has been included in the consolidated balance sheet.

(ii) Accrued liabilities:

Accrued liabilities, including those pertaining to commissions, bonuses and professional fees are established by management based on their best estimate of the actual obligation. Management believes that the estimates used in establishing these accrued liabilities are accurate.

(iii) Impairment of assets:

Property and equipment, goodwill and intangible assets are tested for impairment for each business unit should an event or circumstance indicate that their fair value has fallen below their carrying value. Should any negative variances occur in the comparison, an impairment representing the excess is made to the goodwill and then to intangible assets.

(iv) Income taxes:

The Company estimates its Canadian federal income taxes based on interpretation of tax rules and regulations. The Company is also subject to audits from the Canada Revenue Agency and the outcome of such audits may differ from original estimates. Management believes that a sufficient amount has been accrued for income taxes.

h. Foreign currency translation:

Monetary assets and liabilities of the Company that are denominated in foreign currencies are translated into Canadian dollars at the rates of exchange prevailing at the consolidated balance sheet date. Property and equipment and related amortization are translated at rates prevailing at the dates of acquisition. Revenue and expenses, other than amortization, are translated at the average rate of exchange in effect during the month that the transaction occurred. All exchange gains and losses are recognized in the current year's net income.

2. Significant accounting policies (continued):

i. Intangible assets and goodwill:

The Company classifies intangible assets, obtained through acquisitions or developed internally, as definite-lived and indefinite-lived intangible assets, as well as goodwill. Definite-lived intangibles are amortized on a straight-line basis over the asset's useful life while indefinite-lived intangibles and goodwill are not amortized but are tested for impairment annually, or more frequently, if events or circumstances indicate that they might be impaired. The impairment test consists of allocating indefinite-lived intangibles and goodwill to reporting units and then comparing the book value of the reporting units, including indefinite-lived intangibles and goodwill, to their fair values. The Company determines fair value by using discounted future cash flows for reporting units. The excess of carrying value over fair value, if any, is recorded as an impairment charge to the consolidated statement of operations and deficit in the year in which the impairment is determined. Subsequent reversals of impairment are prohibited.

j. Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months from the date of acquisition.

k. Related party transections:

Monetary-related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

3. Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months from the date of acquisition.

	2021	2020
Cash	$ 1,445,797	$ 2,263,614

At year end, the carrying value of cash and cash equivalents approximated fair market value due to the short-term nature of the investments.

4. Property and equipment

	2021			2020
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	$ 1,167,028	$ 1,158,262	$ 8,766	$ 19,108
Office furniture and fixtures	483,901	427,967	55,934	94,107
Computer software	373,461	350,896	22,565	31,629
Leasehold improvements	1,259,810	644,362	615,448	702,034
	$ 3,284,200	$ 2,581,487	$ 702,713	$ 846,878

The depreciation of property and equipment totaled $ 229,919 in 2021 (2020 - $ 216,206).

5. Intangibles

	2021	2020
Cost	$ 823,449	$ 473,041
Accumulated amortization	(281,537)	(79,839)
	$ 541,912	$ 393,202

During the year $ 350,408 (2020 - $ 346,842) was capitalized as intangibles, which consist of Mobile enabled Enterprise Collaboration App of $203,236 (2020 - $308,595) and Facelift of Talentflow ATS application of $147,171 (2020 - $38,247), which will seamlessly connect with the Company's ecosystem consisting of employees, clients, consultants, vendors, and job seekers.

Management has estimated a useful life of 3 years and is amortizing it over that term accordingly. The amortization of intangibles totaled $ 201,698 in 2021 (2020 - $ 76,334).

6. Bank indebtedness

On October 15, 2015, the Company completed the refinancing of its prior credit facility with ICICI Bank of Canada and signed an amendment to its working capital credit facility agreement. The outstanding bank indebtedness was refinanced to include the following two facilities: (a) a $4,000,000 term loan facility and (b) a $6,700,000 working capital facility. Interest on the term loan facility was payable quarterly at a rate of 2.50% plus CDOR per annum, increasing by 0.25% per annum commencing six months from the date of the refinancing and, thereafter, at the beginning of each subsequent three-month period. Quarterly principal repayments on the term loan facility of $333,000 commenced on December 1, 2016. Interest on the working capital facility was payable monthly at a rate of 2.25% plus CDOR per annum, increasing by 0.25% per annum commencing six months from the date of the refinancing and, thereafter, at the beginning of each subsequent three-month period. The working capital facility must be repaid 12 months after the date of the refinancing unless extended by ICICI Bank of Canada.

On November 10, 2016, the Company amended its existing facility with ICICI Bank of Canada. As part of the amendment, the term for the working capital facility was extended to January 31, 2017. Under the amendment, interest on the working capital facility is payable monthly at a rate of 2.25% plus CDOR per annum and interest on the term loan is payable quarterly at a rate of 2.5% plus CDOR per annum.

On May 30, 2017, the Company amended its existing facility with ICICI Bank of Canada. As part of the amendment, the term for the working capital facility was extended from January 31, 2017 to January 31, 2018.

On July 25, 2017, the Company amended its existing facility with ICICI Bank of Canada. As part of the amendment, working capital facility limit was increased to $8,800,000. Under the amendment, interest on the working capital facility is payable monthly at a rate of 3.00% plus CDOR per annum and interest on the term loan is payable quarterly at a rate of 3.75% plus CDOR per annum.

On January 31, 2018, the Company amended its existing facility with ICICI Bank of Canada. As part of the amendment, the term for the working capital facility was extended from January 31, 2018 to July 31, 2018.

On July 31, 2018, the Company amended its existing facility with ICICI Bank of Canada. As part of the amendment, the term for the working capital facility was extended from August 1, 2018 to July 31, 2019.

On August 25, 2018 there was an amendment to the agreement of Facility A (Term Loan) to extend the termination date to September 1, 2021. There was also an amendment in the repayment schedule requiring the company to pay $100,000 at quarterly intervals starting September 1, 2018.

On July 31, 2019, the Company amended its existing facility with ICICI Bank of Canada. As part of the amendment, the term for the working capital facility was extended from August 1, 2019 to October 31, 2019.

6. Bank indebtedness (Continued):

There were no events of default under the ICICI Bank of Canada term loan and working capital facilities agreement as at November 22, 2019.

On November 22, 2019 a term loan and facilities agreement was executed between ICICI Bank of Canada and MFXchange Holdings Inc., the parent company, and its subsidiaries and other related companies whereby the existing facility with ICICI Bank of Canada was assigned to MFXchange Holdings Inc. (note 8). The loan is secured by a general security arrangement and has been guaranteed by Brainhunter Systems Limited and its subsidiary Mindwire Systems Limited amongst other guarantors.

The outstanding bank indebtedness was refinanced to include the following two facilities: (a) a $7,500,000 term loan facility and (b) a $12,500,000 working capital facility. Both of these facilities were utilized by MFXchange Holdings Inc. and its subsidiaries.

During the year ended March 31, 2021, the Company recognized $NIL (2020 - $340,875) in interest expense on the facilities.

7. Accounts payable and accrued liabilities:

	2021	2020
Trade and accrued liabilities	$ 3,777,863	$ 5,792,506
Salaries and commissions payable	189,565	186,227
	$ 3,967,428	$ 5,978,733

Included in accounts payable and accrued liabilities as at March 31, 2021 are government remittances payable (recoverable) of $ 82,229 (2020 - $187,945) relating to federal and provincial sales taxes, payroll taxes, health taxes and workers' safety insurance.

8. Due from (to) affiliated parties:

	2021	2020
MFXchange Holdings Inc. towards credit facilities from ICICI Bank of Canada (note 6) bearing interest at CDOR plus 2.5% per annum (2020 - 2.5%)	$ (7,845,002)	$ (11,511,664)
Quess Corp (USA), Inc. bearing interest at NIL% per annum (2020 - NIL%)	-	(74,918)
Quess Corp Limited bearing interest at NIL% per annum (2020 - NIL%)	65,341	65,341
	$ (7,779,661)	$ (11,521,241)
Current portion	$ (1,246,756)	$ (2,244,148)
Long-term portion	(6,532,905)	(9,277,093)
	$ (7,779,661)	$ (11,521,241)

The amount payable to Quess Corp (USA), Inc. of $NIL (2020 - $74,918) reflects funds received to support the Company's operating activities.

The amount receivable from Quess Corp Limited in the amount of $65,341 (2020 - $65,341), reflects debit notes issued for the expenses incurred on behalf of Quess Corp Limited.

All of the related party balances are recorded at their carrying amounts.

During the year ended March 31, 2021, the Company recognized $418,769 (2020 - $250,192) in interest expense on the amounts due to related parties.

During the year ended March 31, 2020, the amount due of $4,648,045 from MFXchange US Inc. was converted to 100 series B preference shares to the Company. The difference with $4,991,865 is due to foreign exchange gain (see note 14 for more details).

Accounts receivable include an amount due from MFXchange Holdings Inc. of $NIL (2020 - $24,536), from Quess Corp (USA), Inc. of $NIL (2020 - $669,225), and from MFXchange US Inc. of $NIL (2020 - $64,375).

Accounts payables include an amount due to MFX Infotech Private Limited for $23,554 (2020 - $159,823).

During the year ended March 31, 2021, the Company earned revenue of $NIL (2020 - $333,538) from Quess Corp (USA), Inc., other income of $39,385 (2020 - $22,500) from MFXchange US Inc., and $80,544 (2020 - $65,573) from MFXchange Holdings Canada.

9. Income taxes:

The Company pays income taxes at a statutory rate of 26.5% (2020 - 26.5%). The difference between the Company's reported income tax expense on operating income and the expense that would otherwise result with the application of the applicable rate is as follows:

	2021	2020
Income before income taxes	$ 1,300,197	$ 1,915,449
Rate	26.5%	26.5%
Expected provision for (recovery of) income taxes	344,552	507,594
Increase (decrease) in income taxes resulting from:		
Permanent difference	(133)	5,440
Change in valuation allowance	(135,521)	(347,374)
Other	37,848	156,881
Income tax expense	$ 246,746	$ 322,541

As at March 31, 2021, the Company has $1,295,755 of future tax assets before any valuation allowance. As at March 31, 2021, the Company recognized a future tax asset of $453,147 related to one of its subsidiaries, as it was determined to be more likely than not to recognize these future tax assets. The remaining balance of $842,608 of future tax assets has not been recognized as the future realization of these income tax assets did not meet the test of being more likely than not to occur. A summary of the future tax assets at March 31, 2021 is as follows:

	2021	2020
Future income tax assets (liabilities):		
Non-capital losses	$ 1,021,063	$ 1,097,231
Property and Equipment	225,871	308,318
Sub-lease inducement	32,308	38,095
Other temporary differences	16,513	15,272
	1,295,755	1,458,916
Less: valuation allowance	842,608	978,129
Net future income tax assets	$ 453,147	$ 480,787

As at March 31, 2021, the Company has non-capital losses of $3,853,068 which can be used to reduce taxable income of future years. The potential tax benefit of these losses has not been recorded in consolidated financial statements. These losses are set to expire as follows:

Canada	
2036	$ 2,388,377
2037	1,146,245
2038	318,446
	$ 3,853,068

10. Capital stock:

	2021	2020
Authorized		
Unlimited common shares		
Issued:		
36,842,631 (2020 - 36,842,631) common shares	$ 7,224,655	$ 7,224,655

11. Commitments:

The Company has entered into leases for office space. As at March 31, 2021, the Company has contractual obligations for basic rent payments as follows:

2021 - 2023	$	387,599
2024 and thereafter	$	990,371

12. Financial risks and concentration of risk:

Financial instruments are initially recorded at fair value. Financial instruments that are short-term investments are written down when their carrying amounts exceed their quoted market values. All other financial instrument assets are written down when their carrying amounts exceed their estimated market values and this condition is expected to be other than temporary.

The Company's financial instruments recognized in the consolidated balance sheet consist of cash and cash equivalents, accounts receivable, due to related parties, accounts payable and accrued liabilities and bank indebtedness. The fair values of cash and cash equivalents, accounts receivable, due to related parties, accounts payable and accrued liabilities approximate their recorded amounts due to the short-term receipt or payment of cash or determinable cash flow streams. The carrying value of the bank indebtedness approximates fair value because the interest rates approximate market rates.

a. Credit risk:

The Company grants credit to its customers in the normal course of business. The consolidated financial statements take into account an allowance for bad debts. The Company is exposed to credit risk from their customers but the concentration of the risk is minimized because of the large customer base. There has been no change to the risk exposure since fiscal 2020.

b. Interest rate risk:

The Company is financed through intercompany debt which bears interest at rates tied to the intercompany's acceptance rates. Consequently, the Company is exposed to the risk of increases in the intercompany's acceptance rates. There has been no change to the risk exposure since fiscal 2020.

12. Financial risks and concentration of risk (Continued):

c. Foreign exchange risk:

The Company carries out some transactions in U.S. dollars and, as such, is exposed to fluctuations in exchange rates. Approximately 2.3% (2020 - 3%) of the Company's sales and purchases are in U.S. dollars. The Company has not entered into derivative instruments to mitigate these risks. During the year ended March 31, 2021, the Company recorded a foreign exchange gain (loss) of $(69,783) (2020 - $257,892). There has been no change to the risk exposure since fiscal 2020.

d. Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. There has been no change to the risk exposure since fiscal 2020.

13. Contingencies:

EHT Matter

On December 13, 2016, the Company received a Notice of Assessment from the Ontario Ministry of Finance regarding an employer health tax audit related to calendar years 2012 to 2015. The amount in the Notice of Assessment is $576,118. In the opinion of management, this assessment is without substantial merit and the Company filed a Notice of Objection on June 7, 2017. Subsequent to filing the Notice of Objection, the Company entered into a compliance arrangement with the Ontario Ministry of Finance. Under this compliance agreement, the Company has agreed to remit the amount owing over an 18-month period while the objection is being reviewed. The last instalment was paid in the quarter ending December, 2018. As at March 31, 2021, the Company has remitted payments totaling $642,741 (2020 - $642,741), which has been recorded as a deposit with government authorities on the consolidated balance sheet.

On July 15, 2019 the company made additional submissions to the Ministry of Finance (Ontario) stating that the analysis of the Ministry of Finance (Ontario) fails to consider the relevant case law and that no analysis or decisions were provided to state that their conclusion “is consistent with the facts and judgements provided in various court cases”. The company concluded in their submissions that based on relevant case law it is obvious that the workers are not employees. On September 18, 2019, the senior appeals officer of Ministry of Finance, Advisory, Objections, Appeals and Services Branch disagreed with the submissions of the company and concluded that the workers are providing their services to the company as employees under contract of service. On January 10, 2020 the company filed a Notice of Appeal with the Ontario Superior Court of Justice for the 2012 through 2015 taxation years with the respondent being the Minister of Finance. The company has filed with detailed submissions stating that the workers are not employees and are independent contractors.
On July 6, 2020, the Ministry of Finance indicated their intention to proceed with their cliam.

The Company believes that the likelihood of success on the appeal is "more likely than not" and therefore no provision has been recorded as at March 31, 2021.

13. Contingencies (Continued):

Employment Matter

On July 11, 2019, Lindsey Burk, a former temporary Call Centre Representative in Toronto whose employment was terminated on September 19, 2017, issued a Statement of Claim against the Company and Shopper's Drug Mart. The amounts claim are $400,000 against both the Company and Shoppers Drug Mart and $35,000 against the Company alone. Examiniations for Discovery have been scheduled for June 14, 15 and 16, 2021. There have been no settlement discusssion between the parties.

Ms. Burk also filed an HRTO Application on August 31, 2018 on the grounds of disability. On May 27, 2020 the HRTO dismissed the application in its entirety.

The Company beleives that the amounts claimed by Ms. Bruke against the Company are grossly inflated. The management's initial assessment is that the Company's potential liability in this matter, if any, would be under $50,000, plus legal fees, which is the amount that has been accrued and reflected on the financial statements.

14. Investment:

	2021	2020
MFXchange US Inc.	$ 4,991,865	$ 4,991,865
MFXchange Holdings Inc.	9,510	9,510
Total	$ 5,001,375	$ 5,001,375

The investment from MFXchange US Inc. resulted from a loan receivable from the prior year (see note 8 for more details).

15. Subsequent Events

The Company evaluated all events and transactions that occurred after March 31, 2021 through May 10, 2021, the date the financial statements are issued. Based on the evaluations, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

16. Covid-19:

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from

16. Covid-19 (Continued):

that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

17. COMPARATIVE FIGURES:

Certain of the comparative figures have been reclassified to conform with the presentation adopted for the current year.

COMTELINK SDN. BHD.
COMPANY NO: 201101010594 (938724-A)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2021

COMTELINK SDN. BHD.
COMPANY NO: 201101010594 (938724-A)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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CORPORATE INFORMATION

BOARD OF DIRECTORS

MUHUNTHAN A/L KRISHNAN
SANDEEP SHARMA
VIJAY SIVARAM

PRINCIPAL PLACE OF BUSINESS

SUITE 4.01, 4^{TH} FLOOR MENARA RAI SURAI,
JALAN 15/48A,
SENTUL RAYA BOULEVARD,
51000 KUALA LUMPUR.

PRINCIPAL BANKER

UNITED OVERSEAS BANK (MALAYSIA) BHD

REGISTERED OFFICE

SUITE 11, 1^{ST} FLOOR, MENARA TKSS ,
NO. 206 JALAN SEGAMBUT,
51200 KUALA LUMPUR.

AUDITORS

SELVA & ASSOCIATES
CHARTERED ACCOUNTANTS (MALAYSIA)
A MEMBER FIRM OF THE MALAYSIAN INSTITUTE OF ACCOUNTANTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report together with the audited financial statements of the Company for the financial year ended 31st March, 2021.

PRINCIPAL ACTIVITY

The Company is principally engaged in the business of software development, hardware and technical infrastructure maintenance and support, e-commerce and mobile commerce development. There has no significant change in the principal activity during the year.

FINANCIAL RESULTS

Net profit for the financial year	RM 68,409
	===========

SHARE CAPITAL

There were no changes in the issued and paid up capital of the Company during the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no issue of new shares or debentures during the financial year.

DIVIDENDS

No dividend has been paid, declared or proposed by the Company since the previous financial year and the Directors do not recommend any dividend in respect of the current financial year ended 31st March, 2021.

DIRECTORS' REMUNERATION

Directors' remuneration paid out during the year are set out in Note 13 and Note 16 to the financial statements.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Company were prepared, the directors took reasonable steps :

 (i) to ascertain that proper action had been taken in relation to the writing off the bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

 (ii) to ensure that current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances :

 (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

 (ii) which would render the values attributed to the current assets in the financial statements of the Company misleading; or

 (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist :

 (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person ; or

 (ii) any contingent liability of the Company which has arisen since the end of the financial year.

(d) No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company to meet its obligation when they fall due.

(e) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the directors :

(i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature ; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

Details of the auditors' remuneration are set out in Note 13 to the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities been given or insurance premium paid, during or since the end of the year, for any person who is or has been the director, officer or auditor of the Company.

DIRECTORS' SHAREHOLDINGS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are :

Sri Shantini a/p Balakrishnan	(Appointed on 29th August 2017, Resigned on 12th February 2021)
Vivek Arora	(Appointed on 24th October 2018, Resigned on 5th February 2021)
Muhunthan a/l Krishnan	
Sandeep Sharma	(Appointed on 11th February 2021)
Vijay Sivaram	(Appointed on 11th February 2021)

According to the Register of Directors' Shareholding required to be kept under Section 59 of the Companies Act 2016, none of the directors who held office at the end of the financial year held any share or debentures in the Company during the financial year except as follows :-

	Number of ordinary shares			
	As at 01.04.2020	Bought	Sold	As at 31.03.2021
Muhunthan a/l Krishnan	-	-	-	-
Sandeep Sharma	-	-	-	-
Vijay Sivaram	-	-	-	-

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than the benefits shown under directors' remuneration) by reason of a contract made by the Company or by a related corporation with the director or with a firm of which the director is a member, or with a company on which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

HOLDING COMPANY

The Holding Company, Comtel Solutions Pte Ltd. holds 100% share equity in the Company.

AUDITORS

The Auditors, SELVA & ASSOCIATES, Chartered Accountants, have expressed their willingness to accept re-appointment as auditors.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

……………………………………………........ ……………………………………………

Muhunthan a/l Krishnan
Director

Sandeep Sharma
Director

Petaling Jaya
Dated:

COMTELINK SDN. BHD.
COMPANY NO: 201101010594 (938724-A)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
(Pursuant to Section 251(2) of the Companies Act, 2016)

I, the undersigned, being the Directors of **COMTELINK SDN. BHD.**, do hereby state that, in the opinion of the board of Directors, the accompanying financial statements together with the notes attached thereto are drawn up in accordance with the Malaysian Private Entities Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 31st March 2021 and of its results and cash flows for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

………………………………………......
Muhunthan a/l Krishnan
Director

……………………………………………
Sandeep Sharma
Director

Petaling Jaya
Dated:

STATUTORY DECLARATION
(Pursuant to Section 251(1)(b) of the Companies Act, 2016)

I, Muhunthan a/l Krishnan (NRIC: 751206-01-5759), being the Director primarily responsible for the financial management of **COMTELINK SDN. BHD.**, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements together with the notes attached thereto are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960. Subscribed and solemnly declared by the above named **Muhunthan a/l Krishnan** at Kuala Lumpur in the state of Wilayah Persekutuan on this

Before me :

………………………………………………
Muhunthan a/l Krishnan

……………………………………….
COMMISSIONER FOR OATHS

SELVA & ASSOCIATES (AF 1871)
CHARTERED ACCOUNTANTS
Firma Akauntan Bertauliah

A Member Firm of the Malaysian Institute of Accountants(**MIA*****)***
Website: www.selva-associates.com Email: selva@selva-associates.com

Suite 301, 3rd Floor, Block A4,
Leisure Commerce Square,
No.9 Jalan PJS 8/9
46150 Petaling Jaya,
Selangor Darul Ehsan,
Tel: 03 7490 2155
Fax: 03 7865 3414

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMTELINK SDN. BHD.
COMPANY NO: 201101010594 (938724-A)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **COMTELINK SDN. BHD.**, which comprise the statement of financial position as at 31st March, 2021 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 25.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirement of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws) and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors’ Report and, in doing so, consider whether the Directors’ Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is no material misstatement of the Directors’ Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that and audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatement 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 financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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 the directors.

- Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' 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 financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SELVA & ASSOCIATES
(No.AF: 001871)
Chartered Accountants

SELVA RASAN
C.A.(M),CTP,CFP,CPFA(UK),ASA(Aust),MIPA(Aust),
B.Acc(Hons)UKM,Dip.Acc.
No.02390/08/2022 J

Petaling Jaya, Malaysia
Dated:

COMPANY NO: 201101010594 (938724-A)
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2021

	NOTE	2021 RM	2020 RM
CURRENT ASSETS			
Trade and other receivables	6	381,317	812,445
Tax recoverable		-	1,000
Cash and cash equivalent	7	1,368,828	1,059,552
		1,750,145	1,872,997
TOTAL ASSETS		1,750,145	1,872,997
EQUITY AND LIABILITIES			
Capital and Reserves			
Contributed share capital	8	1,000,000	1,000,000
Retained earnings	9	590,654	522,245
		1,590,654	1,522,245
CURRENT LIABILITIES			
Other payables and accruals	10	141,516	275,843
Provision for taxation		17,975	74,909
		159,491	350,752
TOTAL EQUITY AND LIABILITIES		1,750,145	1,872,997

The annexed notes form an integral part of these financial statements.

STATEMENT OF INCOME AND RETAINED PROFITS FOR THE YEAR ENDED 31ST MARCH 2021

	NOTE	2021 RM	2020 RM
Revenue	11	1,516,955	1,779,364
Less : Direct expenses		(1,087,315)	(1,102,616)
Gross profit		429,640	676,748
Add : Other Income	12	679	-
Staff cost		(217,981)	(223,361)
Administrative and other operating expenses		(58,422)	(22,422)
Profit before operations		153,916	430,965
Finance cost		(155)	(189)
Profit before tax	13	153,761	430,776
Income tax expenses	14	(85,352)	(73,232)
Profit after tax for the year		68,409	357,544
Retained profits brought forward		522,245	164,701
Available for appropriations		590,654	522,245
Dividend paid		-	-
Retained profit carrid forward		590,654	522,245

The annexed notes form an integral part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

	2021	2020
	RM	RM
Cash flow from operating activities		
Profit before tax	153,761	430,776
Operating profit before working capital changes	153,761	430,776
(Increase)/decrease in working capital:		
Trade and other receivables	431,128	(412,831)
Other payables and accruals	(134,327)	236,676
Cash generated from operating activities	450,562	254,621
Tax refund	-	7,427
Tax paid	(141,286)	-
Net cash generated from operating activities	309,276	262,048
Net change in cash and cash equivalents	309,276	262,048
Cash and cash equivalents at 1st April	1,059,552	797,504
Cash and cash equivalents at 31st March	1,368,828	1,059,552

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2021

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company is principally engaged in the business of software development, hardware and technical infrastructure maintenance and support, e-commerce and mobile commerce development. There has no significant change in the principal activity during the year.

The financial statements are stated in Ringgit Malaysia.

The Company's registered office is at Suite 11, 1st Floor, Menara TKSS, No. 206 Jalan Segambut, 51200 Kuala Lumpur.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in compliance with the Malaysian Private Entities Reporting Standards (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Malaysian Companies Act 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

4.1) Property, Plant and Equipment (PPE)

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purpose or for rental to others are recognised as property, plant and equipment when the Company obtains control of the assets. The assets are classified into appropriate classes based on their nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the assets to its present location and condition for management's intended use.

At the end of each reporting period, the residual values, useful life and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimated of the an item is adjusted prospectively over its remaining useful life, commencing in the current period. Gain or loss arising from disposal of property, plant and equipment is determined and recognized in the income statement.

4.2) **Impairment of non-financial assets**

An impartment loss arises when the carrying amount of a Company's asset exceeds its recoverable amount.
At the end of each reporting date, the Company assess whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exits, the Company estimates the recoverable amount of the asset or cash-generating unit.

If an individual asset generates independent cash inflows, it is tasted for impairment as a stand alone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and value in use. The Company determines the fair value costs to sell an asset or a cash-generating unit in a hierarchy based on: (i) price in a binding sale agreement; (ii) market price traded in a active market; and (iii) estimate of market price using the best available information. The value in use is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecasts of five years and extrapolation of cash inflows for periods beyond the five year forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognised in profit or loss.For a cash-generating unit, any impairment loss is allocated to the assets of the unit pro rata based on the relative carrying amount of the assets.

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed. Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

4.3) **Financial instruments**

a) **Initial recognition and measurement**
The Company recognizes a financial asset or financial liability (including derivate instruments) in the statement of financial position when, and only when, it become a party to a contractual provision of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit and loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit and loss when incurred.

b) **Derecognition of Financial Instruments**
The financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive cash flows of the financial assets, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risk and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legal extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as en extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

c) **Subsequent Measurement of Financial Assets**
For the purpose of subsequent measurement, the Company classified financial asset into two categories namely; (i) financial assets at fair value through profit and loss and (ii) financial assets at amotised cost.

d) **Subsequent Measurement of Financial Liabilities**
After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

e) **Fair value measurement of financial instruments**
The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

f) **Recognition of gains and losses**
Fair value changes of financial assets and financial liabilities classified as at fair value through profit and loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain and loss is recognised in profit or loss only when the financial asset or financial liability is derecognized or impaired, and through the amortization process of the instrument.

g) **Impairment and uncollectibility of financial assets**

At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset or a group of financial asset is impaired. Evidences of trigger loss events include: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other financial reorganization; (v) the disappearance of an active market for that financial assets because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimate future cash flows from a group of financial assets.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in a loss allowance account, Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the loss allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is an any indication of impairment. Individually significant receivables for which no impairment loss recognised are grouped together with all other receivables by classes based on credit risk characteristics for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market conditions.

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company expects to receive for the asset if it were sold at the reporting date. The Company may estimate the recoverable amount using an adjusted net asset value approach.

4.4) Share capital and distributions

a) Share Capital

Ordinary shares issued that carry no put option and no mandatory contractual obligation; (i) to deliver cash or another financial assets; or (ii) to exchange financial assets of financial liabilities with another entity under conditions that are potentially unfavorable to the Company, are classified as equity instruments.

When ordinary shares and other equity instruments are issued in a private placement or in a rights issue to existing shareholders, they are recorded at the issue price. For ordinary shares and other equity instruments issued in exchange for non-monetary asset, they are measured by reference to the fair values of the assets received.

When ordinary shares and other equity instruments are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at their fair value at the date of the exchange transaction.

Transaction costs of an entity transaction are accounted for as a deduction from equity, net of any related income tax effect.

b) **Distributions**

Distributions to holders of an equity instrument are recognised as equity transactions and are debited directly in equity, net of any related income tax effect.

A dividend declared is recognised as a liability only after it has been appropriately authorised, which is the date when the Board of Directors declares an interim dividend, or in the case of a proposes final dividend, the
date of shareholders of the Company approve the proposed final dividend in an annual general meeting of shareholders. For a distribution of non-cash assets to owners, the Company measures the dividend payable at the fair value of the assets to be distributed.

4.5) **Finance and operating leases**

The Company recognizes a lease whenever there is an agreement, whether explicitly stated as a lease or otherwise, whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Title may or may not eventually be transferred. All other leases that do not meet this criterion are classified as operating leases.

Lease accounting

The Company capitalises the underlying leased asset and the related lease liability in a finance lease. The amount recognised at the commencement date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate implicit in the lease, if this is practicable to determine; if not, the lessee’s incremental borrowing rate is used. Any initial direct costs of the lease are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contigent rents are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are classified by nature and accounted for in accordance with the applicable Standards in MPERS. If there is no reasonable certainty that the lease will obtain ownership by the end the lease term, the asset is depreciated over the shorter of the lease term and its useful life.

4.6) **Provision**

The Company recognizes a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.
A provision for warranty costs, restoration costs, restructuring costs, onerous contracts or lawsuits claims is recognised when the Company has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and a reliable estimate of the amount can be made. No provision is recognised if these condition are not met.
Any reimbursement attributable to a recognised provision from a counter-party (such as an insurer) is not off-set against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

A provision is measured at the best estimate of he expenditure required to settle the present obligation at the end of the reporting period. For a warranty provision, a probability-weighted expected outcome of the resources required to settle the obligation is applied, taking into account the Company's experiences of similar transactions and supplemented with current facts and circumstances. For a restoration provision, where a single obligation is being measured, the Company uses the individual most likely future events that may effect the amount required to settle an obligation. For an onerous contract, a provision is measured based on the amount which costs to fulfill the contract exceed the benefits. For a lawsuit provision, a probability-weighted expected outcome is applied in the measurement, taking into account past court judements made in similar cases and advices of legal experts.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

4.7) **Tax assets and tax liabilities**

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the Company expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affect neither accounting profit nor taxable profit (or tax loss). The exceptions for initial recognition differences include items of property, plant and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purpose.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deffered tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affect neither accounting profit nor taxable profit (or tax loss). The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment.

A deferred tax asset is recognised for the carrying-forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credit can be utilised. Unused tax credit do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Company treats as part of initial recognition differences.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflect 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 or liabilities. For an investment property measured at fair value, the Company does not have a business model to hold the property solely for rental income, and hence, the deferred tax liability on the fair value gain is measured based on the presumption that the property is recovered through sale at the end of the reporting period.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period. For items recognised directly in equity, the related tax effect is also recognised directly in equity.

4.8) **Revenue recognition and measurement**

The Company measures revenue from a sale of goods or a service transaction at the fair value of the consideration received or receivable, which is usually the invoice print, net of any trade discounts and volume rebates given to a customer in a sale or sevice transaction. Revenue from a sale of goods is recognised when: (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; (b) the Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold; (c) the amount of the revenue can be measured reliably; (d) it is probable that the economic benefits associated with the transaction will flow to the Company; and (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income is recognised on the straight-line basis over the term of the relevant tenancy agreement. Interest received is recognised when the right to receive has been established. Other income is recognized on a receipt basis.

4.9) **Borrowing Costs**

Borrowing costs of the Company include interest on loans, finance lease liabilities and interest expense of other debt instruments calculated using the effective interest method. All borrowing costs are recognised as an expense when incurred.

4.10) **Employee Benefits**

The Company recognizes a liability when an employee has provided service in exchange for the employee benefits to be paid in the future and an expense when the Company consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.

(a) **Short-term Employee Benefits**

Wages and salaries are accrued and paid on a monthly basis and recognised as an expense, unless they relate to cost of producing inventories or other assets.

Paid absences (annual leave, maternity leave, paternity leave, sick leave, etc) are accrued in each period if they are accumulating paid absences that can be carried forward, or in the case of non-accumulating paid absences, recognised as and when the absences occur.

(b) **Post-Employment Benefits – Defined Contributions Plans**

The Company makes statutory contributions to approved provident funds and the contributions made are charged to profit and loss in the period to which they relate. When the contributions have been paid, the Company has no further payment obligations.

5. FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its risks. The Company operates within guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.
The main areas of financial risks faced by the Company and the policies in respect of the major areas of treasury activities are set out as follows:-

a) **Interest Rate Risk**

If interest rate arises from the Company's borrowings, this is managed through the use of fixed and floating rate debt.

b) **Credit Risk**

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. An internal credit review is conducted if the credit risk is material.

c) **Liquidity Risk**

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

d) **Cash Flow Risk**

The Company reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flow as associated with its monetary financial instruments.

e) **Fair Value**

All items pertaining to non-current assets, financial assets, financial liabilities and other assets may be subjected to fair value practice in the event if it does not give arise to undue cost and effort.

f) **Currency Risk**

In the event, the Company's financial assets and financial liability are denominated in foreign currency, the Company ensures proper policies in place to mitigate significant fluctuation.

g) **Price Risk**

The Company does not foresee significant pricing fluctuations. In the event this occurs the Company ensures proper controls and safe guards.

6. TRADE AND OTHER RECEIVABLES

	2021 RM	2020 RM
Trade receivables	380,667	575,371
Other receivable	650	237,074
	381,317	812,445

7. CASH AND CASH EQUIVALENTS

The Company's cash management policy is to use cash and bank balances, money market instruments, bank overdrafts and short-term trade financings to manage cash flows to ensure sufficient liquidity to meet the Company's obligations. The components of cash and equivalent consist of:

	2021 RM	2020 RM
Cash at bank	1,368,828	1,059,552
	1,368,828	1,059,552

8. CONTRIBUTED SHARE CAPITAL

	2020 No. of shares	2020 Amount	2019 No. of shares	2019 Amount
<u>Issued and fully paid-up ordinary shares:</u>				
Balance at 1st April	1,000,000	1,000,000	1,000,000	1,000,000
Issue of shares for cash	-	-	-	-
Balance at 31st Mac	1,000,000	1,000,000	1,000,000	1,000,000

9. RETAINED PROFITS

The retained profits of the Company are available for distribution by way of cash dividend or dividend in specie. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There are no potential income tax consequences that would result from the payment of dividends to shareholders.

10. OTHER PAYABLES AND ACCRUALS

	2021 RM	2020 RM
Other creditor	133,216	157,218
Accruals	8,300	118,625
	141,516	275,843

11. REVENUE

Revenue represents invoiced value from software and e-commerce consultancy rendered during the year.

12. OTHER INCOME

	2021 RM	2020 RM
Gain on foreign exchange	679	-

13. PROFIT BEFORE TAX

	2021 RM	2020 RM
Profit before tax is arrived at after charging:		
Auditor's remuneration	6,200	6,200
Director's fee	7,740	-

14. INCOME TAX EXPENSES

	2021 RM	2020 RM
Current year provision	28,640	73,232
Underprovision in prior year	56,712	-
	85,352	73,232

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to the income tax expense at the effective income tax rate of the Company is as follows:

	2021 RM	2020 RM
Profit before tax	153,761	430,776
Tax at Malaysian statutory tax rate of 17%	26,139	73,232
Expenses not deductible for tax purpose	1,749	-
Tax penalty	752	-
Underprovision in prior year	56,712	-
Tax expenses for the year	85,352	73,232

15. HOLDING COMPANY

Details of the holding company are as follows:-

Company Name	Country of incorporation	Equity	Principal Activity
Comtel Solutions Pte Ltd	Singapore	100%	Investment holding company

16. EMPLOYEES' INFORMATION

	2021 RM	2020 RM
Director's fee	7,740	-
EPF and Socso Contribution	212,267	198,854
Staff insurance	(2,026)	24,507

The number of employees (including directors) as at 31st March, 2021 is 28.(2020:25)

17. SUBSEQUENT EVENTS

On 16 March 2020, Malaysia Government had announced the imposition of Movement Control Order (MCO) nationwide to curb spreading of COVID-19 in Malaysia, pursuant to the Prevention and control Of Infectious Diseases act 1988 and the Police Act 1967.

Before these financial statements were made out, the Board of Directors had considered the impact of COVID-19 outbreak in Malaysia, which would have affected the financial position, performance and cash flow of the Company as ended on the reporting date thereon.

The Management concluded that the impact of non-adjusting events from this COVID-19 outbreak has not significantly affected the fair value of the financial assets/liabilities and non- financial assets of the Company, including the classification of current and non-current items that were presented on the reporting date.

Given the current economic circumstances, it was difficult for the Management to ascertain the financial position performance and cash flow of the Company for the period ending on the next 12 months from the date of this report. Despite facing such challenge, the Company is currently implementing operational measures to boost its revenue and to lower the operating cost structure by adopting a midterm strategy. The shareholders/directors have also indicated their willingness to provide continuous financial support to the Company in order to meet it's payment obligation of the debts, as and when they fail due within the next twelve months from the date of this report. The Management is confident that the Company will be able to operate as a going concern in the foreseeable future.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

COMTELINK SDN. BHD. **FOR MANAGEMENT PURPOSE ONLY**

COMPANY NO: 201101010594 (938724-A)

(Incorporated in Malaysia)

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

		2021	2020
		RM	RM
	Revenue	1,516,955	1,779,364
Less:	Direct expenses	(1,087,315)	(1,102,616)
	Gross Profit	429,640	676,748
Add :	Other income		
	Gain on foreign exchange	679	-
Less:	Staff cost		
	Director's fee	7,740	-
	EPF and Socso contribution	212,267	198,854
	Staff insurance	(2,026)	24,507
		217,981	223,361
	Administrative and other operating expenses as per schedule (Annexure 1)	58,422	22,422
	Finance cost		
	Bank charges	155	189
		155	189
	Total expenditure	276,558	245,972
	Profit before tax	153,761	430,776

COMTELINK SDN. BHD. **ANNEXURE 1**

COMPANY NO: 201101010594 (938724-A)

(Incorporated in Malaysia)

SCHEDULE OF OPERATING EXPENSES FOR THE YEAR ENDED 31ST MARCH 2021

	2021	2020
	RM	RM
Administrative and other operating expenses		
Attestation fee	55	-
Auditor's remuneration	6,200	6,200
Bad debt written off	8,627	-
Fine and penalty	-	556
Loss on foreign exchange	3,970	3,835
Postage and courier	30	2,252
Printing and stationery	165	-
Professional fee	30,869	311
Secretarial fee	6,656	9,268
Travelling expenses	50	-
Tax submission fee	1,800	-
	58,422	22,422

COMTEL SOLUTIONS PTE LTD

(Co. Reg. No.: 199801439D)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Joe Tan & Associates PAC
Chartered Accountants

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Incorporated with Limited Liability Regn No. 200801266N

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

CONTENTS

COMTEL SOLUTIONS PTE LTD
(Co. Reg. No.: 199801439D)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The directors are pleased to present their statement to the members together with the audited financial statements of Comtel Solutions Pte Ltd (the "Company") for the financial year ended 31 March 2021.

1. OPINION OF THE DIRECTORS

(a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; and

(b) at the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the Company in office at the date of this statement are:

Lohit Bhatia
Guruprasad Srinivasan
Sandeep Sharma (appointed on 14 January 2021)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor any time during the financial year was the company a party to any arrangement whose object are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of share in, or debentures of, the Company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the Act), the directors of the company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

5. SHARES OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of option to take up unissued shares of the Company.

There were no unissued shares of the Company under option as at the end of the financial year.

COMTEL SOLUTIONS PTE LTD
(Co. Reg. No.: 199801439D)

DIRECTORS' STATEMENT - CONTINUED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

6. AUDITOR

JOE TAN & ASSOCIATES PAC, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Sandeep Sharma
Director

GURUPRASAD SRINIVASAN Digitally signed by GURUPRASAD SRINIVASAN Date: 2021.04.28 13:03:15 +05'30'

Guruprasad Srinivasan
Director

Singapore

29 APR 2021

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

COMTEL SOLUTIONS PTE LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Comtel Solutions Pte Ltd (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement [set out on pages 1 to 2].

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the 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 assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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.

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- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Joe Tan & Associates Pac

JOE TAN & ASSOCIATES PAC
Public Accountants and
Chartered Accountants

Singapore

29 APR 2021

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
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Incorporated with Limited Liability Regn No. 200801266N

COMTEL SOLUTIONS PTE LTD
(Co. Reg. No.: 199801439D)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 S$	2020 S$
ASSETS			
Non-current assets:			
Investment in subsidiary	4	1	1
Plant and equipment	5	144,110	151,240
Right of use assets	6	1,020,159	1,249,174
Total non-current assets		1,164,270	1,400,415
Current assets:			
Trade and other receivables	7	10,701,191	14,159,803
Contract assets	8	7,474,305	7,807,447
Cash and cash equivalents	9	7,779,327	5,444,511
Deferred tax assets	17a	103,664	-
Total current assets		26,058,487	27,411,761
TOTAL ASSETS		27,222,757	28,812,176
EQUITY AND LIABILITIES			
Equity:			
Share capital	10	500,000	500,000
Retained earnings		15,305,066	17,954,748
Equity attributable to owners of the company		15,805,066	18,454,748
Non-current liability			
Lease liabilities	11	808,552	1,063,022
Total non-current liabilities		808,552	1,063,022
Current liabilities:			
Lease liabilities	11	235,404	186,152
Trade and other payables	12	7,639,286	7,909,868
Contract liabilities	8	1,343,243	514,995
Income tax payable		1,391,206	683,391
Total current liabilities		10,609,139	9,294,406
TOTAL LIABILITIES		11,417,691	10,357,428
TOTAL EQUITY AND LIABILITIES		27,222,757	28,812,176

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

COMTEL SOLUTIONS PTE LTD
(Co. Reg. No.: 199801439D)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S$	2020 S$
Revenue	**13**	96,448,665	92,980,815
Cost of services		(84,413,495)	(83,083,788)
Gross Profit		12,035,170	9,897,027
Other income	**14**	196,741	101,010
Administrative expenses		(3,180,912)	(3,606,477)
Finance costs	**15**	(55,667)	-
Profit before tax	**16**	8,995,332	6,391,560
Income tax expense	**17b**	(1,095,014)	(1,086,929)
Profit after tax, representing total comprehensive income for the year		7,900,318	5,304,631

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

COMTEL SOLUTIONS PTE LTD
(Co. Reg. No.: 199801439D)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	Share capital S$	Retained earnings S$	Total S$
Balance at 1 April 2020		500,000	17,954,748	18,454,748
Profit for the year, representing total comprehensive income for the year		-	7,900,318	7,900,318
Dividend paid	**19**	-	(10,550,000)	(10,550,000)
Balance at 31 March 2021		500,000	15,305,066	15,805,066
Balance at 1 April 2019		500,000	21,750,117	22,250,117
Profit for the year, representing total comprehensive income for the year		-	5,304,631	5,304,631
Dividend paid	**19**	-	(9,100,000)	(9,100,000)
Balance at 31 March 2020		500,000	17,954,748	18,454,748

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

COMTEL SOLUTIONS PTE LTD
(Co. Reg. No.: 199801439D)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S$	2020 S$
Cash flows from operating activities			
Profit before tax		8,995,332	6,391,560
Adjustments for:			
Depreciation of plant and equipment	5	41,835	11,575
Depreciation of right-of-use assets	6	229,015	-
Rent concession		(4,900)	-
Interest expense on lease liabilities		55,667	-
(Reversal)/ Addition for provision of expected credit losses	7	(169,360)	177,890
		9,147,589	6,581,025
Changes in working capital:			
Trade and other receivables		3,627,972	(1,278,377)
Trade and other payables		(270,582)	176,769
Contract assets		333,142	220,314
Contract liabilities		828,248	109,517
Cash generated from operations		13,666,369	5,809,248
Income tax paid		(490,863)	(1,522,066)
Net cash generated from operating acivities		13,175,506	4,287,182
Cash flows from investing activity			
Purchase of plant and equipment	5	(34,705)	(144,457)
Net cash used in investing activity		(34,705)	(144,457)
Cash flows from financing activities			
Interest expense on lease liability		(55,667)	-
Payment of principal portion of lease liabilities		(200,318)	-
Dividend paid	19	(10,550,000)	(9,100,000)
Net cash used in financing activities		(10,805,985)	(9,100,000)
Net increase/(decrease) in cash and cash equivalents		2,334,816	(4,957,275)
Cash and cash equivalents at 1 April		5,444,511	10,401,786
Cash and cash equivalents at 31 March	9	7,779,327	5,444,511

Note A: Reconciliation of liabilities arising from financing activities

				Non-cash changes		
	1 April	New lease liabilities	Principal and interest payment	Rent concession	Acceretion of interest	31 March
2020	S$	S$	S$	S$	S$	S$
Lease liabilities	-	1,249,174	-	-	-	1,249,174
2021						
Lease liabilities	1,249,174	-	(255,985)	(4,900)	55,667	1,043,956

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Comtel Solution Pte Ltd (the "Company) is incorporated and domiciled in Singapore with its registered office and principal place of business at 4 Robinson Road, #12-01 The House of Eden, Singapore 048543.

The Company's immediate holding company is Quess Corp Holdings Pte. Limited., incorporated in Singapore.

The Company's ultimate holding company is Quess Corp Limited, incorporated in India.

The principal activities of the Company are those of providing general (non-IT) staffing services. There are no significant changes in the nature of these activities during the financial period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (S$), which is the Company's functional currency.

Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Company's significant operations are in Singapore, which have been affected by the spread of COVID-19 in 2020.

Set out below is the impact of COVID-19 on the Company's financial performance reflected in this set of financial statements for the year ended 31 March 2021:

i. The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

ii. During the financial year, border closures, production stoppages and workplace closures have resulted in periods where the Company's operations were temporarily suspended to adhere to the respective governments' movement control measures. There is no significant impact on the Company's financial performance for 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.1 BASIS OF PREPARATION – CONTINUED

Impact of COVID-19 – continued

iii. During the financial year, the Company has received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of Government's measures to support business during the period of economic uncertainty impacted by Covid-19. The effects of such wage support are used to offset with cost of sales during the year.

iv. The Company has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets and provisions for onerous contracts as at 31 March 2021. However, there is no significant impact to the financial statements of the Company.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Company cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 March 2021. If the situation persists beyond management's current expectations, the Company's assets may be subject to further write downs in the subsequent financial periods.

2.2 ADOPTION OF NEW AND REVISED STANDARDS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendment to FRS 116 Leases: Covid-19-Related Rent Concessions	1 June 2020
Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 FINANCIAL INSTRUMENTS

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.4 FINANCIAL INSTRUMENTS – CONTINUED

(a) Financial assets – continued

Subsequent measurement

Investment in debentures

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.5 IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.7 CONTRACT ASSETS, CONTRACT LIABILITIES AND TRADE RECEIVABLES

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Section Financial instruments – initial recognition and subsequent measurement.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.8 INVESTMENT IN SUBSIDIARY

The investment in subsidiary is carried at cost less any accumulated allowance for impairment. On disposal of investment in subsidiary, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.9 CONSOLIDATION

The company did not consolidate the accounts of its subsidiary due to the exemption under FRS110 Consolidated Financial Statements as follows:

(a) it is wholly owned subsidiary of another entity;
(b) its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the counter market, including local and regional markets);
(c) it did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market; and
(d) its ultimate parent produces consolidated financial statements that are available for public use.

2.10 PLANT AND EQUIPMENT

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated using straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

		Useful lives
Office equipment	-	3 years
Computer	-	1 year
Renovation	-	1 year

The carrying value of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal of when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2.12 PROVISIONS

General

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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax that reflected, where 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.

2.13 EMPLOYEE BENEFITS

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The undiscounted liability for leave expected to be settled wholly within twelve months from the reporting date is recognised for annual leave as a result of services rendered by employees up to the end of the reporting period. The Company allows employee leave entitlements to carry forward for a maximum period of twelve months.

(c) Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.14 LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of- use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight- line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

The Company's right-of-use assets are presented in Note 6.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.14 LEASES - CONTINUED

(a) **As lessee – continued**

Lease liabilities – continued

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in borrowings Note 11.

2.15 SHARE CAPITAL

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.16 DIVIDEND

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting when these dividends have been approved by the shareholders and declared, they are recognised as liability.

Interim dividends are simultaneously proposed and declared because the articles of association of the Company grant the directors the authority to declare interim dividends consequently interim dividends are recognised as a liability when they are proposed and declared.

2.17 REVENUE RECOGNITION

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) **Rendering of services**

The Company is providing staffing services.

Revenue from services are recognised when consultancy services are rendered and all criteria for acceptance have been satisfied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.18 GOVERNMENT GRANT

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.19 TAXES

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income 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.

(b) Deferred tax

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

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

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.19 TAXES – CONTINUED

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.20 RELATED PARTIES

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions apply:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is **a** member).
(iii) Both entities are joint venture of the same third party.
(iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
(vi) The entity is controlled or jointly controlled by a person identified in (a);
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.20 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

3. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

3.1 Judgement made in applying accounting policies

(a) Determination of functional currency

In determining the functional currency of the Company, judgement is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the current that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

(b) Determination of lease term of contracts with extension options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company's office premises lease contracts includes extension options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Company do not include the extension option in the lease term for the lease of office premises.

3. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS – CONTINUED

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of plant and equipment

The useful life of an item of plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Company's plant and equipment as at 31 March 2021 was S$144,110 (2020: S$151,240).

(b) Impairment of plant and equipment

The plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The Company assesses impairment of these assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of these assets is estimated to determine the impairment loss. The Company evaluates the recoverable amount of these assets based on the net present value of future cash flows (value in use) derived from such assets using cash flow projections which have been discounted at an appropriate rate.

As at 31 March 2021, no allowance for impairment loss of the plant and equipment was made as the recoverable amount was in excess of the carrying amount.

(c) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 23(a).

3. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS – CONTINUED

3.2 Key sources of estimation uncertainty – continued

(c) Provision for expected credit losses of trade receivables – continued

The level of estimation and judgement used in the ECL calculation has increased as a result of the COVID-19 outbreak. The Company has considered the impact of COVID-19 on its customers and grouped them based on shared credit risk characteristics. Separate provision matrices are applied to each customer groupings and the historical loss rates are adjusted to reflect the current and forward-looking information.

In calculating the ECL rates, the Company has considered the volatility of the forward-looking macroeconomic factors affecting the ability of the customers to repay their debts.

The carrying amounts of the Company's trade receivables as at 31 March 2021 were S$8,504,707 (2020: S$11,448,434).

(d) Provision for income taxes

The Company recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Company's income tax payable as at 31 March 2021 was S$1,391,206 (2020: S$683,391).

(e) Leases – estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

4. INVESTMENT IN SUBSIDIARY

	2021 S$	2020 S$
Unquoted investments		
Equity shares, at cost	1	1

The details of the subsidiary held by the Company are as follows:

Name of subsidiary	Principal activities	Country of incorporation and place of business	Effective equity held by the Company		Cost of investment	
			2021 %	2020 %	2021 S$	2020 S$
Comtelink Sdn. Bhd. *	Provide consultancy services	Malaysia	100%	100%	1	1

* Audited by Selva & Associates Chartered Accountants, Malaysia for the financial year ended 31 March 2021.

5. PLANT AND EQUIPMENT

	Office Equipment S$	Computers and Software S$	Renovation S$	Total S$
Cost:				
As at 01.04.2019	14,224	126,917	38,570	179,711
Additions	-	5,468	138,989	144,457
As at 31.03.2020	14,224	132,385	177,559	324,168
Additions	2,440	13,454	18,811	34,705
As at 31.03.2021	16,664	145,839	196,370	358,873
Accumulated depreciation:				
As at 01.04.2019	1,629	121,154	38,570	161,353
Depreciation	4,445	7,130	-	11,575
As at 31.03.2020	6,074	128,284	38,570	172,928
Depreciation	4,649	8,337	28,849	41,835
As at 31.03.2021	10,723	136,621	67,419	214,763
Net carrying value:				
As at 31.03.2020	8,150	4,101	138,989	151,240
As at 31.03.2021	5,941	9,218	128,951	144,110

6. RIGHT OF USE ASSETS

	Office premises S$	Total S$
Cost:		
At 01.04.2019	-	-
Additions	1,249,174	1,249,174
At 31.03.2020	1,249,174	1,249,174
Additions	-	-
At 31.03.2021	1,249,174	1,249,174
Accumulated depreciation:		
As at 31.03.2020	-	-
Depreciation	229,015	229,015
As at 31.03.2021	229,015	229,015
Net carrying value:		
As at 31.03.2020	1,249,174	1,249,174
As at 31.03.2021	1,020,159	1,020,159

The commencement date of the premises is on 1 May 2020, and possession date of the premises on 1 March 2020, the Company is entitled for free rental from 1 March 2020 to 30 April 2020 (both date inclusive). The Company should recognised its right of use assets upon obtained of the right and control over the assets. The Company signed the tenancy agreement on 28 February 2020. No depreciation charged as the commencement date is on 1 May 2020.

7. TRADE AND OTHER RECEIVABLES

	2021 S$	2020 S$
Trade receivables:		
- Fellow subsidiary	-	120,967
- Third parties	8,600,736	11,554,077
- Subsidiary	-	38,779
- *Less*: Allowance of expected credit loss	(96,029)	(265,389)
	8,504,707	11,448,434
Other receivables:		
- Advances to employees	165,622	250,995
- Amounts due from immediate holding company	306,583	641,879
- Amounts due from related parties	1,345,339	1,423,237
- Deposits	71,151	128,109
- Interest receivables from immediate holding company	6,393	6,393
- Other receivables	156,874	-
- Prepayments	144,522	260,756
	10,701,191	14,159,803

7. TRADE AND OTHER RECEIVABLES – CONTINUED

Note A

Trade receivables are unsecured, non-interest bearing and are generally settled on 30 to 90 (2020: 30 to 90) days' term.

Other receivables are non-trade in nature, unsecured, interest-free and have no fixed term of repayment,

The amount due from immediate holding company, related parties and advances to employees are non-trade in nature, unsecured, interest free and have no fixed term of repayment.

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2021 S$	2020 S$
At 1 April	265,389	87,499
(Reversal)/Addition of provision for expected credit losses	(169,360)	177,890
At 31 March	96,029	265,389

The carrying amount of trade and other receivables approximate their fair values.

8. CONTRACT ASSETS AND LIABILITIES

The contract assets primarily relate to the Company's right to consideration for work completed and not billed, as the rights are conditioned on the Company's future performance in satisfying the respective performance obligation at each reporting date. The contract liabilities primarily relate to our Company's obligation to render services to customers for which the Company has received consideration from the customer.

The following table show the contract assets and liabilities:

Current:	2021 S$	2020 S$
Contract assets	7,474,305	7,807,447
Contract liabilities	(1,343,243)	(514,995)

9. CASH AND CASH EQUIVALENTS

	2021 S$	2020 S$
Cash in hand	1,188	849
Cash at banks	7,746,849	5,411,512
Banker's guarantee	31,290	32,150
	7,779,327	5,444,511

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	2021 S$	2020 S$
Cash in hand	1,188	849
Cash at banks	7,746,849	5,411,512
Banker's guarantee	31,290	32,150
	7,779,327	5,444,511
Less: banker's guarantee pledged	(31,290)	(32,150)
	7,748,037	5,412,361

The banker's guarantee has a maturity term of 6 to 27 months (2020: 6 to 27 months) from the end of the financial year and it is interest free.

The carrying amount of cash and cash equivalents approximate their fair values.

10. SHARE CAPITAL

	2021		2020	
	No. of shares	S$	No. of shares	S$
Issued and fully paid ordinary shares				
1 April and 31 March	500,000	500,000	500,000	500,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

11. LEASE LIABILITIES

	2021 S$	2020 S$
Current:		
- Lease liabilities (secured) (Note 21)	235,404	186,152
Non-current:		
- Lease liabilities (secured) (Note 21)	808,552	1,063,022
	1,043,956	1,249,174

12. TRADE AND OTHER PAYABLES

	2021 S$	2020 S$
Trade payables:		
- Sub-Contractor payables	531,601	415,417
Other payables:		
- Salaries, CPF and FWL payables	5,221,799	5,451,055
- Accruals	386,740	446,458
- Amount due to immediate holding company	1	6,499
- Amount due to related parties	63,741	137,701
- Provision for incentives	-	25,000
- GST payables	1,435,404	1,427,738
	7,639,286	7,909,868

Trade payables are non-interest bearing and are generally settled on 30 to 90 (2020: 30 to 90) days' term.

Other payables are non-trade in nature, unsecured, interest free and have no fixed term of repayments

The amounts due to immediate holding company and related parties are unsecured, non-trade in nature, interest-free and repayable on demand.

The carrying amount of trade and other payables approximate their fair values.

13. REVENUE

	2021 S$	2020 S$
Service rendered	96,448,665	92,980,815

14. OTHER INCOME

	Note	2021 S$	2020 S$
Government grants		-	94,617
Rental income		21,000	-
Reversal of provision for expected credit losses	7	169,360	-
Other income[(a)]		6,381	6,393
		196,741	101,010

(a) Included within other income are:

(i) Covid-19 related rent concessions received from government of S$4,900 to which the Company applied the practical expedient as disclosed in Note 2.1.

15. FINANCE COSTS

	2021 S$	2020 S$
Interest expense on:		
- Lease liabilities (Note 22 (c))	55,667	-

16. PROFIT BEFORE TAX

	Note	2021 S$	2020 S$
Profit before taxation has been arrived at after charging/(crediting):			
Depreciation of plant and equipment	5	41,835	11,575
Depreciation of right of use assets	6	229,015	-
Employee benefits	18	2,469,075	2,742,410
Office rental	20	10,097	200,944
Provision for expected credit losses	7	-	177,890
Reversal of provision for expected credit losses	7	(169,360)	-
Unrealised foreign exchange adjustment		13,628	6,924

17a. DEFERRED TAX ASSETS

Movements in deferred tax assets during the financial year were as follows:

Deferred tax assets	At 1 April 2020 S$	Recognised in profit or loss (Note 17b) S$	At 31 March 2021 S$
Differences in depreciation for tax purposes	-	103,664	103,664
	-	103,664	103,664

The balance at 31 March 2021 represents the tax effect of the excess of tax written down value over net book value

17b. INCOME TAX EXPENSE

The major components of income tax expense recognised in profit or loss for the financial period ended 31 March 2021 and 31 March 2020 were:

	2021 S$	2020 S$
Current income tax		
-Current year	1,198,678	1,086,929
Deferred tax assets		
-Current year	(103,664)	-
Income tax expense recognised in profit or loss	1,095,014	1,086,929

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial period ended 31 March 2021 and 31 March 2020 were as follows:

	2021 S$	2020 S$
Profit before tax	8,995,332	6,391,560
Tax at the statutory tax rate at 17% (2020: 17%)	1,529,206	1,086,565
Tax effect on non-deductible expenses	1,488	1,968
Tax effect on non-taxable income	(354,930)	-
Statutory stepped income exemption	(17,425)	(17,425)
Group relief	(19,447)	-
Deferred tax assets not recognised	(1,780)	(13,488)
Others	(42,098)	29,309
	1,095,014	1,086,929

18. EMPLOYEE BENEFITS

	Note	2021 S$	2020 S$
Key management compensation:			
Director's remuneration	21	150,550	33,000
Staff costs:			
- Salaries and bonuses		2,225,376	2,600,219
- Staff amenities		33,997	55,051
- CPF contribution		59,152	54,140
		2,469,075	2,742,410

19. DIVIDEND

	2021 S$	2020 S$
Interim tax exempt (one-tier) dividend paid of S$21.10 (2020: S$ 18.20) per share on the issued and paid up ordinary shares in respect of the current financial year ended 31 March 2021 (2020: year ended 31 March 2020)	10,550,000	9,100,000

20. OPERATING LEASE COMMITMENTS

(a) When the Company is a lessee

The Company leases the office under non-cancellable operating lease agreements.

The future minimum rental payables under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	2021 S$	2020 S$
Not later than one year	2,209	-
Later than one year but not later than five years	-	-
	2,209	-

Minimum leases payments recognised as an expense in profit or loss for the financial year ended 31 March 2021 amounted to S$10,097 (2020: S$200,944) (Note 16).

(b) When the Company is a lessor

The Company sublet the office lot under non-cancellable operating lease agreements.

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as assets, are as follows:

	2021 S$	2020 S$
Not later than one year	42,000	-
Later than one year but not later than five years	21,000	-
	63,000	-

21. SIGNIFICANT RELATED PARTIES TRANSACTIONS

In addition to information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Company with its related parties, at terms agreed between both parties.

	2021 S$	2020 S$
Transactions with ultimate holding company:		
-Sub-contractor fee	98,043	32,705
Transactions with immediate holding company:		
-Advances to	-	600,000
-Expenses on behalf of	64,703	41,879
Transactions with fellow subsidiary:		
-Consultancy (losses)/ income	(24,000)	107,692
- Rental income	21,000	-
-Sub-contractor fee	315,443	231,000
-Management fees paid to	-	379,434
-Advances to	-	2,564,400
-Expenses paid on behalf	69,433	-
Transactions with subsidiary		
-Consultancy income	27,096	38,779
Key management personnel compensation		
Director's remuneration & allowance (Note 18)	150,550	33,000

22. LEASES

Company as a lessee

The Company has lease contracts for office premises. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options which are further discussed below.

(a) Carrying amounts of right-of-use assets

	Office premises S$	Total S$
At 1 April 2019	-	-
Additions	1,249,174	1,249,174
At 31 March 2020	1,249,174	1,249,174
Addition	-	-
Depreciation	(229,015)	(229,015)
At 31 March 2021	1,020,159	1,020,159

22. LEASES - CONTINUED

(b) Lease liabilities

The carrying amounts of lease liabilities disclosed in Note 11 and the statements of cash flows respectively and the maturity analysis of lease liabilities is disclosed in Note 23(b).

(c) Amounts recognised in profit or loss

	2021 S$	2020 S$
Depreciation of right-of-use assets (Note 16)	229,015	-
Interest expense on lease liabilities (Note 15)	55,667	-
Lease expense not capitalised in lease liabilities:		
- Expenses relating to short term leases	10,097	200,944
Total amount recognised in profit or loss	294,779	200,944

(d) Total cash outflow

The Company had total cash outflows for leases of S$ 294,779 (2020: $200,944).

(e) Extension options

The Company's lease contract for office premises do not include extension options. The option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 3.1 (b)).

23. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

23. FINANCIAL RISK MANAGEMENT - CONTINUED

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables and loan to the holding company. For other financial assets (including investment securities and cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

23. FINANCIAL RISK MANAGEMENT - CONTINUED

(a) Credit risk – continued

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount S$	Loss allowance S$	Net carrying amount S$
31 March 2021						
Trade receivables	7	Note 1	Lifetime ECL (simplified)	8,600,736	(96,029)	8,504,707
					(96,029)	
31 March 2020						
Trade receivables	7	Note 1	Lifetime ECL (simplified)	11,554,076	(265,389)	11,288,687
					(265,389)	

23. FINANCIAL RISK MANAGEMENT - CONTINUED

(a) Credit risk - continued

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	Not past due S$	≤90 days S$	91-180 days S$	181-270 days S$	271-360 days S$	>360days S$	Total S$
31 March 2021							
ECL rate	0.21%	2.79%	6.77%	59.83%	-	-	
Estimated total gross carrying amount at default	6,181,179	2,127,310	285,419	6,828	-	-	8,600,736
ECL	(13,177)	(59,443)	(19,324)	(4,085)			(96,029)
							8,504,707
31 March 2020							
ECL rate	0.16%	1.18%	3.67%	7.47%	32.25%	100%	
Estimated total gross carrying amount at default	7,968,442	1,989,884	901,981	398,687	190,576	104,506	11,554,076
ECL	(13,048)	(23,448)	(33,119)	(29,799)	(61,469)	(104,506)	(265,389)
							11,288,687

Information regarding loss allowance movement of trade receivables is disclosed in Note 7.

23. FINANCIAL RISK MANAGEMENT - CONTINUED

(a) Credit risk - continued

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables including amount due from related parties

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

(b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

23. FINANCIAL RISK MANAGEMENT – CONTINUED

(b) Liquidity risk – continued

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligation.

	Carrying amount S$	Contractual Cash flows S$	1 year or less S$	2 to 5 years S$
2021				
Financial Assets				
Cash and cash equivalents	7,779,327	7,779,327	7,779,327	-
Trade and other receivables [(i)]	10,391,047	10,391,047	10,391,047	-
	18,170,374	18,170,374	18,170,374	-
Financial Liabilities				
Trade and other payables [(ii)]	6,203,882	6,203,882	6,203,882	-
Lease liabilities (Note 11)	1,043,956	1,162,123	284,602	877,521
	7,247,838	7,366,005	6,488,484	877,521
Total net undiscounted financial assets/ (liabilities)	10,922,536	10,804,369	11,681,890	(877,521)

	Carrying amount S$	Contractual Cash flows S$	1 year or less S$	2 to 5 years S$
2020				
Financial Assets				
Cash and cash equivalents	5,444,511	5,444,511	5,444,511	-
Trade and other receivables [(i)]	13,648,052	13,648,052	13,648,052	-
	19,092,563	19,092,563	19,092,563	-
Financial Liabilities				
Trade and other payables [(ii)]	6,457,130	6,457,130	6,457,130	-
Lease liabilities (Note 11)	1,249,174	1,249,174	186,152	1,063,022
	7,706,304	7,706,304	6,643,282	1,063,022
Total net undiscounted financial assets/ (liabilities)	11,386,259	11,386,259	12,449,281	(1,063,022)

(i) The amount excludes prepayments and advance to employees.

(ii) The amount excludes GST payable and provision for incentives.

23. FINANCIAL RISK MANAGEMENT – CONTINUED

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

The Company's exposure to interest rate risk arises primarily from cash and cash equivalents.

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from cash and cash equivalents.

(ii) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily Philippine Pesos (PHP).

The Company's currency exposures to the foreign currencies at the reporting date were as follows:

	PHP S$
2021	
Financial Assets:	
Trade and other receivables	-
Foreign currency exposure	-
2020	
Financial Assets:	
Trade and other receivables	221,858
	221,858
Foreign currency exposure	221,858

23. FINANCIAL RISK MANAGEMENT – CONTINUED

(c) Market risk – continued

(iii) Foreign currency risk - continued

A 10% strengthening of Singapore dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit after tax	
	2021 S$	2020 S$
Peso	-	18,414

A 10% weakening of Singapore dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

24. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment and return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2021 and 31 March 2020.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2020.

25. FAIR VALUES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair value due to the short-term nature of their balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

26. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	Note	2021 S$	2020 S$
Financial assets measured at amortised cost			
Trade and other receivables [(i)]	7	10,391,047	13,648,052
Cash and cash equivalents	9	7,779,327	5,444,511
Total Financial assets measured at amortised cost		18,170,374	19,092,563
Financial liabilities measured at amortised cost			
Lease liabilities	11	1,043,956	1,249,174
Trade and other payables [(ii)]	12	6,203,882	6,457,130
Total financial liabilities measured at amortised cost		7,247,838	7,706,304

(i) The amount excluded prepayments and advance to employees.
(ii) The amount excluded GST payable and provision for incentives.

27. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 29 APR 2021

COMTELPRO PTE. LIMITED

(Co. Reg. No.: 201715683K)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Joe Tan & Associates PAC
Chartered Accountants

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Incorporated with Limited Liability Regn No. 200801266N

COMTELPRO PTE. LIMITED
(Co. Registration No.: 201715683K)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

CONTENTS

COMTELPRO PTE. LIMITED.
(Co. Registration No.: 201715683K)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The directors are pleased to present their statement to the member together with the audited financial statements of ComtelPro Pte. Limited. (the "Company") for the financial year ended 31 March 2021.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, having regard to the financial support from the holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the Company in office at the date of this statement are:

Lohit Bhatia	
Guruprasad Srinivasan	
Sandeep Sharma	(appointed on 14 January 2021)
Vikas Kumar	(appointed on 16 February 2021)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the Company holding office at the end of the financial year had no interest of the share capital or debentures of the Company or of related corporations as recorded in the Register of Director's Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap 50.

5. SHARES OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6. AUDITOR

JOE TAN & ASSOCIATES PAC, Public Accountants and Chartered Accountants, has expressed its willingness to accept the re-appointment as auditor.

On behalf of the Board of Directors

....
Sandeep Sharma
Director

GURUPRASAD SRINIVASAN Digitally signed by GURUPRASAD SRINIVASAN Date: 2021.04.30 14:26:38 +05'30'

....
Guruprasad Srinivasan
Director

Singapore

30 APR 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

COMTELPRO PTE. LIMITED.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of ComtelPro Pte. Limited., (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 in the financial statements, which indicates that the Company incurred net loss of S$108,628 (2020: S$447,545) and a capital deficit of S$1,144,364 (2020: S$1,035,736) for the financial year ended 31 March 2021. As stated in Note 2.2, these events or conditions, along with other matters as set forth in Note 2.2, indicate that a material uncertainty exist that may affect on the Company's ability to continue as a going concern. Our Opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 conducts in accordance with SSAs 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 financial statements.

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

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

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- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Joe Tan & Associates Pac

JOE TAN & ASSOCIATES PAC
Public Accountants and
Chartered Accountants

Singapore

30 APR 2021

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COMTELPRO PTE. LIMITED.
(Co. Reg. No.: 201715683K)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 S$	2020 S$
ASSETS			
Current assets:			
Trade and other receivables	4	40,340	275,922
Contract assets	5	7,950	39,115
Cash and cash equivalents	6	173,945	34,560
Total current assets		222,235	349,597
TOTAL ASSETS		222,235	349,597
EQUITY AND LIABILITIES			
Equity:			
Share capital	7	200,000	200,000
Accumulated losses		(1,344,364)	(1,235,736)
Equity attributable to owners of the company		(1,144,364)	(1,035,736)
Current liabilities:			
Other payables	8	1,366,599	1,385,333
Total current liabilities		1,366,599	1,385,333
TOTAL LIABILITIES		1,366,599	1,385,333
TOTAL EQUITY AND LIABILITIES		222,235	349,597

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

COMTELPRO PTE. LIMITED.
(Co. Reg. No.: 201715683K)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S$	2020 S$
Revenue	9	262,858	456,071
Cost of services		(200,004)	(447,145)
Gross Profit		62,854	8,926
Other income	10	27,274	-
Administrative expenses		(198,756)	(456,471)
Loss before tax	12	(108,628)	(447,545)
Income tax expense	13	-	-
Loss for the year, representing total comprehensive loss for the year		(108,628)	(447,545)

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Share capital S$	Accumulated losses S$	Total S$
Balance at 1 April 2020	200,000	(1,235,736)	(1,035,736)
Loss for the year, representing total comprehensive loss for the year	-	(108,628)	(108,628)
Balance at 31 March 2021	200,000	(1,344,364)	(1,144,364)
Balance at 1 April 2019	200,000	(788,191)	(588,191)
Loss for the year, representing total comprehensive loss for the year	-	(447,545)	(447,545)
Balance at 31 March 2020	200,000	(1,235,736)	(1,035,736)

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

COMTELPRO PTE. LIMITED.
(Co. Reg. No.: 201715683K)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S$	2020 S$
Cash flows from operating activities			
Loss before tax		(108,628)	(447,545)
Adjustment for:			
Provision for expected credit losses		9,245	-
		(99,383)	(447,545)
Changes in working capital:			
Trade and other receivables		226,337	(229,233)
Contract assets		31,165	43,544
Trade and other payables		(18,734)	572,639
Net cash generated from/ (used in) operating acivities		139,385	(60,595)
Net increase/(decreases) in cash and cash equivalents		139,385	(60,595)
Cash and cash equivalents at 1 April		34,560	95,155
Cash and cash equivalents at 31 March	6	173,945	34,560

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Comtelpro Pte Limited (the "Company) is incorporated and domiciled in Singapore with its registered office and principal place of business at 4 Robinson Road, #12-01 The House of Eden, Singapore 048543.

The principal activities of the Company consist of acting as employment agencies (excluding maid agencies) which provide general (non-IT) staffing and corporate training services as well as motivation courses. There are no significant changes in the nature of these activities during the financial year.

The Company's immediate holding company is Quesscorp Holdings Pte. Ltd., incorporated in Singapore.

The Company's ultimate holding company is Quess Corp Limited, incorporated in India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements are presented in Singapore dollar and are prepared in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S$), which is the Company's functional currency. All financial information presented in Singapore Dollar, unless otherwise indicated.

Impact of Covid-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Company's significant operations are in Singapore, which have been affected by the spread of COVID-19 in 2020.

Set out below is the impact of COVID-19 on the Company's financial performance reflected in this set of financial statements for the year ended 31 March 2021:

i. The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

ii. During the financial year, border closures, production stoppages and workplace closures have resulted in periods where the Company's operations were temporarily suspended to adhere to the respective governments' movement control measures. There is no significant impact on the Company's financial performance for 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.1 BASIS OF PREPARATION – CONTINUED

Impact of COVID-19 – continued

iii. During the financial year, the Company has received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of Government's measures to support business during the period of economic uncertainty impacted by Covid-19. The effects of such wage support are used to offset with consultant salaries during the year.

iv. The Company has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets and provisions for onerous contracts as at 31 March 2021. However, there is no significant impact to the financial statements of the Company.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Company cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 March 2021. If the situation persists beyond management's current expectations, the Company's assets may be subject to further write downs in the subsequent financial periods.

2.2 GOING CONCERN

The financial statements of the Company have been prepared on a going concern basis notwithstanding the net capital deficiency of approximately $1,144,364 and $1,035,736 as at 31 March 2021 and 31 March 2020 respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the undertaking of its immediate holding company, Quesscorp Holdings Pte. Ltd., to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2.3 ADOPTION OF NEW AND REVISED STANDARDS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 109 *Financial Instruments*, FRS 39 *Financial Instruments: Recognition and Measurement*, FRS 107 *Financial Instruments: Disclosures*, FRS 104 *Insurance Contracts*, FRS 116 *Leases*: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 16 *Property, Plant and Equipment:* Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 *Consolidated Financial Statements and* FRS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.6 FINANCIAL INSTRUMENTS

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.6 FINANCIAL INSTRUMENTS - CONTINUED

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.7 IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 -months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.7 IMPAIRMENT OF FINANCIAL ASSETS - CONTINUED

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.8 CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2.10 PROVISIONS

General

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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.11 EMPLOYEE BENEFITS

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.12 REVENUE RECOGNITION

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation is satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfies performance obligation.

Rendering of services

The Company is providing employment agencies services.

Revenue from services is recognised when consultancy services have been performed and rendered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.13 TAXES

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income 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.

(b) Deferred tax

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

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

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.13 TAXES - CONTINUED

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.14 RELATED PARTIES

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Group and Company if that person:
   (i) Has control or joint control over the Company;
   (ii) Has significant influence over the Company; or
   (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions apply:
   (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) Both entities are joint venture of the same third party.
   (iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
   (vi) The entity is controlled or jointly controlled by a person identified in (a);
   (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
   (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.15 SHARE CAPITAL

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.16 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3.1 Judgement made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES – CONTINUED

3.2 Key sources of estimation uncertainty – continued

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 15(a)

The level of estimation and judgement used in the ECL calculation has increased as a result of the COVID-19 outbreak. The Company has considered the impact of COVID-19 on its customers and grouped them based on shared credit risk characteristics. Separate provision matrices are applied to each customer groupings and the historical loss rates are adjusted to reflect the current and forward-looking information.

The carrying amount of the Company's trade receivables as at 31 March 2021 was S$33,982 (2020: S$251,507).

4. TRADE AND OTHER RECEIVABLES

	2021 S$	2020 S$
Trade receivables		
- Related company	34,720	126,337
- Third parties	8,507	128,444
	43,227	254,781
Less: Allowance for expected credit losses	(9,245)	(3,274)
	33,982	251,507
Other receivables		
- Prepayments	358	4,415
- Deposits	6,000	20,000
	40,340	275,922

Trade receivables are non-interests bearing and are generally on 30 – 90 (2020: 30 – 90) days' term.

4. TRADE AND OTHER RECEIVABLES - CONTINUED

They are recognized at their original invoices amounts which represents their fair values on initial recognition. They are unsecured.

Other receivables are non-trade in nature, unsecured, interest-free and have no fixed term of repayment.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2021 S$	2020 S$
At 1 April	3,274	-
Reversal of bad debts written off (Note 10)	(3,274)	-
Provision for expected credit losses	9,245	3,274
At 31 March	9,245	3,274

The carrying amount of trade and other receivables approximate their fair values.

5. CONTRACT ASSETS

The contract assets primarily relate to the Company's right to consideration for work completed and not billed, as the rights are conditioned on the Company's future performance in satisfying the respective performance obligation at each reporting date.

The following table show the contract assets:

	2021 S$	2020 S$
Contract assets	7,950	39,115

6. CASH AND CASH EQUIVALENTS

	2021 S$	2020 S$
Cash at bank	113,945	34,560
Banker's guarantee	60,000	-
	173,945	34,560

The banker's guarantee has a maturity term of 6 to 40 months from the end of the financial year and it is interest free.

The carrying amounts of cash and cash equivalents approximate their fair values.

7. SHARE CAPITAL

	2021		2020	
	No of shares	S$	No of shares	S$
Issued and fully paid ordinary shares:				
At 1 April and 31 March	200,000	200,000	200,000	200,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value

8. OTHER PAYABLES

	2021 S$	2020 S$
Other payables:		
- Salaries, CPF and FWL payables	2,231	48,138
- Accruals	8,879	6,400
- Amount due to related company (non-trade)	1,345,429	1,322,435
- GST payables	10,060	8,360
	1,366,599	1,385,333

Other payables are non-trade in nature, unsecured, interest free and have no fixed term of repayments.

The amount due to related party are non-trade in nature, unsecured, interest-free and repayment on demand.

The carrying amounts of other payables approximate their fair values.

9. REVENUE

	2021 S$	2020 S$
Service rendered	262,858	456,071

10. OTHER INCOME

	2021 S$	2020 S$
Reversal of bad debts written off (Note 4)	3,274	-
Reversal of sub-contractor fee	24,000	-
	27,274	-

11. EMPLOYEE BENEFITS

	2021 S$	2020 S$
Staff costs:		
Salaries and bonuses	309,917	432,143
CPF Contribution	44,855	36,705
Incentives	1,500	12,949
	356,272	481,797

12. LOSS BEFORE TAX

	2021 S$	2020 S$
Loss before tax has been arrived at after charging/ (crediting):		
Employee benefits (Note 11)	356,272	481,797
Management fee	-	231,000
Legal & professional fees	8,478	584
Reversal of bad debts written off	(3,274)	-

13. INCOME TAX EXPENSE

No income tax expense recognised in profit or loss for the financial period ended 31 March 2021 and 31 March 2020.

Relationship between tax expense and accounting loss

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2021 and 31 March 2020 were as follows:

	2021 S$	2020 S$
Loss before tax	(108,628)	(447,545)
Tax at the statutory tax rate at 17% (2020: 17%)	(18,467)	(76,082)
Income not subject to tax	(15,218)	-
Tax effect on non-deductible expenses	1,020	5
Deferred tax asset not recognised	32,665	76,077
	-	-

The Company has unutilised tax losses of approximately S$1,426,039 (2020:S$1,233,891) as at balance sheet date which can be carried forward for offsetting against future taxable profits, subject to agreement by the tax authorities and compliance with the relevant provision of the Singapore Income tax Act. The potential deferred tax benefits from unutilised tax losses have not been recognised in the financial statements as it is not probable that the future taxable profit will not be available against the deferred tax benefits.

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	2021 S$	2020 S$
Transactions with fellow subsidiaries:		
Consultancy income	254,554	277,636
(Reversal)/ Addition of sub-contractor fee	(24,000)	167,841
Management fees paid	-	231,000
Advances from related party	-	2,350,000

15. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables and contract assets. For other financial assets (including investment securities and cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

15. FINANCIAL RISK MANAGEMENT – CONTINUED

(a) Credit risk – continued

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

15. FINANCIAL RISK MANAGEMENT – CONTINUED

(a) Credit risk – continued

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount S$	Loss allowance S$	Net carrying amount S$
31 March 2021						
Trade receivables	4	Note 1	Lifetime ECL (simplified)	43,227	(9,245)	33,982
					(9,245)	
31 March 2020						
Trade receivables	4	Note 1	Lifetime ECL (simplified)	254,781	(3,274)	251,207
					(3,274)	

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

15. FINANCIAL RISK MANAGEMENT – CONTINUED

(a) Credit risk – continued

	Not past due	Trade receivables days past due: 1 to 90 days	91 to 180 days	181 to 270 days	Total
	S$	S$	S$	S$	S$
2021					
ECL rate	0%	-	-	0%	
Estimated total gross carrying amount at default	8,507	-	-	34,720	43,227
Specific provision				(9,245)	(9,245)
ECL	-	-	-	-	-
					33,982
2020					
ECL rate	0%	1.41%	3.77%	11.11%	
Estimated total gross carrying amount at default	208,660	10,734	11,017	24,370	254,781
ECL	-	(151)	(415)	(2,708)	(3,274)
					251,207

Information regarding loss allowance movement of trade receivables is disclosed in Note 4.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk other than those balances with holding company and related companies. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

15. FINANCIAL RISK MANAGEMENT – CONTINUED

(b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount S$	Contractual Cash flows S$	One year or less S$
2021			
Financial Assets			
Cash and cash equivalents	173,945	173,945	173,945
Trade and other receivables [a]	39,982	39,982	39,982
	213,927	213,927	213,927
Financial Liabilities			
Other payables [b]	1,356,539	1,356,539	1,356,539
	1,356,539	1,356,539	1,356,539
Total net undiscounted financial liabilities	(1,142,612)	(1,142,612)	(1,142,612)

[a] This amount has excluded prepayments.

[b] This amount has excluded GST payable.

15. FINANCIAL RISK MANAGEMENT – CONTINUED

(b) Liquidity risk - continued

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount S$	Contractual Cash flows S$	One year or less S$
2020			
Financial Assets			
Cash and cash equivalents	34,560	34,560	34,560
Trade and other receivables [(a)]	271,507	271,507	271,507
	306,067	306,067	306,067
Financial Liabilities			
Other payables [(b)]	1,376,973	1,376,973	1,376,973
	1,376,973	1,376,973	1,376,973
Total net undiscounted financial liabilities	(1,070,906)	(1,070,906)	(1,070,906)

[(a)] This amount has excluded prepayments.
[(b)] This amount has excluded GST payable.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from cash and cash equivalents.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest-bearing financial instruments at the end of the financial year.

(ii) Foreign currency risk

The Company is not exposed to foreign currency risk as it has no transactions denominated in foreign currencies.

16. FAIR VALUES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair value due to the short-term nature of their balances.

Trade receivables

The carrying amounts of these receivables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

17. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2021 S$	2020 S$
Financial assets measured at amortised cost		
Trade and other receivables [(a)] (Note 4)	39,982	271,507
Cash and cash equivalents (Note 6)	173,945	34,560
Total Financial assets measured at amortised cost	213,927	306,067
Financial liabilities measured at amortised cost		
Other payables [(b)] (Note 8)	1,356,539	1,376,973
Total financial liabilities measured at amortised cost	1,356,539	1,376,973

[(a)] This amount has excluded prepayments.
[(b)] This amount has excluded GST payable.

18. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment and return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2021 and 31 March 2020.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2020.

19. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on

30 APR 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Excelus Learning Solutions Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Excelus Learning Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 opinion.

Emphasis of Matter

We draw attention to Note 42 to the financial statements which states that management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and

MSKA & ASSOCIATES Hyderabad Chartered Accountants

position as at and for the year ended March 31, 2021 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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

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

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

MSKA & ASSOCIATES
Hyderabad
Chartered Accountants

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position

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

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

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 21205226AAAAEK7212

Place: Hyderabad

Date: May 06,2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF EXCELUS LEARNING SOLUTIONS PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

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Hyderabad
Chartered Accountants

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.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226

UDIN: 21205226AAAAEK7212
Place: Hyderabad
Date: May 6, 2021

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF EXCELUS LEARNING SOLUTIONS PRIVATE LIMITED FOR THE YEAR ENDED 31ST MARCH 2021

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) Fixed assets (Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 73, 74, 75 and 76 of the Act, the rules framed thereunder and the Circulars, notifications issued from time to time with regard to the deposits accepted. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this respect.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.

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(b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

Statutory dues which were outstanding, as at March 31, 2021 for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Date of Payment	Remarks, if any
Professional Tax	Statutory Due	2,35,539	FY 20-21 (Apr 2020-Sep 2020)	Not Paid	Pending Registration

(c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

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

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us, since the Company is a Private Company, the provisions of section 197 of the Act will not be applicable. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.

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

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

MSKA & ASSOCIATES Hyderabad Chartered Accountants

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

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

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 21205226AAAAEK7212
Place: Hyderabad
Date: May 6,2021

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF EXCELUS LEARNING SOLUTIONS PRIVATE LIMITED

[Referred to in paragraph (2) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to financial statements of Excelus Learning Solutions Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

MSKA & ASSOCIATES
Hyderabad
Chartered Accountants

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

MSKA & ASSOCIATES
Hyderabad
Chartered Accountants

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 21205226AAAAEK7212
Place: Hyderabad
Date: May 6,2021

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

(Amounts in INR Lakhs)

Balance Sheet as at	Note	31 Mar 2021	31 Mar 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	527.95	1,135.80
Financial assets			
(i) Non-current loans	4	186.31	183.04
(ii) Other non-current financial assets	5	529.18	529.18
Deferred tax assets (net)	6	408.45	145.30
Income tax assets (net)	7	25.16	280.87
Other non-current assets	8	3.70	34.45
Total non-current assets		**1,680.75**	**2,308.64**
Current assets			
Financial assets			
(i) Investments		-	-
(ii) Trade receivables	9	34.97	25.47
(iii) Cash and cash equivalents	10	137.85	873.49
(iv) Bank balances other than cash and cash equivalents above	11	73.09	73.09
(v) Current loans	12	12.00	25.69
(vi) Unbilled revenue	13	2,910.88	3,451.06
(vii) Other current financial assets	14	121.24	79.16
Other current assets	15	110.93	155.84
Total current assets		**3,400.96**	**4,683.80**
Total assets		**5,081.71**	**6,992.44**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1.00	1.00
Instruments entirely equity in nature	17	4,025.00	4,025.00
Other equity	18	(404.14)	501.72
Total equity attributable to equity holders of the Company		**3,621.86**	**4,527.72**
Non-controlling interests		-	-
Total equity		**3,621.86**	**4,527.72**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Non-current borrowings	19	576.02	918.29
(ii) Other non-current financial liabilities	20	-	10.88
Non-current provisions	21	44.92	46.26
Total non current liabilities		**620.94**	**975.43**
Current liabilities			
Financial liabilities			
(i) Borrowings	22	141.41	-
(ii) Trade payables	23	7.46	85.69
(iii) Other current financial liabilities	24	628.50	1,292.14
Current provisions	25	7.77	9.46
Other current liabilities	26	53.77	102.00
Total current liabilities		**838.91**	**1,489.29**
Total Liabilities		**1,459.85**	**2,464.72**
Total Equity and Liabilities		**5,081.71**	**6,992.44**

Company overview and Significant accounting policies 1 & 2
The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **MSKA & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad
Date: 6 May 2021

for and on behalf of Board of Directors of
Excelus Learning Solutions Private Limited

EXCELUS LEARNING SOLUTIONS PVT. LTD.

Abhinandan Raghuthaman
Director
DIN : 07675547

Place: Bengaluru
Date: 6 May 2021

Suraj Krishna Moraje
Director
DIN : 08594844

Place: Bengaluru
Date: 6 May 2021

Excelus Learning Solutions Private Limited

(A Subsidiary of Quess Corp Limited)

Statement of profit and loss	Note	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
		(Amounts in INR Lakhs)	
Income			
Revenue from operations	27	1,108.78	5,799.90
Other income	28	71.64	51.10
Total income		**1,180.42**	**5,851.00**
Expenses			
Cost of material and stores and spare parts consumed		-	-
Employee benefit expenses	29	961.69	2,038.72
Finance costs	30	86.01	216.49
Depreciation and amortisation expense	31	642.57	758.19
Other expenses	32	672.14	1,892.77
Total expenses		**2,362.41**	**4,906.17**
Profit before share of profit of equity accounted investees and income tax		**(1,181.99)**	**944.83**
Share of profit of equity accounted investees (net of income tax)		-	-
Profit before tax		**(1,181.99)**	**944.83**
Tax expense			
Current tax		-	248.18
Adjustments of tax relating to earlier periods		-	-
Deferred tax		(266.42)	(14.40)
Income tax expenses		**(266.42)**	**233.78**
Profit for the year		**(915.57)**	**711.05**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		12.98	(8.54)
Income tax relating to items that will not be reclassified to profit or loss		(3.27)	-
Share of Other Comprehensive Income in Associates and Joint Venture		-	-
Items that will be reclassified to profit or loss			
operations		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Total comprehensive income for the period		**(905.86)**	**702.51**
Profit attributable to			
Owners of the Company		(915.57)	711.05
Non-controlling interests		-	-
Total profit for the year		**(915.57)**	**711.05**
Other comprehensive income attributable to			
Owners of the Company		9.71	(8.54)
Non-controlling interests		-	-
Total other comprehensive income attributable to		**9.71**	**(8.54)**
Total comprehensive income attributable to :			
Equity holders of the parent		(905.86)	702.51
Non-controlling interests		-	-

Company overview and Significant accounting policies 1 & 2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **MSKA & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad
Date: 6 May 2021

for and on behalf of Board of Directors of
Excelus Learning Solutions Private Limited

EXCELUS LEARNING SOLUTIONS PVT. LTD.

Abhinandan Raghuthaman
Director
DIN : 07675547

Place: Bengaluru
Date: 6 May 2021

Suraj Krishna Moraje
Director
DIN : 08594844

Place: Bengaluru
Date: 6 May 2021

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)
Statement of Changes in Equity for the year ended 31 March 2021

a) Equity share Capital *(Amounts in INR Lakhs)*

Particulars	As at 31 March 2021	As at 31 March 2020
Opening Balance	1.00	1.00
changes in equity share capital	-	-
Closing balance	**1.00**	**1.00**

b) Other Equity

Particulars	Retained Earnings	Other Reserves	Total
Balance as of 01 April 2019	(218.26)	17.48	(200.78)
Add: Increase in Share Capital	-	-	-
Less: Buyback of share capital	-	-	-
Add: Premium received on issue of Equity Shares	-	-	-
Less: Amount utilized for issue of Equity Shares	-	-	-
Add: Financial value of Corporate guarantee received	-	-	-
Add: Profit for the year	711.05	-	711.05
Add: Other comprehensive income	(8.54)	-	(8.54)
Balance as of 31 March 2020	**484.25**	**17.48**	**501.73**

Particulars	Retained Earnings	Other Reserves	Total
Balance as of 01 April 2020	484.25	17.48	501.73
Add: Increase in Share Capital	-	-	-
Less: Buyback of share capital	-	-	-
Add: Premium received on issue of Equity Shares	-	-	-
Less: Amount utilized for issue of Equity Shares	-	-	-
Add: Financial value of Corporate guarantee received	-	-	-
Add: Profit for the year	(915.57)	-	(915.57)
Add: Other comprehensive income	9.71	-	9.71
Balance as of 31 March 2021	**(421.61)**	**17.48**	**(404.13)**

c) Instruments entirely equity in nature

Compulsorily Convertible debentures *(Amount in INR lakhs)*

Balance as of 01 April 2020	Changes in compulsorily convertible debentures during the period	Balance as of 31 March 2021
4,025.00	-	4,025.00

Total equity attributable to equity holders of the Company as at 31 March 2021 (a+b+c)	**3,621.87**

Company overview and Significant accounting policies 1 & 2
The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **MSKA & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad
Date: 6 May 2021

for and on behalf of Board of Directors of
Excelus Learning Solutions Private Limited

EXCELUS LEARNING SOLUTIONS PVT. LTD.

Abhinandan Raghuthaman
Director
DIN : 07675547

Place: Bengaluru
Date: 6 May 2021

Suraj Krishna Moraje
Director
DIN : 08594844

Place: Bengaluru
Date: 6 May 2021

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

(Amount in INR)

Statement of Cash Flows	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
Cash flows from operating activities		
Profit before tax	(1,169.01)	936.29
Adjustments for:		
Depreciation and amortisation	436.35	476.10
Depreciation and amortisation (Ind AS 116)	206.22	282.09
Finance income on present valuation of financial instruments	(4.82)	(7.27)
Rent amortization on financial instruments	4.90	7.00
Finance cost on leases (Ind AS 116)	10.36	-
Rent reversal on leases (Ind AS 116)	(229.46)	(307.02)
Provision for bad and doubtful debts, net	(1.77)	-
Interest income on term deposits	(45.51)	(40.32)
Interest on tax refunds due	(21.17)	-
Finance costs	75.65	216.49
Operating cash flows before working capital changes	**(738.26)**	**1,563.36**
Changes in inventories, trade receivables and unbilled revenue	532.45	(2,113.83)
Changes in loans, other financial assets and other assets	62.81	(251.57)
Changes in trade payables and other financial liabilities	(877.00)	609.25
Changes in other liabilities and provisions	(52.61)	90.44
Cash generated from operations	**(1,072.61)**	**(102.36)**
Income taxes paid, net of refund	258.98	-
Net cash provided by/ (used in) operating activities (A)	**(813.63)**	**(102.36)**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	194.77	(169.69)
Bank deposits (having original maturity of more than three months)	-	(16.79)
Interest income on term deposits	3.43	4.03
Interest on IT Refund	21.17	-
Net cash used in investing activities (B)	**219.37**	**(182.45)**
Cash flows from financing activities		
Proceeds from borrowings	(228.18)	647.98
Loans from related parties	141.41	243.70
Interest paid	(54.61)	(164.91)
Finance cost	-	(2.31)
Net cash provided by financing activities (C)	**(141.38)**	**724.46**
Net increase in cash and cash equivalents (A+B+C)	(735.64)	439.65
Cash and cash equivalents at the beginning of the period	873.49	433.84
Cash and cash equivalents acquired on amalgamation		
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year (refer note 10)	**137.85**	**873.49**

The notes referred to above form an integral part of the consolidated financial statements
As per our report of even date attached

As per our report of even date attached
for MSKA & Associates
Chartered Accountants
Firm's Registration No.: 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad
Date: 6 May 2021

for and on behalf of Board of Directors of
Excelus Learning Solutions Private Limited

Abhinandan Raghuthaman
Director
DIN : 07675547

Place: Bengaluru
Date: 6 May 2021

Suraj Krishna Moraje
Director
DIN : 08594844

EXCELUS LEARNING SOLUTIONS PVT. LTD.

Place: Bengaluru
Date: 6 May 2021

4 Non current loans

(Amounts in INR Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	186.31	183.04
	186.31	**183.04**

5 Other non-current financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Bank deposits (due to mature after 12 months from the reporting date)*	529.18	529.18
	529.18	**529.18**
5.1 Fixed deposits lien marked as at 31 March 2021 INR 602.27 lacs. Refer note 11.	-	-

6 Deferred tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset on liabilities:		
Provision on employee benefits- Gratuity	6.83	9.97
Provision on employee benefits- Compensated absences	3.17	4.52
Business loss current year and carried forward	259.23	-
Present Valuation of Financial Instruments	0.93	-
80JJAA	10.16	-
Deferred Tax others	1.25	2.16
Deferred tax asset on assets:	-	-
Minimum alternate tax credit entitlement	-	56.87
Deffered tax on fixed assets	126.88	71.78
Net deferred tax assets	**408.45**	**145.30**
	-	-

7 Income tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax	25.16	280.87
	25.16	**280.87**

8 Other non-current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Capital advances	2.17	25.44
Prepaid expenses	1.53	9.01
	3.70	**34.45**

9 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good*	34.97	25.47
Considered doubtful	-	1.77
	34.97	**27.24**
Loss allowance		
Unsecured considered good	-	-
Doubtful (refer note 44)	-	(1.77)
	-	**(1.77)**
Net trade receivables	**34.97**	**25.47**

* Refer note 44

EXCELUS LEARNING SOLUTIONS PVT. LTD. ★

10 **Cash and cash equivalents**

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Cash in hand	-	-
Balances with banks		
In current accounts	137.85	873.49
Cash and cash equivalents in balance sheet	**137.85**	**873.49**
Bank overdraft used for cash management purpose	-	-
Cash and cash equivalent in the statement of cash flow	**137.85**	**873.49**

11 **Other bank balances**

Particulars	As at 31 March 2021	As at 31 March 2020
In deposit accounts (mature within 12 months from the reporting date)	73.09	73.09
	73.09	**73.09**

11.1 Fixed deposits lien marked as at 31 March 2021 INR 602.27 lacs. Refer note 5.

12 **Current loans**

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Loans to employees	12.00	25.69
	12.00	**25.69**

13 **Unbilled revenue**

Particulars	As at 31 March 2021	As at 31 March 2020
Unbilled revenue (refer note 33 (i))	2,910.88	3,451.06
Less: Provision for impairment of unbilled revenue	-	-
	2,910.88	**3,451.06**

14 **Other financial assets**

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued but not due	121.24	79.16
	121.24	**79.16**

15 **Other current assets**

Particulars	As at 31 March 2021	As at 31 March 2020
Advances other than capital advances		
Other advances	2.35	85.68
Prepaid expenses	108.58	70.16
Balances with government authorities	-	-
	110.93	**155.84**

16 **Share capital**

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
10,000 equity shares of par value of Rs 10 each	1.00	1.00
	1.00	**1.00**
Issued, subscribed and paid-up		
10,000 equity shares of par value of Rs 10 each, fully paid up	1.00	1.00
	1.00	**1.00**

EXCELUS LEARNING SOLUTIONS PVT. LTD.

16.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2021		As at 31 March 2020	
Particulars	**Number of shares**	**Amount in INR Lakhs**	**Number of shares**	**Amount in INR Lakhs**
Equity shares				
At the commencement of the year	10,000	1.00	10,000	1.00
Shares issued on exercise of employee stock options	-	-	-	-
Shares issued during the year	-	-	-	-
Right issue	-	-	-	-
Bonus issue	-	-	-	-
At the end of the year	**10,000**	**1.00**	**10,000**	**1.00**

16.2 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amounts (if any) in proportion to the number of equity shares held.

16.3 Shares held by Holding Company

	As at 31 March 2021		As at 31 March 2020	
Particulars	**Number of shares**	**Amount in INR Lakhs**	**Number of shares**	**Amount in INR Lakhs**
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	9,999.00	1.00	9,999.00	1.00
Ajit Abraham Isaac	1.00	0.00	-	-
Subrata Kumar Nag	-	-	1.00	0.00
	10,000.00	**1.00**	**10,000.00**	**1.00**

16.4 Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2021		As at 31 March 2020	
Particulars	**Number of shares**	**Lakhs**	**Number of shares**	**Lakhs**
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	9,999.00	1.00	9,999.00	1.00
	9,999.00	**1.00**	**9,999.00**	**1.00**

17 Instruments entirely equity in nature

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Compulsorily Convertible Debentures		
4,025 (31 March 2020: 4,025) compulsorily convertible debentures of par value of Rs 1,00,000 each	4,025.00	4,025.00
	4,025.00	**4,025.00**

The Company in its Board of Director meeting held on 26 September 2019 passed a resolution to issue 4,025 (Four Thousand Twenty Five) 10% unsecured compulsorily convertible debentures of the face value of Rs 1,00,000 (Rs. one lakh only) each, on preferential allotment basis, aggregating to Rs 40,25,00,000 (Forty Crore Twenty Five Lakhs) only to Quess Corp Limited by way of conversion of outstanding loans and advances (including accrued interest) payable by the Company to Quess Corp Limited based on a valuation report issued by a registered valuer. The Debenture Holders shall have the right to convert any or all of the CCDs any time during the tenure of CCD, at a conversion price of INR 1,84,237.46/-.

EXCELUS LEARNING SOLUTIONS PVT. LTD.

17.1 a) Reconciliation of number of compulsorily convertible debentures outstanding at the beginning and at the end of reporting period

Particulars	As at 31 March 2021		As at 31 March 2020	
	No.	Amount in INR Lakhs	No.	Amount in INR Lakhs
Number of compulsorily convertible debentures (CCDs) outstanding at the beginning and end of the year	4,025	4,025	4,025	4,025
	4,025	**4,025**	**4,025**	**4,025**

b) The rights, preferences and restrictions attaching to compulsorily convertible debentures issued to Quess Corp Limited, holding company including restrictions if any :

The Company has one class of compulsorily convertible debentures of Rs 1,00,000 per CCD. These CCDs are unsecured and carry a discretionary coupon of 10% per annum. The CCDs shall have a tenure of 10 years from the date of issue. The holder of these CCDs shall have the right to convert any or all of the CCDs, any time during the tenure of CCDs. CCDs outstanding at the end of the tenure shall be automatically be converted into Equity shares of the Company. These CCDs shall be converted into 2,184.68 equity shares at an issue price INR 1,84,237.46 each having a face value of INR 10 each..

(c) Particulars of compulsorily convertible debentures held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

Particulars	As at 31 March 2021		As at 31 March 2020	
	No.	Amount in INR Lakhs	No.	Amount in INR Lakhs
Quess Corp Limited , holding company	4,025	4,025.00	4,025	4,025.00

(d) CCD holders holding more than 5% of compulsorily convertible debentures along with the total number of CCDs held at the beginning and at the end of the reporting period is as given below:

Particulars	As at 31 March 2021		As at 31 March 2020	
	% of holding	No	% of holding	No
Quess Corp Limited , holding company	100%	4,025	100%	4,025.00

18 Other equity*

Particulars	As at 31 March 2021	As at 31 March 2020
Other comprehensive income (refer note 18.1)	(0.14)	(9.85)
Other Equity- Corporate Guarantee (refer note 18.2)	17.48	17.48
Retained earnings	(421.48)	494.09
	(404.14)	**501.72**

18.1 Other comprehensive income consists of actuarial gain and losses and return on plan assets (excluding interest income) on remeasurement of net defined benefit liability/(asset).

18.2 A corporate guarantee was issued by holding company Quess Corp Limited against the loan secured from NSDC.

19 Non-current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Term loan (refer note 24 & 46)	576.02	918.29
Total borrowing	**576.02**	**918.29**

20 Other non-current financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liability	-	10.88
	-	**10.88**

21 Non-current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for gratuity (refer note 39)	37.49	36.10
Provision for compensated absences (refer note 39)	7.43	10.16
	44.92	**46.26**

EXCELLUS LEARNING SOLUTIONS PVT. LTD.

22 **Current borrowings**

Particulars	As at 31 March 2021	As at 31 March 2020
Loan from related parties, unsecured		
- Quess Corp Limited (refer note 38 (iii))	141.41	-
	141.41	**-**

Information about the Company exposure to interest rate and liquidity risk is included in note 44.

22.1 The Company has taken working capital loan from its holding Company (Quess Corp Limited). The loan carries an interest rate as that of 10 year Indian Government Bond.

23 **Trade payables**

Particulars	As at 31 March 2021	As at 31 March 2020
Dues to micro, small and medium enterprises (refer note 40)	-	-
Other trade payables	7.46	85.69
	7.46	**85.69**

24 **Other current financial liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings (refer note 19 & 46)	342.27	228.18
Interest accrued and not due	35.63	14.59
Amount payable to related parties (refer note 38 (iii))	79.83	82.53
Lease liability (refer note 34)	9.56	220.36
Other Payables		
Accrued salaries and benefits	72.59	158.14
Provision for expenses	88.62	588.34
	628.50	**1,292.14**

25 **Current provisions**

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity (refer note 39)	2.62	2.24
Provision for compensated absences (refer note 39)	5.15	7.22
	7.77	**9.46**

26 **Other current liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Income received in advance	-	-
Advance received from customers	22.27	-
Balances payable to government authorities	31.50	102.00
	53.77	**102.00**

EXCELUS LEARNING SOLUTIONS PVT. LTD.

27 Revenue from operations

(Amounts in INR Lakhs)

Particulars	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
Sale of services		
Training services	1,108.78	5,799.90
Total sale of services	**1,108.78**	**5,799.90**

28 Other income

Particulars	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
Interest income under the effective interest method on:		
Cash and cash equivalents	45.51	40.32
Interest income on present valuation of financial instruments	4.82	7.27
Interest on tax refunds due	21.17	-
Miscellaneous income	0.14	3.51
	71.64	**51.10**

29 Employee benefits expense

Particulars	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
Salaries and wages	830.86	1,861.90
Contribution to provident and other funds	94.52	157.84
Expenses related to post-employment defined benefit plan (refer note 39)	14.75	17.76
Expenses related to compensated absences	(4.80)	1.08
Staff welfare expenses	26.36	0.14
	961.69	**2,038.72**

30 Finance costs

Particulars	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
Interest expense on financial liabilities measured at amortised cost	83.70	214.68
Other borrowing costs	2.31	1.81
	86.01	**216.49**

31 Depreciation and amortisation expense

Particulars	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
Depreciation of property, plant and equipment (refer note 3)	642.57	758.19
Amortisation of intangible assets	-	-
	642.57	**758.19**

32 Other expenses

Particulars	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
Recruitment and training expenses	269.74	1,331.21
Rent (refer note 34)	260.90	39.73
Legal and professional fees (refer note 45)	106.04	510.96
Travelling and conveyance	0.41	6.00
Impairment loss on financial assets	(1.77)	1.77
Insurance	34.75	-
Miscellaneous expenses	2.07	3.10
	672.14	**1,892.77**

EXCELUS LEARNING SOLUTIONS PVT. LTD.

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)
Notes to the financial statements for the period ended 31 Mar 2021

3 Property, plant and equipment

(Amounts in INR Lakhs)

Particulars	Leasehold improvements	Furniture and fixtures	Office equipment	Computer equipment	ROU Building	Total
Gross Block						
As at 1 April 2019	225.82	387.09	589.57	595.24	-	**1,797.72**
Additions during the year	51.88	11.96	44.56	47.41	502.03	**657.84**
Deletions during the year	-	-	-	-	-	-
As at 31 Mar 2020	**277.70**	**399.05**	**634.13**	**642.65**	**502.03**	**2,455.56**
As at 1 April 2020	277.70	399.05	634.13	642.65	502.03	**2,455.56**
Additions during the year	12.62	17.72	4.64	2.18	-	**37.16**
Deletions during the year	-	-	-	-	(6.31)	**(6.31)**
As at 31 Mar 2021	**290.32**	**416.77**	**638.77**	**644.83**	**495.72**	**2,486.41**
Accumulated Depreciation						**-**
As at 1 April 2019	88.10	80.28	140.00	253.19	-	**561.57**
Additions during the year	77.32	79.07	120.10	199.61	282.09	**758.19**
Deletions during the year	-	-	-	-	-	-
As at 31 Mar 2020	**165.42**	**159.35**	**260.10**	**452.80**	**282.09**	**1,319.76**
As at 1 April 2020	165.42	159.35	260.10	452.80	282.09	**1,319.76**
Additions during the year	72.91	82.71	127.63	153.10	206.22	**642.57**
Deletions during the year	-	-	-	-	(3.87)	**(3.87)**
As at 31 Mar 2021	**238.33**	**242.06**	**387.73**	**605.90**	**484.44**	**1,958.46**
Net Block :						
As at 31 Mar 2021	**51.99**	**174.71**	**251.04**	**38.93**	**11.28**	**527.95**
As at 31 Mar 2020	**112.28**	**239.70**	**374.03**	**189.85**	**219.94**	**1,135.80**

EXCELUS LEARNING SOLUTIONS PVT. LTD. ★

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)
Notes to the financial statements for the year ended 31 March 2021

1. Company overview
Excelus Learning Solutions Private Limited ('the Company') , is a Company incorporated under the provisions of the Companies Act, 2013('the Act') on November 23, 2016. The company has its registered office in Bengaluru, India. The Company is engaged in the business of skill development and training services.

2.1 Significant accounting policies

2.1.1 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS), the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.1.2 Basis of measurement
The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following assets and liabilities which have been measured at fair value:

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);
ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined benefit Obligation ("DBO").

2.1.3 Use of estimates and judgment
The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) *Income taxes:* Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. The ultimate realization of deferred income tax assets, including Minimum Alternate Tax (MAT), is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities and the projected future taxable income in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

ii) *Measurement of Defined Benefit Obligation* :The cost of defined benefit obligations are based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.

iii) *Property, Plant & Equipment* - The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

iv) *Other estimates:* The impairment of non-financial assets involves key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets.

2.1.4 Current - non current classification
All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle for the purpose of classification of assets and liabilities as current and non-current.

Assets
An asset is classified as current when it satisfies any of the following criteria:
a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realized within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets.
All other assets are classified as non-current.

EXCELUS LEARNING SOLUTIONS PVT. LTD. ★

Liabilities
A liability is classified as current when it satisfies any of the following criteria:
a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.
All other liabilities are classified as non-current.

Operating cycle
Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.2 Summary of significant accounting policies

2.2.1 Foreign currency transactions and balances
Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

2.2.2 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Financial assets
(i) Classification and subsequent measurement

For the purpose of subsequent measurement, a financial asset is classified and measured at
- amortized cost;
- fair value through other comprehensive income (FVTOCI) - debt investment;
- fair value through other comprehensive income (FVTOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

1. A financial asset is measured at amortized cost if both the following conditions are met:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

2. A debt investment is measured at FVTOCI if both of the following conditions are met:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets ; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

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3. On initial recognition of an equity investment that is not held for trading, the company irrevocably elects to present subsequent changes in the fair value in OCI (designated as FVTOCI-equity investment). This election is made on an investment-to-investment basis.

4. All financial assets not classified as amortized cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in the Statement of profit and loss.
Financial assets at amortized cost These assets are subsequently measured at amortized cost using the effective interest reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is recognized in the Statement of Profit and Loss.
Debt investments at FVOCI These assets are subsequently measured at fair value. Interest income under the effective interest method. foreign exchange gains and losses and impairment are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.

(ii) Derecognition of financial assets

A financial asset is derecognized only when the company:
- has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

c) Financial liabilities

(i) Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortized cost or FVTPL. Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date. the carrying amounts approximate fair value due to the short maturity of these instruments.

(ii) Financial guarantee contracts

Financial guarantee contracts are those contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because the specified party fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts are initially recognized at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognized less cumulative amortization.

(iii) Derecognition

A financial liability is derecognized when the company's obligations are discharged or cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Share Capital
Ordinary Shares
Ordinary shares are classified as equity. Incremental costs directly attributable to other issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

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2.2.4 Property, plant and equipment
Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment on straight line basis over the useful lives of assets estimated by the Management. Depreciation for assets purchased/sold during the period is proportionately charged. The useful lives are as below:

Category	Useful life
Plant and machinery	3 years
Computer equipment	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	3 years
Leasehold improvements	3 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in progress'.

Since the leasehold improvements form part of training centres and NSDC has funded the project for at least 3 years, the estimated life is taken as 3 years even if lease term is less than 3 years in few cases.

2.2.5 Intangible assets
Application software purchased, which is not an integral part of the related hardware, is shown as intangible assets and amortized on a straight line basis over its useful life, not exceeding three years, as determined by management.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. 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), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The estimated useful lives of intangibles are as follows:

Category	Useful life
Software	3 years

2.2.6 Leases
Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The company has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.
The company's lease asset classes primarily consist of Land and Building. The company assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimated of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate (As at 1 April 2019 - 9.5%).

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The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.
When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.
Short-term leases and leases of low-value assets:
The Company has elected not to recognize right-of-use assets and liabilities for short-term leases of INR 100,000 that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.
Practical expedients adopted on initial recognition:
1. The agreements maturing within 12 months from the initial application of Ind AS 116, are not considered.
2. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.
3. Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

2.2.7 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or 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 are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit or loss.

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. The higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating asset to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.2.8 Employee benefit

(a) Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognized as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognizes related restructuring costs or termination benefits.

The retirement benefit obligations recognized in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

Ind AS 19 'Employee Benefits' amendment in connection with accounting for plan amendments, curtailments and settlements requires an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

(b) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(c) Compensated absences

The employees of the company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as at the reporting date.

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2.2.9 Provisions and Contingencies
Provisions are recognized when the Company has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.
A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

2.2.10 Revenue
The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognized as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation.

The Company accounts for variable considerations as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Refer Note no. 31 for disclosure related to revenue from contracts with customers.

2.2.11 Other income
Other income is comprised primarily of interest income and exchange gain/loss on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

2.2.12 Cost recognition
Costs and expenses are recognized when incurred and have been classified according to their primary nature.

2.2.13 Finance costs
Interest expense consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

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2.2.14 Income tax
Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. The Deferred tax assets are also recognized for unabsorbed depreciation, current year and carried forward business losses under tax laws. The recognition is supported by management's estimation of availability of sufficient future taxable income, against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax in future years. Ind AS 12 defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

2.2.15 Cash and Cash Equivalents
Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.
For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.2.16 Cash flow statement
Cash flows are reported using the indirect method, whereby profit 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 Company are segregated.

2.2.17 Earnings per share
Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.
The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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33 Revenue from Contracts with customers

(i) Trade Receivables and Contract Balances

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR lakhs)

Particulars	As at 31 March 2021	As at 1 April 2020
Receivables, which are included in 'Trade receivables'	34.97	25.47
Contract assets	2,910.88	3,451.06
Contract liabilities	-	-

The contract assets (unbilled revenue) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date.

The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognized on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2021

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2021
Balance as at 1 April 2020	3,451.06
Add : Revenue recognized during the year	1,058.17
Less : Invoiced during the year	(1,598.35)
Less : Impairment / (reversal) during the year	-
Add : Translation gain/(Loss)	-
Balance as at 31 March 2021	**2,910.88**

(ii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for

(i) contracts with an original expected duration of one year or less and

(ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2021, other than those meeting the exclusion criteria mentioned above, is **Nil**. Out of this, the entity expects to recognize revenue of around 100% within the next one year.

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34 Lease liability

(Amount in INR lakhs)

Particulars	As at 31 March 2021
Current lease liability	9.56
Non-current lease liability	-
Total	**9.56**

The following is the movement in lease liabilities *Amount in INR lakhs)*

Particulars	As at 31 March 2021
Operating lease recognised on adoption of Ind AS 116	231.24
Reclassification on adoption of Ind AS 116 - Fin lease obligation	-
Add: Additions	-
Less: Deletion	-
Add: Finance cost accrued during the period	10.36
Less: Payment of lease obligation	(232.04)
Translation loss / (gain)	-
Carrying amount as at 31 March 2021	**9.56**

Amount recognised in PL *Amount in INR lakhs)*

Particulars	For the year ended 31 March 2021
Interest expense (included in finance cost)	10.36
Expenses relating to short-term lease (included in other expenses)	
Expenses relating to lease of low value assets that are not included above (included in other expenses)	-
	10.36

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2021 on an undiscounted basis:

(Amount in INR lakhs)

Particulars	As at 31 March 2021
Less than one year	9.56
One to five years	-
More than five years	-
	9.56

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35 Capital commitments

(Amount in INR Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.99	19.92
	0.99	**19.92**

36 Earnings per share

(Amount in Reporting Currency except number of shares and per share data)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Nominal value of equity shares (Rs.10 per share)	1,00,000	1,00,000
Net profit after tax / (loss) for the purpose of earnings per share	(915.57)	711.05
Weighted average number of shares used in computing basic earnings per share	10,000	10,000
Basic earnings per share (INR)	**(9,155.7)**	**7,110.5**
Weighted average number of shares used in computing diluted earnings per share	12,184.7	11,125.3
Diluted earnings per share (INR)	**(7,514.1)**	**6,391.3**

Computation of weighted average number of shares

(Amount in numbers)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Number of equity shares outstanding at beginning of the year	10,000	10,000
Add: Weighted average number of equity shares issued during the year	-	-
	-	-
Weighted average number of shares outstanding at the end of year for computing basic earnings per	**10,000**	**10,000**
Add: Impact of potentially dilutive equity shares	2,185	1,125
	-	-
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	**12,185**	**11,125**

37 Expenditure in foreign currency

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Miscellaneous expenses	-	4.25
	-	**4.25**

38 Related party disclosures

(i) Name of related parties and description of relationship:

- Holding Company	Quess Corp Limited
- Entity having significant influence	Fairfax Financial Holdings Limited Fairfax (US) Inc. HWIC Asia Fund Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (upto 6 December 2019) Fairfax (US) Inc. National Collateral Management Services Limited
- Fellow subsidiaries	MFX Infotech Private Limited Brainhunter Systems Ltd. Mindwire Systems Limited Quess (Philippines) Corp. Quess Corp (USA) Inc. Quesscorp Holdings Pte. Ltd. Quess Corp Vietnam LLC

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	Quessglobal (Malaysia) SDN. BHD. Quess Corp Lanka (Private) Limited Comtel Solutions Pte. Ltd. MFXchange Holdings, Inc. MFXchange US, Inc. MFX Chile SpA Dependo Logistics Solutions Private Limited Conneqt Business Solution Limited Vedang Cellular Services Private Limited Golden Star Facilities and Services Private Limited Comtelpro Pte. Limited. Comtelink Sdn. Bhd Monster.com (India) Private Limited Monster.com.SG PTE Limited Monster.com HK Limited Agensi Pekerjaan Monster Malaysia SDN. BHD. Quesscorp Management Consultancies Quesscorp Manpower Supply Services LLC Qdigi Services Limited Greenpiece Landscapes India Private Limited Simpliance Technologies Private Limited Allsec Technologies Limited Allsectech Inc., USA Allsectech Manila Inc., Philippiness Retreat Capital Management Inc., USA Trimax Smart Infraprojects Private Limited Quess Corp Services Limited Terrier Security Services (India) Private Limited Quess East Bengal FC Private Limited
- Associates of Holding Company	Heptagon Technologies Pvt Ltd Quess Recruit, Inc Agency Pekerjaan Quess Recruit Sdn. Bhd. Stellars Log Technovation Private Limited
- Joint Venture of Holding Company	Himmer Industrial Services (M) SDN BHD
- Entity having common directors	Quess corp Limited Allsec Technologies Limited Conneqt Business Solution Limited Monster.com (India) Private Limited Terrier Security Services (India) Private Limited Greenpiece Landscapes India Private Limited MFX Infotech Private Limited Trimax Smart Infraprojects Private Limited
- Entities in which key managerial personnel have significant influence	Careworks foundation

Key executive management personnel

Abhinandan Raghuthaman	Director
Suraj Krishna Moraje	Director

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(ii) Related party transactions

(Amount in INR Lakhs)

Particulars		For the year ended	For the year ended 31 March 2020
Other expenses			
Rent	Monster.com (India) Private Limited	27.55	25.42
Security Expenses	Terrier Security Services (India) Private Limited	-	-
Legal and Professional fees	Quess Corp Limited	-	500.00
			-
Finance costs			
- Interest expense	Quess Corp Limited	1.42	129.65
Payment made by related parties on behalf of the Company			
	Quess Corp Limited	-	132.53
Loans received from related parties			
	Quess Corp Limited	140.00	79.71
Repayments/adjustments of loans received from related parties			
	Quess Corp Limited	-	3,973.06
Corporate Guarantee			
	Quess Corp Limited		1,016.42

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in INR Lakhs)

Particulars		As at 31 March 2021	As at 31 March 2020
Trade payables			
	Terrier Security Services (India) Private Limited	-	20.14
Other current liabilities			
	Quess Corp Limited	79.83	82.53
Current borrowings			
	Quess Corp Limited	141.41	-
Corporate Guarantee			
	Quess Corp Limited	835.19	1,851.61

Corporate Guarantee has been provided by Quess Corp towards NSDC Loan (Refer Note 47)

(iv) Compensation of key managerial personnel*

(Amount in INR Lakhs)

Particulars	ended 31 March 2021	For the year ended 31 March 2020
Salaries and other employee benefits to whole-time directors and executive officers	-	-
Others if any, specify nature	-	-
	-	-

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences and employee share-based payment since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

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39 Assets and liabilities relating to employee benefits

A

(Amount in INR Lakhs)

Particulars	ended 31 March 2021	For the year ended 31 March 2020
Net defined benefit liability, gratuity plan	40.11	38.34
Liability for compensated absences	12.58	17.38
Total employee benefit liability	**52.69**	**55.72**
Current	7.77	9.46
Non-current	44.92	46.26
	52.69	**55.72**

B Reconciliation of net defined benefit liability/ asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its components:

(Amount in INR Lakhs)

Particulars	For the year ended	For the year ended 31 March 2020
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	38.34	12.03
Additions through business combination	-	-
Current service cost	12.68	16.95
Interest cost	2.07	0.81
Past service cost		
Benefit settled		
Actuarial (gains)/ losses recognized in other comprehensive income		
- Changes in experience adjustments	(14.03)	6.06
- Changes in demographic assumptions	-	(0.00)
- Changes in financial assumptions	1.05	2.49
Obligation at the end of the year	**40.11**	**38.34**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	-	-
Additions through business combination	-	-
Interest income on plan assets	-	-
Remeasurement- actuarial gain/(loss)	-	-
Return on plan assets recognized in other comprehensive income	-	-
Contributions	-	-
Benefits settled	-	-
Plan assets as at the end of the year	-	-
Net defined benefit liability	**40.11**	**38.34**

C i) Expense recognized in statement of profit or loss

(Amount in INR Lakhs)

Particulars	For the year ended	For the year ended 31 March 2020
Current service cost	12.68	16.95
Interest cost	2.07	0.81
Past service cost	-	
Interest income	-	
Net gratuity cost	**14.75**	**17.76**

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ii) Re-measurement recognized in other comprehensive income

(Amount in INR Lakhs)

Particulars	For the year ended	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability	12.98	(8.54)
Remeasurement of the net defined benefit asset	-	-
	12.98	**(8.54)**

D Defined benefit obligation - Actuarial Assumptions

Particulars	ended 31 March 2021	For the year ended 31 March 2020
Discount rate	4.80%	5.40%
Future salary growth	7.50%	7.50%
Attrition rate	30.00%	30.00%
Rate of return on planned asset	-	-
Average duration of defined benefit obligation (in years)	4	-

E Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Core employees

(Amount in INR Lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	38.38	41.97	36.47	40.36
Future salary growth (1% movement)	41.91	38.41	40.30	36.49
Attrition rate (1% movement)	29.99	55.73	24.83	60.44

40 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2021 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

41 COVID -19 Assessment

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

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42 Taxes

A Amount recognized in profit or loss

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
In respect of the current period	-	248.18
Excess provision related to prior years	-	-
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	(266.42)	(14.40)
Increase/ reduction of tax rate	-	-
Income tax expense reported in the Statement of Profit and Loss	**(266.42)**	**233.78**

B Income tax recognized in other comprehensive income

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability/ asset		
Before tax	12.98	(8.54)
Tax (expense)/ benefit	-	-
Net of tax	**12.98**	**(8.54)**

C Reconciliation of effective tax rate

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Rate	**Amount**	**Rate**	**Amount**
Profit before tax		(1,181.99)		944.83
Tax using the Company's domestic tax rate	26.27%	-	26.27%	248.18
Effect of:				
Tax Expense as per MAT	0.00%	-	15.76%	148.91
Deferred tax	22.49%	(265.85)	-1.52%	(14.40)
MAT Credit	0.05%	(0.57)	0.00%	-
Non-deductible expenses	0.00%	-		
Difference in enacted tax rate	0.00%	-	-	-
Depreciation	0.00%	-	-	-
Others	0.00%	-	-	-
Effective tax rate	**22.54%**	**(266.42)**	**24.74%**	**233.78**
Excess provisions relating to earlier years	-	-	-	-
Income tax credit/(expense) reported in the Statement of Profit and Loss	**22.54%**	**(266.42)**	**24.74%**	**233.78**

D The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2021 and 31 March 2020

Non-current tax assets (net)

(Amount in INR Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax assets	25.16	585.92
Income tax liabilities	-	305.05
Net income tax assets at the end of the year	**25.16**	**280.87**

Current tax liabilities (net)*

(Amount in INR Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax assets	-	-
Income tax liabilities		-
Net income tax liabilities at the end of the year	-	-

*For current tax liabilities above, there is no legally enforceable right to set off against the non-current tax assets and accordingly disclosed separately.

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Excelus Learning Solutions Private Limited
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E Deferred tax assets, net

(Amount in INR Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax assets:		
Provision on employee benefits- Gratuity	6.83	9.97
Provision on employee benefits- Compensated absences	3.17	4.52
Present valuation of financial instruments	0.93	-
80JJAA	10.16	-
Business loss current year and carried forward	259.23	-
Deferred tax on fixed assets	126.88	71.78
Minimum alternate tax credit entitlement	-	56.87
Deferred Tax others	1.25	2.16
Deferred tax assets	**408.45**	**145.30**
Deferred tax liabilities:		
Customer relationships	-	-
Goodwill on merger	-	-
	-	-
Net deferred tax assets	**408.45**	**145.30**
Deferred income tax liabilities:		
Deferred income tax liabilities	-	-
	408.45	**145.30**

F Recognized deferred tax assets and liabilities
Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR Lakhs)

For the year ended 31 March 2021	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:					
Provision for employee benefits	9.97	-	0.13	(3.27)	6.83
Provision on employee benefits- Compensated absences	4.52	-	(1.35)	-	3.17
Present valuation of financial instruments	-	-	0.93	-	0.93
Business loss current year and carried forward	-		259.23		259.23
Unabsorbed Depreciation current year & carried forward	-		-		-
Provision for interest on service tax	-	-	-	-	-
80JJAA	-	-	10.16	-	10.16
Fixed assets	71.78	-	55.10	-	126.88
MAT credit entitlement	56.87	-	(56.87)	-	(0.00)
Others	2.16	-	(1.10)	-	1.06
	145.30	**-**	**266.22**	**(3.27)**	**408.25**
Deferred tax liabilities:					
Customer relationships	-	-	-	-	-
Goodwill on merger	-	-	-	-	-
	-	-	-	-	-
Net deferred tax assets	**145.30**	**-**	**266.22**	**(3.27)**	**408.25**
Deferred income tax liabilities:					
Deferred income tax liabilities	-	-	-	-	-
Deferred tax assets/(liabilities)	**145.30**	**-**	**266.22**	**(3.27)**	**408.25**

EXCELUS LEARNING SOLUTIONS PVT. LTD.

(Amount in INR Lakhs)

For the year ended 31 March 2020	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:					
Impairment loss allowance on financial assets	-	-	-	-	-
Provision for employee benefits	7.39	-	7.09	-	14.48
Provision for bonus	-	-	-	-	-
Provision for disputed claims	-	-	-	-	-
Business loss current year and carried forward	3.72		(3.72)		-
Unabsorbed Depreciation current year & carried forwar	47.52		(47.52)		-
Provision for interest on service tax	-	-	-	-	-
Provision for rent escalation	-	-	-	-	-
Fixed assets	14.13	-	57.65	-	71.78
MAT credit entitlement	56.87	-	-	-	56.87
Others	1.27	-	0.90	-	2.17
	130.90	**-**	**14.40**	**-**	**145.30**
Deferred tax liabilities:					
Customer relationships	-	-	-	-	-
Goodwill on merger	-	-	-	-	-
	-	-	-	-	-
Net deferred tax assets	**130.90**	**-**	**14.40**	**-**	**145.30**
Deferred income tax liabilities:					
Deferred income tax liabilities	-	-	-	-	-
Deferred tax assets/(liabilities)	**130.90**	**-**	**14.40**	**-**	**145.30**

G Unrecognized deferred tax assets/ (liabilities)

The Company does not have unrecognized deferred tax liabilities.

Unrecognized deferred tax assets related primarily to business losses. These unexpired business losses will expire based on the year of origination as follows:

(Amount in INR Lakhs)

As at 31 March 2021	Unabsorbed business losses
2022	-
2023	-
2024	-
2025	-
Thereafter	-
	-

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43 Financial instruments - fair value and risk management
Financial instruments by category

Particulars	Note	31 March 2021 FVTPL	FVTOCI	Amortized Cost	31 March 2020 FVTPL	FVTOCI
Financial Assets:						
Non-current investments						
Loans	4 & 12	198.31			208.73	
Current investments		-			-	
Trade receivables	9	34.97			25.47	
Cash and cash equivalents including other bank balances	10	137.85			873.49	
Unbilled revenue	13	2,910.88			3,451.06	
Other financial assets	5,11 & 14	723.51			608.34	
Total financial assets		**4,005.52**	-	-	**5,167.09**	
Financial Liabilities:						
Non-convertible debentures		-			-	
Lease liability	20 & 24	9.56			231.24	
Borrowings other than above*	19 & 22	717.43			918.29	
Trade payables	23	7.46			85.69	
Other financial liabilities	24	618.94			1,060.90	
Total financial liabilities		**1,353.39**	-	-	**2,296.12**	-

*Current maturities of long-term borrowings forms part of other financial liabilities

Accounting classification and fair value
The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy
The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

Fair value of financial instruments as at 31 March 2021

(Amount in INR Lakhs)

Particulars	Note	Carrying amount 31 March 2021	Fair value Level 1	Level 2	Level 3
Financial assets not measured at fair value (measured at amortized cost)					
Loans	4 & 12	198.31	-	-	-
Trade receivables	9	34.97	-	-	-
Cash and cash equivalents including other bank balances	10	137.85	-	-	-
Other financial assets	5,11 & 14	723.51	-	-	-
Unbilled revenue	13	2,910.88	-	-	-
Financial assets measured at fair value					
Other non-current investments		-	-	-	-
Current investments		-	-	-	-
Total financial assets		**4,005.52**	-	-	-
Financial liabilities not measured at fair value (measured at amortized cost)					
Non-convertible debentures		-	-	-	-
Finance lease obligations		9.56	-	-	-
Borrowings other than above		-	-	-	-
Term Loan		717.43	-	-	-
Bank overdraft		-	-	-	-
Loans and borrowings		-	-	-	-
Contingent consideration		-	-	-	-
Trade payables		7.46	-	-	-
Other financial liabilities*		618.94	-	-	-
Financial liabilities measured at fair value					
Contingent consideration		-	-	-	-
Non-controlling interests put option		-	-	-	-
Financial liabilities		-	-	-	-
Total financial liabilities		**1,353.39**	-	-	-

*Current maturities of long-term borrowings forms part of other financial liabilities

EXCELUS LEARNING SOLUTIONS PVT. LTD.

Fair value of financial instruments as at 31 March 2020

(Amount in INR Lakhs)

Particulars	Carrying amount	Fair value		
	31 March 2020	Level 1	Level 2	Level 3
Financial assets not measured at fair value (measured at amortized cost)				
Loans	208.73	-	-	-
Trade receivables	25.47	-	-	-
Cash and cash equivalents including other bank balances	873.49	-	-	-
Other financial assets	608.34	-	-	-
Unbilled revenue	3,451.06	-	-	-
Financial assets measured at fair value				
Other non-current investments	-	-	-	-
Current investments	-	-	-	-
Total financial assets	**5,167.09**	-	-	-
Financial liabilities not measured at fair value (measured at amortized cost)				
Non-convertible debentures	-	-	-	-
Finance lease obligations	231.24	-	-	-
Borrowings other than above	-	-	-	-
Term Loan	918.29	-	-	-
Bank overdraft	-	-	-	-
Loans and borrowings	-	-	-	-
Contingent consideration	-	-	-	-
Bank overdraft	-	-	-	-
Trade payables	85.69	-	-	-
Other financial liabilities*	1,060.90	-	-	-
Financial liabilities measured at fair value				
Contingent consideration	-	-	-	-
Non-controlling interests put option	-	-	-	-
Financial liabilities	-	-	-	-
Total financial liabilities	**2,296.12**	-	-	-

*Current maturities of long-term borrowings forms part of other financial liabilities

Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

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

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

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

A Financial Assets:

1) Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B Financial Liabilities:

1) **Borrowings:** It includes working capital loan and payments on behalf of the entity from Quess Corp Ltd . for mandatory contribution in line with NSDC guidelines for Center set up under PMKVY Projects. These borrowings are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

2) **National Skill Development Centre Loan:** This includes term loan from National Skill Development Centre of Rs.918.29 lakhs taken by the Company which is secured against hypothecation of project assets. The loan is taken at 6% and 0% p.a. simple interest and a portion of this has been classified under Non current borrowings and the balance in other current financial liabilities.

3) '**Finance lease obligations:** The fair value of obligations under finance leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

4) '**Trade payables and other liabilities:** Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

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44 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Board of Directors of Excelus Learning Solutions Private Limited has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit

Credit risk on cash and cash equivalents and other bank balances and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loan represents security deposits given to suppliers, employees and others. The credit risk associated with such deposits is relatively low.

Trade receivables

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base.
The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.
The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognized because of collateral.

Expected credit loss assessment for corporate customers as at 31 March 2021 and 31 March 2020 are as follows:

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are due for more than specific number of days. Loss rates are based on actual credit loss experience over the last six quarters.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers and unbilled revenue:

As at 31 March 2021

(Amount in INR Lakhs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether trade receivable is credit impaired	Carrying amount of trade receivables
Not due	-	0.00%	-	No	-
Past due 1–90 days	-	0.00%	-	No	-
Past due 91–180 days	-	0.00%	-	No	-
Past due 181–270 days	-	0.00%	-	No	-
Above 270 days	-	0.00%	-	No	-
	-		-		-

As at 31 March 2020

(Amount in INR Lakhs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether trade receivable is credit impaired	Carrying amount of trade receivables
Not due	-		-	No	-
Past due 1–90 days	6.03	0.00%	-	No	6.03
Past due 91–180 days	21.21	8.35%	1.77	No	19.44
Past due 181–270 days	-		-	No	-
Above 270 days	-		-	No	-
	27.24		1.77		25.47

ii) Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

i) Financing arrangement

(i) The Company has taken term loan from National Skill Development Corporation for Capital Expenditure management. These facilities are repayable on quarterly basis and are secured primarily by way of bank guarantee and corporate guarantees provided. The loan has been taken at interest rate of 0% (for 2 centres) and 6% as per the agreement with NSDC.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2021

(Amount in INR Lakhs)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	918.29	456.00	456.00	6.00	-
Non-convertible debentures	-	-	-	-	-
Unsecured loans from banks	-	-	-	-	-
Trade payables	7.46	7.46	-	-	-
Other financial liabilities	276.67	168.45	108.55	-	-

As at 31 March 2020

(Amount in INR Lakhs)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	1,146.47	-	-	-	-
Non-convertible debentures	-	-	-	-	-
Unsecured bank loans	-	-	-	-	-
Trade payables	85.69	-	-	-	-
Other financial liabilities	843.60	-	-	-	-

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iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

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 The Company's borrowing comprises of loan from National Skill Development Corporation which do not expose it to interest rate risk. The borrowings includes loans from related parties which carries variable rate of interest.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in INR Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	-	-
Fixed rate borrowings	918.29	1,146.47
Total borrowings	**918.29**	**1,146.47**

Total borrowings considered above includes current maturities of long-term borrowings.

(b) Sensitivity

(Amount in INR Lakhs)

Particulars	Profit and loss		Equity, net of tax	
	1% increase	1% decrease	1% increase	1% decrease
31 March 2021				
Variable rate borrowings	-	-	-	-
31 March 2020	-	-	-	-
Variable rate borrowings	-	-	-	-

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45 Payment to auditors (included in legal and professional fees)

(Amount in INR Lakhs)

Particulars	ended 31 March 2021	ended 31 March 2020
Statutory audit fees	3.00	2.50
Tax audit fees	0.50	0.50
Others	1.50	4.31
Reimbursement of expenses	-	-
	5.00	**7.31**

46 Non-current borrowings

Terms and conditions of outstanding borrowings are as follows:

(Amount in INR Lakhs)

Particulars	Currency	Coupon/ Interest rate	Carrying amount as at 31 March 2021	Carrying amount as at 31 March 2020
Secured NSDC loan	INR	6.00%	888.97	1,107.38
Secured NSDC loan	INR	0.00%	29.32	39.09
Total borrowings			**918.29**	**1,146.47**

Secured by way of :
Corporate Guarantee from Quess Corp and Bank Guarantee
First charge on assets of the project

47 Head Count details

Particulars	31-03-2021		31-03-2020	
	Core	Associate	Core	Associate
Opening	684	-	551	-
Addition	78	-	416	-
Deletions	444	-	283	-
Closing	**318**	-	**684**	-

As per our report of even date attached
for **MSKA & Associates**
Chartered Accountants
Firm's Registration No.: 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad
Date: 6 May 2021

for and on behalf of Board of Directors of
Excelus Learning Solutions Private Limited

EXCELUS LEARNING SOLUTIONS PVT. LTD.

Abhinandan Raghuthaman
Director
DIN : 07675547

Place: Bengaluru
Date: 6 May 2021

Suraj Krishna Moraje
Director
DIN : 08594844

Place: Bengaluru
Date: 6 May 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GREENPIECE LANDSCAPES INDIA PRIVATE LIMITED

I. Report on the Audit of the Financial Statements

1. Opinion

A. We have audited the accompanying Financial Statements of GREENPIECE LANDSCAPE INDIA PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

4. Other Information - Board of Directors' Report

A. The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the financial statements and our auditor's report thereon.

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

N.S. SHASTRI & Co. ★ BANGALORE ★ CHARTERED ACCOUNTANTS

B. In connection with our audit of the financial statements, our responsibility is to read the Board Report and in doing so, consider whether the Board Report is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

5. Management's Responsibility for the Financial Statements

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

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

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

6. Auditor's Responsibilities for the Audit of the Financial Statements

A. Our objectives are to obtain reasonable assurance about whether the 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 Financial Statements.

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

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

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also

N.S. SHASTRI & Co. BANGALORE CHARTERED ACCOUNTANTS

responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

iv) 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 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.

v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

D. 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.

E. 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.

II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

   C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts.

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

N.S. SHASTRI & Co. BANGALORE CHARTERED ACCOUNTANTS

E. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

F. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

G. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The Company does not have any pending litigations which would impact its Financial Statements.

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

3. We draw attention to Note 41 to the financial statements, which describes that the extent to which the COVID-19 pandemic may impact the company's results which may depends on future developments that are highly uncertain.

For N S Shastri & Co.
Chartered Accountants
Firm's Registration No.: 015093S

N.S. SHASTRI & Co. BANGALORE CHARTERED ACCOUNTANTS

Signature
N S Shastri
Partner
Membership No. 037676

Place: Bangalore
Date: 03 May 2021
UDIN: 21037676AAAAGY4857.

Annexure A

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Greenpiece Landscapes India Private Limited ("the Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with

N.S. SHASTRI & CO. BANGALORE CHARTERED ACCOUNTANTS

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For N S Shastri & Co.
Chartered Accountants
Firm's Registration No.: 015093S

N.S. SHASTRI & Co. ★ BANGALORE ★ CHARTERED ACCOUNTANTS

Signature
N S Shastri
Partner
Membership No. 037676

Place: Bangalore
Date: 03 May 2021
UDIN: 21037676AAAAGY4857

Annexure-B

Independent Auditor's Report on Companies (Auditor's Report) Order, 2016 ("the Order") under Sub-section 11 of Section 143 of the Companies Act, 2013 ("the Act")

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

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

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

(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.

(b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not undertaken any transaction in respect of loans, guarantees and security covered under section 185 of the Act. In our opinion, the Company has not undertaken any transaction in respect of investments, guarantees and security covered under section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of section 186 of the Act in respect of loans given.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, service tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

N.S. SHASTRI & Co. ★ BANGALORE ★ CHARTERED ACCOUNTANTS

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or any bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the Company has applied the term loans for the purposes for which these were raised, though idle funds which were not required for immediate utilization have been invested in liquid investments, payable on demand.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees or by the Company have been noticed or reported during the course of our audit.

(xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them, covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such accordingly, the provisions of clause (xvi) of the Order are not applicable to the Company and hence not commented upon.

For N S Shastri & Co.
Chartered Accountants
Firm's Registration No.: 015093S

N.S. SHASTRI & Co. BANGALORE CHARTERED ACCOUNTANTS

N S Shastri
Partner
Membership No. 037676

Place: Bangalore
Date: 03 May 2021
UDIN: 21037676AAAAGY4857

Greenpiece Landscapes India Private Limited

Balance Sheet	Note	As at 31 March 2021	(Amount in INR) As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	8,71,560	21,18,651
Other intangible assets	4	67,958	1,15,115
Financial assets			
(i) Non-current investments		-	-
(ii) Non-current loans	5	-	7,16,268
Deferred tax assets (net)	6	-	-
Income tax assets (net)	6	18,72,572	1,18,62,487
Total non-current assets		**28,12,090**	**1,48,12,521**
Current assets			
Inventories	7	6,37,51,012	9,39,78,107
Financial assets			
(ii) Trade receivables	8	5,47,63,331	8,22,31,814
(iii) Cash and cash equivalents	9	13,429	33,522
(iv) Bank balances other than cash and cash equivalents above	10	95,51,605	1,15,39,501
(v) Current loans	11	2,86,000	11,71,800
(vi) Unbilled revenue	12	3,05,55,364	6,01,60,050
(vii) Other current financial assets	13	6,07,779	5,34,439
Other current assets	14	8,44,564	37,00,071
Total current assets		**16,03,73,084**	**25,33,49,304**
Total Assets			
Total assets		**16,31,85,174**	**26,81,61,825**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	80,00,000	80,00,000
Instrument Equity in Nature	16	8,44,31,000	8,44,31,000
Other equity	17	(16,44,63,574)	(11,17,02,132)
Total equity attributable to equity holders of the Company		**(7,20,32,574)**	**(1,92,71,132)**
Non-controlling interests		-	-
Total equity		**(7,20,32,574)**	**(1,92,71,132)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Non-current provisions	18	33,46,663	40,90,342
Total non-current liabilities		**33,46,663**	**40,90,342**
Current liabilities			
Financial liabilities			
(i) Current borrowings	19	19,46,26,936	16,83,99,507
(ii) Trade payables	20	1,06,69,300	6,15,94,016
(iii) Other current financial liabilities	21	2,28,94,184	4,28,56,883
Income tax liabilities (net)		-	-
Current provisions	22	3,83,627	5,39,959
Other current liabilities	23	32,97,038	99,52,251
Total current liabilities		**23,18,71,085**	**28,33,42,616**
Total Liabilities		**23,52,17,748**	**28,74,32,957**
Total Equity and Liabilities		**16,31,85,174**	**26,81,61,825**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for N S Shastri & Co.,
Chartered Accountants
Firm's Registration No.: 015093S

N.S. SHASTRI & Co. BANGALORE CHARTERED ACCOUNTANTS

N S Shastri
Partner
Membership No.: 037676

Place: Bengaluru
Date: 3 May 2021

for and on behalf of the Board of Directors of
Greenpiece Landscapes India Private Limited

Rajesh Kharidehal
Director
DIN: 08472077

Place: Bengaluru
Date: 3 May 2021

Greenpiece Landscapes India Pvt. Ltd. Bangalore

Abhinandan Raghuthaman
Director
DIN: 07675547

Place: Bengaluru
Date: 3 May 2021

Greenpiece Landscapes India Private Limited

Statement of profit and loss	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
			(Amount in INR)
Income			
Revenue from operations	24	6,86,25,306	22,88,14,851
Other income	25	8,94,291	14,47,857
Total income		**6,95,19,597**	**23,02,62,708**
Expenses			
Cost of material and stores and spare parts consumed	26	2,22,86,666	11,85,71,752
Employee benefit expenses	27	4,14,34,257	8,56,96,529
Finance costs	28	1,54,89,264	1,67,05,515
Depreciation and amortisation expenses	29	10,38,910	11,65,376
Other expenses	30	4,23,22,656	6,36,79,883
Total expenses		**12,25,71,753**	**28,58,19,055**
Profit before share of profit of equity accounted investees and income tax		**(5,30,52,156)**	**(5,55,56,346)**
Share of profit of equity accounted investees (net of income tax)		-	-
Profit before tax		**(5,30,52,156)**	**(5,55,56,346)**
Tax credit/ (expense)			
Current tax: Minimum Alternative Tax ('MAT') for the year		-	-
Excess provision of tax relating to earlier years		-	-
Deferred tax (including MAT credit entitlement)		-	(2,20,11,118)
Total tax credit/ (expense)		**-**	**(2,20,11,118)**
Profit for the year		**(5,30,52,156)**	**(7,75,67,464)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement Income on defined benefit plans	37	2,90,715	22,41,885
Share of other comprehensive income of equity accounted investees (net of income tax)		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income for the year, net of income tax		**2,90,715**	**22,41,885**
Total comprehensive income for the year		**(5,27,61,441)**	**(7,53,25,579)**
Profit attributable to			
Owners of the Company		(5,30,52,156)	(7,75,67,464)
Non-controlling interests		-	-
Total profit for the year		**(5,30,52,156)**	**(7,75,67,464)**
Other comprehensive income attributable to			
Owners of the Company		2,90,715	22,41,885
Non-controlling interests		-	-
Total other comprehensive income for the year		**2,90,715**	**22,41,885**
Total comprehensive income attributable to :			
Owners of the Company		(5,27,61,441)	(7,53,25,579)
Non-controlling interests		-	-
Total comprehensive income for the year		**(5,27,61,441)**	**(7,53,25,579)**
Earnings per equity share (face value of INR 10.00 each)			
Basic (in INR)	34	(66.32)	(99.06)
Diluted (in INR)	34	(52.29)	(86.69)

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for N S Shastri & Co.,
Chartered Accountants
Firm's Registration No.: 015093S

N.S. SHASTRI & CO ★ BANGALORE ★ CHARTERED ACCOUNTANTS

N S Shastri
Partner
Membership No.: 037676

Place: Bengaluru
Date: 3 May 2021

for and on behalf of the Board of Directors of
Greenpiece Landscapes India Private Limited

Rajesh Kharidehal
Director
DIN: 08472077

Place: Bengaluru
Date: 3 May 2021

Abhinandan Raghuthaman
Director
DIN:07675547

Place: Bengaluru
Date: 3 May 2021

Greenpiece Landscapes India Private Limited
Statement of Changes in Equity for the year ended 31 March 2021

(A) Equity share capital

(Amount in INR)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
Opening balance	15	80,00,000	78,00,000
Changes in equity share capital	15	-	2,00,000
Closing balance		**80,00,000**	**80,00,000**

(B) Other equity

(Amount in INR)

Particulars	Reserves & Surplus				Other Comprehensive Income	
	Retained earnings	General reserve	Capital Reserve	Other reserves	Remeasurement of the net defined benefit liability/asset	Total attributable to equity holders of the Company
Balance as of 1 April 2019	(4,61,48,657)	19,26,309		8,00,000	3,41,743	(4,30,80,605)
Total comprehensive income for the year ended 31 March 2020						-
Profit for the year	(7,75,67,464)	-		-	-	(7,75,67,464)
Merger Impact	-		67,04,051			67,04,051
Other comprehensive income (net of tax)	-	-			22,41,885	22,41,885
Add: Fair value of financial guarantee received				-		-
Total comprehensive income	(7,75,67,464)	-	67,04,051	-	22,41,885	(6,86,21,528)
Balance as at 31 March 2020	(12,37,16,121)	19,26,309	67,04,051	8,00,000	25,83,628	(11,17,02,132)

Particulars	Note	Reserves & Surplus				Other Comprehensive Income	
		Retained earnings	General reserve	Capital Reserve	Other reserves	Remeasurement of the net defined benefit liability/asset	Total attributable to equity holders of the Company
Balance as of 1 April 2020		(12,37,16,121)	19,26,309	67,04,051	8,00,000	25,83,628	(11,17,02,132)
Total comprehensive income for the year ended 31 March 2021							
Profit for the year		(5,30,52,156)	-		-		(5,30,52,156)
Other comprehensive income (net of tax)		-	-			2,90,715	2,90,715
Total comprehensive income		(5,30,52,156)	-	-	-	2,90,715	(5,27,61,441)
Balance as of 31 March 2021		(17,67,68,277)	19,26,309	67,04,051	8,00,000	28,74,343	(16,44,63,574)

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for *N S Shastri & Co.,*
Chartered Accountants
Firm's Registration No.: 015093S

N.S. SHASTRI & CO. BANGALORE CHARTERED ACCOUNTANTS

N S Shastri
Partner
Membership No.: 037676

Place: Bengaluru
Date: 3 May 2021

for and on behalf of the Board of Directors of
Greenpiece Landscapes India Private Limited

Rajesh Kharidehal
Director
DIN: 08472077

Place: Bengaluru
Date: 3 May 2021

Greenpiece Landscapes India Pvt. Ltd. Bangalore

Abhinandan Raghuthaman
Director
DIN:07675547

Place: Bengaluru
Date: 3 May 2021

Greenpiece Landscapes India Private Limited
Statement of Cash Flows

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities		
Profit before tax	(5,30,52,156)	(5,55,56,346)
Adjustments for:		
Interest income on term deposits	(3,91,265)	(8,17,060)
Interest on income tax refunds	(5,02,959)	-
(Profit)/ Loss on sale of property, plant and equipment, net	1,11,270	(4,62,000)
Finance costs	1,54,89,264	1,67,05,515
Depreciation and amortisation expense	10,38,910	11,65,376
Impairment loss allowance on financial assets	2,83,61,189	19,86,854
Bad debts written off	11,24,461	93,62,980
Deposits/advances written-off	-	2,13,834
Operating cash flows before working capital changes	**(78,21,286)**	**(2,74,00,847)**
Changes in operating assets and liabilities		
(Increase) in inventories	3,02,27,095	(4,31,23,230)
(Increase)/ decrease in trade receivables	(20,17,167)	1,15,78,506
(Increase) in unbilled revenue	2,96,04,686	(45,43,947)
(Increase) in Non Current loans	7,16,268	(71,567)
(Increase) in current loans	8,85,800	5,17,177
(Increase) in other current assets	28,55,507	16,26,101
(Decrease) in trade payables	(5,09,24,716)	(1,80,38,355)
(Decrease) in other current financial liabilities	(2,29,39,612)	2,06,43,801
Increase in non-current and current provisions	(6,09,296)	45,979
Increase in other current liabilities	(66,55,281)	(2,39,62,310)
Cash generated from operations	**(2,66,78,001)**	**(8,27,28,692)**
Income taxes paid, net of refund	99,89,915	(59,78,263)
Net cash provided by operating activities (A)	**(1,66,88,086)**	**(8,87,06,955)**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	2,55,338	(13,51,237)
Proceeds from sale of fixed assets	(1,11,270)	4,62,000
Bank deposits (having original maturity of more than three months)	19,87,896	64,90,776
Liabilities and provisions reversed		
Loans to related parties		
Interest income on term deposits	3,18,002	2,82,621
Interest on IT Refund	5,02,949	-
Dividend income		
Net cash used in investing activities (B)	**29,52,915**	**58,84,160**
Cash flows from financing activities		
Proceeds from/ (repayment of) vehicle loan, net		
Proceeds from vehicle loan, net		
Payment of finance lease obligations		
Proceeds from term loans		
Proceeds from short term borrowings, net	(8,33,335)	(4,36,04,828)
Redemption of preference shares	-	
Loans received from/ (repayment to) related parties	2,70,60,764	6,00,00,000
Proceeds from issue of equity shares	-	8,46,31,000
Transaction costs related to issue of equity shares		
Proceeds from exercise of share options		
Interest paid	(1,25,12,351)	(1,82,04,589)
Net cash provided by financing activities (C)	**1,37,15,078**	**8,28,21,583**
Net increase in cash and cash equivalents (A+B+C)	(20,093)	(1,211)
Cash and cash equivalents at the beginning of the year	33,522	34,733
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year* (refer note 10)	**13,429**	**33,522**
	13,429	**33,522**

Components of cash and cash equivalents (refer note 10)

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Cash in hand	-	20,094
Cheque in hand		
Balances with banks		
In current accounts	13,429	13,428
In EEFC accounts		
In deposit accounts (with original maturity of less than 3 months)		
Cash and cash equivalents in consolidated balance sheet	**13,429**	**33,522**
Bank overdraft used for cash management purpose		
Cash and cash equivalent in the consolidated statement of cash flow	**13,429**	**33,522**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for N S Shastri & Co.,
Chartered Accountants
Firm's Registration No.: 015093S

N.S. SHASTRI & Co. CHARTERED ACCOUNTANTS BANGALORE

N S Shastri
Partner
Membership No.: 037676

Place: Bengaluru
Date: 3 May 2021

for and on behalf of the Board of Directors of
Greenpiece Landscapes India Private Limited

Greenpiece Landscapes India Pvt. Ltd. Bangalore

Rajesh Kharidehal
Director
DIN: 08472077

Place: Bengaluru
Date: 3 May 2021

Abhinandan Raghuthaman
Director
DIN:07675547

Place: Bengaluru
Date: 3 May 2021

5 Non current loans

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured - Considered good		
Security deposits	-	7,16,268
Loans to employees		-
	-	7,16,268

6 Taxes

A Amount recognised in profit or loss

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
In respect of the current period	-	-
Excess provision related to prior years	-	(1,11,671)
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	-	2,20,11,118
Increase/ reduction of tax rate	-	-
Income tax expense reported in the Statement of Profit and Loss	-	**2,18,99,446**

B Income tax recognised in other comprehensive income

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability/ asset		
Before tax	2,90,715	22,41,885
Tax (expense)/ benefit	-	-
Net of tax	**2,90,715**	**22,41,885**

D Reconciliation of effective tax rate

(Amount in INR)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Rate	**Amount**	**Rate**	**Amount**
Profit before tax		(5,30,52,156)		(5,55,56,346)
Tax using the Company's domestic tax rate	27.82%	(1,47,59,110)	27.82%	(1,54,55,775)
Effect of:				
Non-deductible expenses	0%	-	0%	
Difference in enacted tax rate	0.00%	-	0%	
Others	0.00%	292	-	292
Effective tax rate	**27.82%**	**(1,47,58,818)**	**27.82%**	**(1,54,55,483)**
Excess provisions relating to earlier years	-	(1,47,58,818)	-	(3,74,66,601)
Income tax credit/(expense) reported in the Statement of Profit and Loss	**0.00%**	-	**39.62%**	**(2,20,11,118)**

E The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2021 and 31 March 2020

Non-current tax assets (net)

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Income tax assets	18,72,572	1,18,62,487
Income tax liabilities	-	-
Net income tax assets at the end of the year	**18,72,572**	**1,18,62,487**

Greenpiece Landscapes India Pvt. Ltd. Bangalore

F Deferred tax assets, net

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax assets:		
Impairment loss allowance on financial assets	-	-
Provision on employee benefits- Gratuity	-	-
Provision on employee benefits- Compensated absences	-	-
Provision for bonus	-	-
Deffered tax on fixed assets	-	-
Deferred Tax others	-	-
Deferred tax assets	-	-

G Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR)

For the year ended 31 March 2021	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:					
Impairment loss allowance on financial assets	-	-	-	-	-
Provision on employee benefits- Gratuity	-	-	-	-	-
Provision on other employee benefits, if any	-		-	-	-
Provision for bonus	-	-	-	-	-
Fixed assets	-	-	-	-	-
Others	-	-	-	-	-
	-	-	-	-	-
Deferred tax liabilities:					
Customer relationships	-	-	-	-	-
Goodwill on merger	-	-	-	-	-
	-	-	-	-	-
Net deferred tax assets	-	-	-	-	-
Deferred income tax liabilities:					
Deferred income tax liabilities	-	-	-	-	-
Deferred tax assets/(liabilities)	-	-	-	-	-

For the year ended 31 March 2020	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:					
Impairment loss allowance on financial assets	85,44,173	-	(85,44,173)	-	-
Provision for employee benefits	18,99,051	-	(18,99,051)	-	-
Provision on other employee benefits, if any	23,99,924	-	(23,99,924)	-	-
Provision for bonus	9,07,593	-	(9,07,593)	-	-
Provision for rent escalation	-	-	-	-	-
Fixed assets	7,37,299	-	(7,37,299)	-	-
Others	75,23,077	-	(75,23,077)	-	-
	2,20,11,118	-	**(2,20,11,118)**	-	-
Deferred tax liabilities:					
Customer relationships	-	-	-	-	-
Goodwill on merger	-	-	-	-	-
	-	-	-	-	-
Net deferred tax assets	**2,20,11,118**	-	**(2,20,11,118)**	-	-
Deferred income tax liabilities:					
Deferred income tax liabilities	-	-	-	-	-
Deferred tax assets/(liabilities)	**2,20,11,118**	-	**(2,20,11,118)**	-	-

Greenpiece Landscapes India Pvt. Ltd.
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7 Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
		(Amount in INR)
Valued at lower of cost and net realizable value		
Raw material and consumables	6,37,51,012	9,39,78,107
	6,37,51,012	**9,39,78,107**

8 Trade receivables

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good	6,81,12,151	9,54,94,998
Considered doubtful	4,77,11,565	1,94,36,012
	11,58,23,716	**11,49,31,010**
Loss allowance [refer note 32]		
Doubtful	(4,77,11,565)	(1,94,36,012)
Unsecured considered good	(1,33,48,820)	(1,32,63,184)
	(6,10,60,385)	**(3,26,99,196)**
Net trade receivables	**5,47,63,331**	**8,22,31,814**

All trade receivables are current.

The Company exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 32.

9 Cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Cash in hand	-	20,094
Balances with banks	-	
In current accounts	13,429	13,428
Cash and cash equivalents in balance sheet	**13,429**	**33,522**
Bank overdraft used for cash management purpose	-	-
Cash and cash equivalent in the statement of cash flow	**13,429**	**33,522**

10 Bank balances other than cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
In deposit accounts (mature within 12 months from the reporting date)	95,51,605	1,15,39,501
	95,51,605	**1,15,39,501**

*Fixed deposits lien marked as at 31 March 2021 INR 95.51 lacs.

11 Current loans

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured Considered good		
Security deposits	2,86,000	11,71,800
	2,86,000	**11,71,800**

12 Unbilled revenue

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Unbilled revenue (refer note 38)	3,05,55,364	6,01,60,050
	3,05,55,364	**6,01,60,050**

13 Other current financial assets

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued but not due	6,07,779	5,34,439
	6,07,779	**5,34,439**

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14 Other current assets

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Advances other than capital advances		
Travel advances to employees	3,39,126	6,63,778
Prepaid expenses	38,761	1,24,830
Salary Advance	-	10,00,000
Balances with government authorities	4,66,677	19,11,464
	8,44,564	**37,00,071**

15 Equity share capital

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
8,50,000 (31 March 2020: 8,50,000) equity shares of par value of Rs 10 each	85,00,000	85,00,000
	85,00,000	**85,00,000**
Issued, subscribed and paid-up		
8,00,000 (31 March 2020: 8,50,000) equity shares of par value of Rs 10 each, fully paid up	80,00,000	80,00,000
	80,00,000	**80,00,000**

15.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
Equity shares				
At the commencement of the year	8,00,000	80,00,000	7,80,000	78,00,000
Add: Shares issued during the year	-	-	20,000	2,00,000
At the end of the year	**8,00,000**	**80,00,000**	**8,00,000**	**80,00,000**

15.2 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amounts (if any) in proportion to the number of equity shares held.

15.3 Shares held by Holding Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	8,00,000	80,00,000	8,00,000	80,00,000
	8,00,000	**80,00,000**	**8,00,000**	**80,00,000**

15.4 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% held	Number of shares	% held
Equity shares				
Quess Corp Limited	7,99,990	100%	7,99,990	100%
Ajit Isaac	10	0%	10	
	8,00,000	**100%**	**8,00,000**	**100%**

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16 Instruments entirely equity in nature

Particulars	As at 31 March 2021	As at 31 March 2020
Compulsorily Convertible Debentures		
84,431 (31 March 2020: 84,431) compulsorily convertible debentures of par value of Rs 1,000 each	8,44,31,000	8,44,31,000
	8,44,31,000	**8,44,31,000**

During the year ended 31 March 2020, the Company in its Board of Director Meeting held on 10 September 2019 passed a resolution to issue 84,431 redeemable Convertible debentures at a face value of Rs 1,000 aggregating to Rs 8,44,31,000. The Debenture Holders shall have thee right to convert any or all of the CCDs any time during the tenure of CCD, at a conversion price of INR 393.45/-.

The CCDs shall during the tenure or until conversion, whichever is earlier, entitle Debenture Holder to receive a coupon on an annual basis in INR at the rate of 10% (Ten percent) per annum from the date of issue and allotment of CCDs ("Coupon"), subject to prior approval of the Board of Directors and deduction of any applicable taxes on payment of Coupon, including withholding tax. The Coupon shall be payable on a quarterly basis and be paid within 15 calendar days from commencement of each subsequent quarter in which the interest became due unless otherwise agreed between the parties to this agreement.

16.1 (a) Reconciliation of the number of compulsorily convertible debentures outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of CCDs	Amount in Rs.	Number of CCDs	Amount in Rs.
Number of compulsorily convertible debentures (CCDs) outstanding at the beginning and end of the year	84,431	8,44,31,000	84,431	8,44,31,000
	84,431	**8,44,31,000**	**84,431**	**8,44,31,000**

(b) The rights, preferences and restrictions attaching to compulsorily convertible debentures issued to Quess Corp Limited, holding company including restirctions if any :

The Company has one class of compulsorily convertible debentures of Rs 1,000 per CCD. These CCDs are unsecured and carry a discretionary coupon of 10% per annum. The CCDs shall have a tenure of 10 years from the date of issue. The holder of these CCDs shall have the right to convert any or all of the CCDs, at any time during the tenure of CCDs. CCDs outstanding at the end of the tenure shall be automatically converted into Equity shares of the Company.

(c) Particulars of compulsorily convertible debentures held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

Particulars	As at 31 March 2021	As at 31 March 2020
Quess Corp Limited, holding company	84,431	84,431
	84,431	**84,431**

(d) CCD holders holding more than 5% of compulsorily convertible debentures along with the total number of CCDs held at the beginning and at the end of the reporting period is as given below

Particulars	Number of CCDs		Number of CCDs	
	Nos held	% held	Nos held	% held
Quess Corp Limited, holding company	84,431	100%	84,431	100%
	84,431	**100%**	**84,431**	**100%**

17 Other equity*

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
General reserve account	19,26,309	19,26,309
Other comprehensive income (refer note 17.1)	28,74,343	25,83,628
Other Equity- Corporate Guarantee	8,00,000	8,00,000
Retained earnings	(17,67,68,277)	(12,37,16,121)
Capital Reserve	67,04,051	67,04,051
	(16,44,63,574)	**(11,17,02,132)**

* For detailed movement of reserves refer Statement of Changes in Equity.

17.1 Other comprehensive income

Remeasurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income).

18 Non-current provisions

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity (refer note 37)	33,46,663	40,90,342
	33,46,663	**40,90,342**

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19 Current borrowings

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities (refer note 19.1 & 19.2)	10,75,66,172	10,83,99,507
Loan from related parties, unsecured		
- Quess Corp Limited (refer note 19.3)	8,70,60,764	6,00,00,000
	19,46,26,936	**16,83,99,507**

Information about the Company exposure to interest rate and liquidity risk is included in note 33.

19.1 The Company has taken Overdraft facilities having interest rates ranging from MCLR+ strategic premium (0.25%) i.e., 10% p.a at present with monthly rest. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on cash margin on bank gurantee of BOB and collateral security that are presently charged with BOB and entire machinery, equipments , electrical installations, furniture & fixtures , office equipments , Raw Material, stores and spares , packing material , book debts both present and future ,other movable property of the company and Corporate Gurantee by Holding Company(Quess Corp limited).

19.2 The Company has taken bill Cash credit from YES BANK having interest rate of 3 months MCLR and Working capital demand loan from YES BANK having interest rate of 1 month MCLR and Sales invoice financing from YES BANK having interest rate of 1 month MCLR Bank Gurantee facilities from YES Bank having pricing 0.70% p.a. payable upfront. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the certain current and movable fixed assets of the Company on both present and future and Corporate Gurantee by Holding Company(Quess Corp limited).\

19.3 Loan taken from Quess Corp Limited is carrying an interest rate of 10 year India Government Bond Rate.

20 Trade payables

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Dues to micro, small and medium enterprises (refer note 40)	16,04,479	-
Other trade payables	90,64,821	6,15,94,016
	1,06,69,300	**6,15,94,016**

The Company exposure to liquidity risk related to trade payables is disclosed in note 32.

21 Other current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued and not due	56,609	-
Amount payable to related parties (refer note 35 (iii)	39,81,774	10,61,470
Other Payables		
Accrued salaries and benefits	25,51,633	86,24,983
Provision for expenses	1,34,41,532	2,97,14,647
Provision for bonus and incentive	28,62,636	34,55,783
	2,28,94,184	**4,28,56,883**

(i) The Company exposure to liquidity risk related to other current financial liabilities is disclosed in note 32.

22 Current provisions

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity (refer note 37)	3,83,627	5,39,959
	3,83,627	**5,39,959**

23 Other current liabilities

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance received from customers	13,35,435	82,20,569
Balances payable to government authorities	19,61,603	17,31,682
	32,97,038	**99,52,251**

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Greenpiece Landscapes India Private Limited
Notes to the financial statements for the year ended 31 March 2021

24 Revenue from operations

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from Projects		
- Landscape & Softscape Income	2,93,82,988	17,70,06,490
Total revenue from Projects	**2,93,82,988**	**17,70,06,490**
Revenue from Service		
- Maintenance Income	3,90,17,318	4,98,31,751
- Consultancy Income	2,25,000	19,76,611
Total revenue from Service	**3,92,42,318**	**5,18,08,362**
	6,86,25,306	**22,88,14,851**

25 Other income

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income under the effective interest method on:		
Cash and cash equivalents	3,67,409	8,17,060
Interest income on present valuation of financial instruments	23,856	1,64,187
Interest on tax refunds due	5,02,949	-
Profit on sale of property, plant and equipment and intangible assets	-	4,62,000
Miscellaneous income	77	4,610
	8,94,291	**14,47,857**

26 Cost of material and stores and spare parts consumed

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory at the beginning of the year	9,39,78,107	5,08,54,877
Add: Purchases	(79,40,429)	16,16,94,982
Less: Inventory at the end of the year	6,37,51,012	9,39,78,107
Cost of materials and stores and spare parts consumed	**2,22,86,666**	**11,85,71,752**

27 Employee benefits expense

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	3,60,47,035	7,74,52,099
Contribution to provident and other funds	42,14,762	51,60,643
Expenses related to post-employment defined benefit plan (refer note 37)	10,47,479	20,45,979
Staff welfare expenses	1,24,981	10,37,808
	4,14,34,257	**8,56,96,529**

28 Finance costs

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on financial liabilites measured at amortised cost	1,51,47,819	1,48,20,466
Other borrowing costs	3,41,445	18,85,048
	1,54,89,264	**1,67,05,515**

29 Depreciation and amortisation expense

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 3)	9,91,753	10,93,599
Amortisation of intangible assets (refer note 4)	47,157	71,777
	10,38,910	**11,65,376**

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30 Other expenses

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sub-contractor charges	42,18,237	2,29,62,082
Rent (refer note 30.1)	30,12,507	64,85,355
Power and Fuel	20,525	1,29,385
Repairs & maintenance		
- buildings	47,857	-
- plant and machinery	7,32,618	18,94,089
Legal and professional fees (refer note 30.2)	10,47,926	24,25,075
Rates and taxes	4,41,240	41,06,163
Printing and stationery	90,780	4,69,766
Stores and tools consumed	220	-
Travelling and conveyance	8,75,173	41,59,089
Communication expenses	8,138	4,75,312
Transportation Charges	5,71,636	38,93,324
Loss allowance on financial assets, net [refer note 32]	2,83,61,189	19,86,854
Equipment hire charges	10,98,447	41,53,343
Insurance	71,792	4,79,137
Office expenses	1,19,899	2,37,544
Commission and Brokerage	-	29,000
Postage and Courier	-	40,008
Donation	-	20,000
Bank charges	3,68,741	1,57,543
Bad debts written off	11,24,461	93,62,980
Deposits/advances written-off	-	2,13,834
Loss on sale of fixed assets, net	1,11,270	-
	4,23,22,656	**6,36,79,883**

30.1 Rent

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent-Project	21,11,300	50,90,498
Rent-Office	9,01,207	13,94,857
	30,12,507	**64,85,355**

30.2 Payment to auditors (net of GST; included in legal and professional fees)

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit fees	2,25,000	2,25,000
Tax audit fees	25,000	25,000
	2,50,000	**2,50,000**

Greenpiece Landscapes India Pvt. Ltd.
Bangalore

1 Company Overview

Greenpiece Landscapes India Private Limited is a Private Limited incorporated on 04 January 2008 (CIN: U01403KA2008PTC044865) and domiciled in India. The registered office of the company is located in Bengaluru, Karnataka, India. The Company is engaged in the business of providing services in landscaping solutions.

The Company has incurred a net loss of ₹ 5,27,04,838/- during the year ended 31 March 2021 and, Further, as at that date the Company's accumulated losses amounted to ₹ 17,67,11,673/- which have resulted in significant erosion of the net worth of the Company. The accompanying financial statements have been prepared on a going concern basis as the management of the Company is of the opinion that the Company has the ability to meet their day-to-day cash flow requirements from a combination of the working capital generated from operations and the receipt of additional funding from the current/ potential investors. Accordingly, the assets and liabilities have been recorded in the financial statements on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of the business

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2.1 Basis of preparation

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The standalone Ind AS financial statements are presented in Indian Rupees (`) which is also the Company's functional currency, unless otherwise stated.

Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following:

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);
ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations ("DBO").

2.2 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

i. **Contingent liabilities:** Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

ii. **Income taxes:** Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

iii. **Measurement of defined benefit obligations**: Key actuarial assumptions used for actuarial valuation.

iv. **Impairment of financial assets:** The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments.

v. **Other estimates:** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.3 Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

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Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method Basis ('SLM') over estimated useful life of the fixed assets estimated by the Management. Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets which coincides with the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation for assets purchased/ sold during the year is proportionately charged. The Company estimated the useful lives for fixed assets as follows:

Category	Useful Life
Furniture & Fixtures	5 Years
Computer	3 Years
Office Equipment's	5 years
Plant & Machinery	3 years
Vehicles	3 Years

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/losses.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of the assets not put to use before such date are disclosed under 'Capital work-in-progress'

2.5 Goodwill and Other Intangible Assets

i. Other Intangible Assets

Acquired intangible assets and assets acquired on business combinations are measured initially at cost. Other intangible assets are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

ii. Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including on internally generated software is recognised in profit and loss as and when incurred.

The Company amortizes intangible assets with a finite useful life using the straight-line method.

The estimated useful lives of intangibles are as follows:

Category	Useful Life
Software	5 Years

2.6 Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.7 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.8 Inventories

Inventories (raw materials and stores and spares) which comprise of food consumables and operating consumables are valued at the lower of cost and net realizable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell. The comparison of cost and net realizable value is made on an item-by-item basis.

2.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The entity has concluded that it is the principal in all of its revenue arrangements since it is exposed to the significant risks and rewards associated with rendering of services.

When the outcome of the contract cannot be measured reliably, revenue is recognised only to the extent that expenses incurred are eligible to be recovered. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration.

When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

a) Revenue from Landscaping and Softscaping

Revenue from Landscaping and Softscaping services are at a fixed rate and are recognised as per the terms of the arrangement with the customers.

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2.10 Other Income

Interest income or expenses is recognised using effective interest method.

2.11 Investments

The Company has elected to account its investment at cost.

2.12 Financial Instruments

a) **Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) **Classification and subsequent measurement**

Financial Assets

On initial recognition, a financial asset is classified and measured at:

- Amortised cost
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI- equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mistake that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses	
Financial assets, at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

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c) Impairment of financial assets

The Company assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

d) Derecognition of financial assets

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

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

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

Financial Liabilities

e) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost.

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.

f) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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2.13 Employee benefits

a) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of remeasurements of the net defined liability or asset through other comprehensive income.

Remeasurement of the net defined liability or asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods. The Company's gratuity scheme is administered through a trust with the **Birla Sun Life Insurance Company Ltd** and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

b) Short-term employee benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

c) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

d) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.14 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in profit and loss.

2.15 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax is not recognised for :

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profits may not be available. Therefore, in case of history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized

2.16 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

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2.17 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.18 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit 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 Company are segregated.

2.20 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

2.21 Segment Reporting

The company has only one operating segment.

2.22 Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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3 Property, plant and equipment

(Amount in INR)

Particulars	Furniture & Fixtures	Computer	Office Equipments	Plant & Machinery	Vehicles	TOTAL
Deemed Cost as at 01 April 2019	**10,93,701**	**10,80,757**	**4,81,807**	**32,23,035**	**3,39,098**	**62,18,398**
Additions during the Year		54,917	-	3,80,495	7,74,225	12,09,637
Disposals for the Year	-	-	-	-10,34,032	-3,39,098	-13,73,130
Balance as at 31 March 2020	**10,93,701**	**11,35,674**	**4,81,807**	**25,69,498**	**7,74,225**	**60,54,905**
Additions during the Year	-	-	-	-	-	-
Disposals for the Year	-	-	-	-3,61,080	-	-3,61,080
Balance as at 31 March 2021	**10,93,701**	**11,35,674**	**4,81,807**	**22,08,418**	**7,74,225**	**56,93,825**
Accumulated depreciation as at 1 April 2019	5,87,592	6,84,332	2,17,384	23,87,379	3,39,098	42,15,785
Depreciation for the year	1,08,330	2,11,633	74,329	4,82,439	2,16,868	10,93,599
Accumulated depreciation on deletions	-	-	-	-10,34,032	-3,39,098	-13,73,130
Balance as at 31 March 2020	**6,95,922**	**8,95,965**	**2,91,713**	**18,35,786**	**2,16,868**	**39,36,254**
Depreciation for the year	1,08,029	1,73,224	74,130	3,78,530	2,57,840	9,91,753
Accumulated depreciation on deletions				-1,05,742		-1,05,742
Balance as at 31 March 2021	**8,03,951**	**10,69,189**	**3,65,843**	**21,08,574**	**4,74,708**	**48,22,265**
Net Carrying Amount						-
As at 31 March 2021	**2,89,750**	**66,485**	**1,15,964**	**99,844**	**2,99,517**	**8,71,560**
As at 31 March 2020	**3,97,779**	**2,39,709**	**1,90,094**	**7,33,712**	**5,57,357**	**21,18,651**

There has been No Impairment losses recognised during the year or previous year

4 Intangible assets

Particulars	Intangible Asset	TOTAL
Balance as at 31 March 2019	6,66,396	6,66,396
Additions during the Year	1,41,600	1,41,600
Disposals for the Year	-	-
Balance as at 31 March 2020	**8,07,996**	**8,07,996**
Additions during the Year	-	-
Disposals for the Year	-	-
Balance as at 31 March 2021	**8,07,996**	**8,07,996**
Accumulated Amortisation	6,21,104	6,21,104
Amortisation for the Year	71,777	71,777
Accumulated Amortisation on deletions	-	-
Balance as at 31 March 2020	**6,92,881**	**6,92,881**
Amortisation for the Year	47,157	47,157
Accumulated Amortisation on deletions	-	-
Balance as at 31 March 2021	**7,40,038**	**7,40,038**
Net Carrying Amount		
As at 31 March 2021	**67,958**	**67,958**
As at 31 March 2020	**1,15,115**	**1,15,115**

There has been no impairment losses recognised during the year or previous year

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31 Financial instruments - fair value and risk management

Financial instruments by category

(Amount in INR)

Particulars	Note	31 March 2021 FVTPL	31 March 2021 FVTOCI	31 March 2021 Amortised Cost	31 March 2020 FVTPL	31 March 2020 FVTOCI	31 March 2020 Amortised Cost
Financial assets:							
Non-current investments		-	-	-	-	-	-
Loans	5 & 11	-	-	2,86,000	-	-	18,88,068
Trade receivables	8	-	-	5,47,63,331	-	-	8,22,31,814
Cash and cash equivalents including other bank balances	9 & 10	-	-	95,65,034	-	-	1,15,73,023
Unbilled revenue	12	-	-	3,05,55,364	-	-	6,01,60,050
Other financial assets	13	-	-	6,07,779	-	-	5,34,439
Total financial assets		-	-	**9,57,77,508**	-	-	**15,63,87,394**
Financial liabilities:							
Borrowings	19	-	-	19,46,26,936	-	-	16,83,99,507
Trade payables	20	-	-	1,06,69,300	-	-	6,15,94,016
Other current financial liabilities	21	-	-	2,28,94,184	-	-	4,28,56,883
Total financial liabilities		-	-	**22,81,90,420**	-	-	**27,28,50,406**

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

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

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(Amount in INR)

Particulars	Note	Carrying Amount 31 March 2021	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial assets measured at amortised cost					
Non-current investments	0	-			
Loans	5 & 11	2,86,000	-	-	-
Trade receivables	8	5,47,63,331	-	-	-
Cash and cash equivalent including other bank balances	9 & 10	95,65,034	-	-	-
Unbilled revenue	12	3,05,55,364			
Other financial assets	13	6,07,779			
Total financial assets		**9,57,77,508**	-	-	-
Financial liabilities measured at amortised cost					
Borrowings	19	19,46,26,936	-	-	-
Trade payables	20	1,06,69,300	-	-	-
Other current financial liabilities	21	2,28,94,184	-	-	-
Total financial liabilities		**22,81,90,420**	-	-	-

Financial instruments - fair value and risk management

(Amount in INR)

Particulars	Note	Carrying Amount 31 March 2020	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial assets measured at amortised cost					
Non-current investments	0	-			
Loans	5 & 11	18,88,068	-	-	-
Trade receivables	8	8,22,31,814	-	-	-
Cash and cash equivalent including other bank balances	9 & 10	1,15,73,023	-	-	-
Unbilled revenue	12	6,01,60,050	-	-	-
Other financial assets	13	5,34,439			
Total financial assets		**15,63,87,394**	-	-	-
Financial liabilities measured at amortised cost					
Borrowings	19	16,83,99,507	-	-	-
Trade payables	20	6,15,94,016	-	-	-
Other current financial liabilities	21	4,28,56,883	-	-	-
Total financial liabilities		**27,28,50,406**	-	-	-

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference securities, mutual funds and debentures that have quoted price.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference securities and non-convertible debentures included in level 3.

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Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

A Financial Assets:

1 The Company has not disclosed the fair values of non current investments, loans, trade receivables, cash and cash equivalents including other bank balances and unbilled revenue because their carrying values are a reasonable approximation of their fair value.

B Financial Liabilities

1 **Borrowings**: It includes cash credit and overdraft facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the overdraft is reset on a monthly/quarterly basis, the carrying amount of the overdraft would be a reasonable approximation of its fair value.

2 **Trade payables and other financial liabilities**: Fair values of trade payables and other liabilities are measured at carrying value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to their carrying values.

32 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The management is assisted in its oversight role by internal auditors. Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the management.

i) **Credit Risk**

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three Months for customers. The Company does not have trade receivables for which no loss allowance is recognised.

Expected credit loss assessment for corporate customers as at 31 March 2020 and 31 March 2021 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivables from customers. Based on industry practices and the business environment which the entity operates, the management considers that trade receivables are in default (Credit impaired), if the payments are more than 270 days past due. Loss rates are based on actual credit loss experience over last eight quarters.

These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables

The following table provides information about the credit risk and expected credit loss for trade receivables from customers

As at 31 March 2021 *(Amount in INR)*

Particulars	Gross Carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not Due	4,51,20,433	4.63%	20,91,059	No	4,30,29,374
Past due 1-90 days	1,47,71,035	35.44%	52,34,754	No	95,36,281
Past due 91-180 days	29,72,204	61.56%	18,29,805	No	11,42,399
Past due 181-270 days	47,09,743	77.59%	36,54,467	No	10,55,277
Past due 271-365 days	38,80,973	100.00%	38,80,973	Yes	-
Above 365 days	4,43,69,327	100.00%	4,43,69,327	Yes	-
	11,58,23,715		**6,10,60,385**		**5,47,63,331**

As at 31 March 2020 *(Amount in INR)*

Particulars	Gross Carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not Due	5,52,42,175	2.96%	16,34,577	No	5,36,07,598
Past due 1-90 days	2,10,51,800	12.82%	26,98,440	No	1,83,53,359
Past due 91-180 days	94,37,334	31.44%	29,66,867	No	64,70,467
Past due 181-270 days	97,63,689	61.08%	59,63,299	No	38,00,390
Past due 271-365 days	1,03,63,799	100.00%	1,03,63,799	Yes	-
Above 365 days	90,72,214	100.00%	90,72,214	Yes	-
	11,49,31,010		**3,26,99,196**		**8,22,31,814**

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Financial risk management

Movement in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade and other receivables during the year is as follows *(Amount in INR)*

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	3,26,99,196	4,17,69,031
Impairment loss recalculated after adopting Ind AS 115	-	-20,35,740
Impairment loss allowance recognised	2,83,61,188	(70,34,095)
Balance as at the end of the year	**6,10,60,385**	**3,26,99,196**

ii) Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposits. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

a) Financing arrangement

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2021

(Amount in INR)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	19,46,26,936	19,46,26,936			
Trade payables	1,06,69,300	1,06,69,300	-	-	-
Other financial liabilities	2,28,94,184	2,28,94,184	-	-	-

As at 31 March 2020

(Amount in INR)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	16,83,99,507	16,83,99,507			
Trade payables	6,15,94,016	6,15,94,016	-	-	-
Other financial liabilities	4,28,56,883	4,28,56,883	-	-	-

The Company maintains the following line of credit:

(i) Bank of Baroda -

The Company has taken Overdraft facilities having interest rates ranging from MCLR+ strategic premium (0.25%) ie., 10% p.a at present with monthly rest. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on cash margin on bank gurantee of BOB and collateral security that are presently charged with BOB and entire machinery, equipments , electrical installations, furniture & fixtures , office equipments , Raw Material, stores and spares , packing material , book debts both present and future ,other movable property of the company and Corporate Gurantee by Holding Company(Quess Corp limited).

(ii) Yes Bank -

The Company has taken bill Cashcredit from YES BANK having interest rate of 3 months MCLR and Working capital demand loan from YES BANK having interest rate of 1 month MCLR and Sales invoice financing from YES BANK having interest rate of 1 month MCLR. Bank Gurantee facilities from YES Bank having pricing 0.70% p.a. payable upfront. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the certain current and movable fixed assets of the Company on both present and future and Corporate Gurantee by Holding Company(Quess Corp limited).

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currency of the Company. The Company is not exposed to significant currency risk as majority of the transactions are primarily denominated in Indian Rupees (""), which is the national currency of India.

ii) 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 borrowing comprises of cash credit facilities & working capital loan which carries fixed rate of interest and unsecured loan from holding company Quess Corp Limited , which do not expose it to interest rate risk.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	-	-
Fixed rate borrowings	19,46,26,936	16,83,99,507
Total borrowings	**19,46,26,936**	**16,83,99,507**

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33 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

The Company's policy is to keep the ratio below 2.50. The Company's adjusted net debt to equity ratio is as follows:

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Gross debt	19,46,26,936	16,83,99,507
Less: Cash and cash equivalents	95,65,034	1,15,73,023
Adjusted net debt	**18,50,61,902**	**15,68,26,485**
Total equity	(7,20,32,574)	(1,92,71,132)
Less: Effective portion of cash flow hedges and cost of hedging		
Equity	**(7,20,32,574)**	**(1,92,71,132)**
Net debt to equity ratio	**(2.57)**	**(8.14)**

34 Earnings per share

(Amount in INR except number of shares and per share data)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Nominal value of equity shares (amount per share)	10	10
Net profit after tax for the purpose of earnings per share	(5,30,52,156)	(7,75,67,464)
Weighted average number of shares used in computing basic earnings per share	8,00,000	7,83,014
Basic earnings per share	**(66.32)**	**(99.06)**
Weighted average number of shares used in computing diluted earnings per share	10,14,591	8,94,719
Diluted earnings per share	**(52.29)**	**(86.69)**

Computation of weighted average number of shares

(Amount in numbers)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Number of equity shares outstanding at beginning of the year	**8,00,000**	**7,80,000**
Add: Weighted average number of equity shares issued	-	3,014
Weighted average number of shares outstanding at the	**8,00,000**	**7,83,014**
Add: Impact of potentially dilutive equity shares	2,14,591	1,11,705
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	**10,14,591**	**8,94,719**

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Greenpiece Landscapes India Private Limited
Notes to the financial statements for the year ended 31 March 2021

35 Related party disclosures

(i) Name of related parties and description of relationship: (Please select the entities from the list shared herewith)

- Holding Company	Quess Corp Limited
- Fellow subsidiaries, associates and joint venture	Refer note (ii)
- Entities having common directors	Golden Star Facilities And Services Private Limited Terrier Security Services (India) Private Limited Monster.com (India) Private Limited Excelus Learning Solutions Private Limited MFX Infotech Private Limited Trimax Smart Infraprojects Private Limited

(ii) List of subsidiaries (including step-subsidiaries), fellow subsidiaries, associates and joint venture

Name of the entity	Nature of relation	Country of domicile
MFX Infotech Private Limited	Fellow subsidiary	India
Brainhunter Systems Ltd.	Fellow subsidiary	Canada
Mindwire Systems Ltd.	Fellow subsidiary	Canada
Quess (Philippines) Corp.	Fellow subsidiary	Philippines
Quess Corp (USA) Inc.	Fellow subsidiary	USA
Quesscorp Holdings Pte Ltd	Fellow subsidiary	Singapore
Quess Corp Vietnam LLC	Fellow subsidiary	Vietnam
Quessglobal (Malaysia) SDN. BHD.	Fellow subsidiary	Malaysia
Quess Corp Lanka (Private) Limited	Fellow subsidiary	Sri Lanka
Comtel Solutions Pte Ltd	Fellow subsidiary	Singapore
MFXchange Holdings Inc.	Fellow subsidiary	Canada
MFXchange US, Inc.	Fellow subsidiary	USA
MFX Chile SpA	Fellow subsidiary	Chile
Dependo Logistics Solutions Private Limited	Fellow subsidiary	India
Excelus Learning Solutions Private Limited	Fellow subsidiary	India
Conneqt Business Solution Limited	Fellow subsidiary	India
Vedang Cellular Services Private Limited	Fellow subsidiary	India
Golden Star Facilities and Services Private Limited	Fellow subsidiary	India
Comtelpro Pte. Limited.	Fellow subsidiary	Singapore
Comtelink Sdn. Bhd	Fellow subsidiary	Malaysia
Monster.com (India) Private Limited	Fellow subsidiary	India
Monster.com.SG PTE Limited	Fellow subsidiary	Singapore
Monster.com.HK Limited	Fellow subsidiary	Hong Kong
Agensi Pekerjaan Monster Malaysia SDN. BHD.	Fellow subsidiary	Malaysia
Quesscorp Management Consultancies	Fellow subsidiary	Dubai, UAE
Quesscorp Manpower Supply Services LLC	Fellow subsidiary	Dubai, UAE
Qdigi Services Limited	Fellow subsidiary	India
Simpliance Technologies Private Limited	Fellow subsidiary	India
Allsec Technologies Limited	Fellow subsidiary	India
Allsectech Inc., USA	Fellow subsidiary	USA
Allsectech Manila Inc., Philippiness	Fellow subsidiary	Philippines
Retreat Capital Management Inc., USA	Fellow subsidiary	USA
Trimax Smart Infraprojects Private Limited	Fellow subsidiary	India
Quess Corp Services Limited	Fellow subsidiary	Bangladesh
Terrier Security Services (India) Private Limited	Fellow subsidiary	India
Quess East Bengal FC Private Limited	Fellow subsidiary	India
Heptagon Technologies Private Limited	Associate of holding company	India
Quess Recruit, Inc.	Associate of holding company	Philippines
Agency Pekerjaan Quess Recruit SDN. BHD.	Associate of holding company	Malaysia
Stellarslog Technovation Private Limited	Associate of holding company	India
Himmer Industrial Services (M) SDN. BHD.	Joint venture of holding company	Malaysia

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(iii) Related party transactions

(Amount in INR)

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	Quess Corp Limited	1,74,40,508	-
Finance costs			
- Interest expense	Quess Corp Limited	40,01,785	34,78,217
Loans taken from related parties	Quess Corp Limited	3,40,60,762	9,50,00,000
Loans reapid to related parties	Quess Corp Limited	70,00,000	-
Advance received from customer	Quess Corp Limited	3,61,477	-

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in INR)

Particulars		As at 31 March 2021	As at 31 March 2020
Current borrowings	Quess Corp Limited	8,70,60,764	6,00,00,000
Other financials liabilities			
- Interest payable	Quess Corp Limited	39,81,774	10,61,470
- Provision for expenses	Quess Corp Limited	77,00,000	-
Other current liabilities			
- Advance received from customers	Quess Corp Limited	3,61,477	-

Terms and conditions
All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

36 Leases

Operating Leases
The Company has taken on lease offices and residential premises under operating leases. The leases typically run for a period of one to ten years, with an option to renew the lease after that period. Lease payments are renegotiated at the time of renewal.

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total rental expense relating to operating lease	30,12,507	64,85,355
- Non-cancellable	-	-
- Cancellable	30,12,507	64,85,355

37 Assets and liabilities relating to employee benefits

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability, gratuity plan	37,30,290	46,30,301
Total employee benefit liability	**37,30,290**	**46,30,301**
Current [refer note 22]	3,83,627	5,39,959
Non-current [refer note 18]	33,46,663	40,90,342
	37,30,290	**46,30,301**

For details about employee benefit expenses, see note 27.

The Company operates the following post-employment defined benefit plans.
The Company has a defined benefit gratuity plan in India (Plan A), governed by the Payment of Gratuity Act, 1972. Plan A entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of 15 days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

The Company also provides certain post-employment medical cost benefits to employees of some of the Related party entities outside India (Plan B). Plan B reimburses certain medical costs for retired employees.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

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A Funding

The Company's gratuity scheme for core employees is administered through a trust with the Aditya Birla Sunlife Insurance Company. The funding requirements are based on the gratuity funds actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purpose for which assumptions are same as set out below. Employees do not contribute to the plan.

The Company has determined that, in accordance with the terms and conditions of gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations.

B Reconciliation of net defined benefit liability/ asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its components:

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	52,92,435	71,11,443
Current service cost	7,94,684	15,31,556
Interest cost	2,74,299	5,35,918
Past service cost		
Benefit settled	(27,34,289)	(16,33,860)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	1,64,155	(18,93,037)
- Changes in demographic assumptions	-	4,25,250
- Changes in financial assumptions	77,929	(7,84,835)
Obligation at the end of the year	**38,69,213**	**52,92,435**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	6,62,134	2,85,236
Additions through business combination		-
Interest income on plan assets	21,504	21,495
Remeasurement- actuarial gain/(loss)		-
Return on plan assets recognised in other comprehensive income	5,32,799	(10,737)
Contributions		20,00,000
Benefits settled	(10,77,514)	(16,33,860)
Plan assets as at the end of the year	**1,38,923**	**6,62,134**
Net defined benefit liability	**37,30,290**	**46,30,301**

C i) Expense recognised in statement of profit or loss

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	7,94,684	15,31,556
Interest cost	2,74,299	5,35,918
Past service cost	-	-
Interest income	(21,504)	(21,495)
Net gratuity cost	**10,47,479**	**20,45,979**

ii) Re-measurement recognised in other comprehensive income

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability	2,42,084	(22,52,622)
Remeasurement of the net defined benefit asset	(5,32,799)	10,737
	(2,90,715)	**(22,41,885)**

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D Plan assets

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Funds managed by insurer	1,38,923	6,62,134
	1,38,923	**6,62,134**

E Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	6.20% -6.40%	6.55%
Future salary growth	6.00%	6.00%
Attrition rate	7.00%	7.00%
Rate of return on planned asset	0.00%	0.00%
Average duration of defined benefit obligation (in years)	9 -10	9.00

F Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Core employees

(Amount in INR)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-9.10%	10.60%	-8.40%	9.70%
Future salary growth (1% movement)	10.50%	-9.20%	9.70%	-8.60%
Attrition rate (1% movement)	-0.60%	0.40%	-0.60%	0.10%

Associate employees

(Amount in INR)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	8.20%	9.50%	-8.00%	9.30%
Future salary growth (1% movement)	9.40%	8.30%	9.20%	-8.10%
Attrition rate (1% movement)	-2.60%	2.30%	-3.50%	3.30%

38 Revenue from Contracts with customers

(i) Disaggregation of revenue

The Company provides Landscaping and Soft scaping services across India to various customers.

(ii) Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in 'Trade and other receivables'	5,47,63,331	8,22,31,814
Contract assets	3,05,55,364	6,01,60,050

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2021

(Amount in INR)

Particulars	For the year ended 31 March 2021
Balance at the beginning of the reporting period	6,01,60,050
Add : Revenue recognized during the reporting period	6,86,25,306
Less : Invoiced during the reporting period	9,82,29,992
Balance at the end of the reporting period	**3,05,55,364**

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(iii) **Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for (i) contracts with an original expected duration of one year or less and (ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

39 In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

40 **Dues to micro, small and medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. The Company has certain dues to such enterprises as at 31 March 2021 based on the information received and available with the Company. However, the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at 31 March 2021	As at 31 March 2020
i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	16,04,479	-
ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	56,609	-
iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	-	-
vii) Further interest remaining due and payable for earlier years.	-	-

41 The Ourbreak of Coronavirus(Covid-19) pandemic globallay and in India is causing significant distrubance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of virus, including travel bans, quarantines, social distancing and closure of non-essential sevices have triggred significant distruption worldwide, resulting economic slowdown.
COVID-19 is significantly impacting business operations of the Company, by way of interruption of supply chain, unavilability of personnel etc.,
The Company has evaluated impact of COVID-19 on its business operations and based on its review there is no significant impact on its financial statements.

42 **Headcount details**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Core	Associate	Core	Associate
Opening	37	285	45	204
Additions	-	94	4	230
Deletions	37	197	12	149
Closing	-	182	37	285

43 Previous year's figures have been regrouped/reclassified, wherever necessary to conform to those of current year classification.

The notes referred to above form an integral part of the financial statements

for N S Shastri & Co.,
Chartered Accountants
Firm's Registration No.: 015093S

N S Shastri
Partner
Membership No.: 037676

Place: Bengaluru
Date: 3 May 2021

N.S. SHASTRI & CO. BANGALORE CHARTERED ACCOUNTANTS

for and on behalf of the Board of Directors of
Greenpiece Landscapes India Private Limited

Rajesh Kharidehal
Director
DIN: 08472077

Place: Bengaluru
Date: 3 May 2021

Abhinandan Raghuthaman
Director
DIN: 07675547

Place: Bengaluru
Date: 3 May 2021

Greenpiece Landscapes India Pvt. Ltd. Bangalore

SRIRAMULU NAIDU & CO.
Chartered Accountants

G-8 "H" Block, "Golden Orchid Apartments"
Kasturba Road, Bangalore - 560 001
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E-mail : contactddca@gmail.com

Independent Auditor's Report

To the Members of M/s. Golden Star Facilities and Services Private Limited

Report on the Audit of the Ind As Financial Statements

Opinion

We have audited the Ind AS financial statements of M/s. Golden Star Facilities and Services Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, the statement of Profit and Loss (including other comprehensive income), the statement of cash flows and statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 opinion.

SRIRAMULU NAIDU & CO., BANGALORE, Chartered Accountants

Information other than the Financial Statements and Auditor's Report thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the 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

SRIRAMULU NAIDU & CO., BANGALORE

in accordance with Standards on Auditing 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 financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

SRIRAMULU NAIDU & Co., BANGALORE Chartered Accountants

Report on Other Legal and Regulatory Requirements

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

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

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

c) The balance sheet, the statement of profit and loss including Other Comprehensive Income, Statement of Changes in Equity and statement of cash flow dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March 2021 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

f)- With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explanations given to us:

i. Company does not have any pending litigations which would impact its financial position;

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

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

SRIRAMULU NAIDU & Co., BANGALORE * Chartered Accountants *

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order.

For **Sriramulu Naidu & Co**
Chartered Accountants
FRN : 008975S

SRIRAMULU NAIDU & Co., BANGALORE Chartered Accountants

CA.S.Deenadayal
Partner
Membership No: 205194
UDIN: 21205194AAAAKU7416

Place: Bangalore
Date : 5th May 2021

Annexure – A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Golden Star Facilities and Services Private Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

SRIRAMULU NAIDU & Co., BANGALORE

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sriramulu Naidu & Co**
Chartered Accountants
FRN : 008975S

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

CA.S.Deenadayal
Partner
Membership No: 205194
UDIN: 21205194AAAAKU7416

Place: Bangalore
Date : 5th May 2021

Annexure - B

Annexure to the Independent Auditor's report of even date to the Members of Golden Star Facilities and Services Private Limited, on the Financial Statements for the year ended 31st March 2021.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

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

(b). The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c).According to the information and explanation given to us and on the basis of our examination of the records of the Company, Company does not having any immovable property. Accordingly, the provisions of clause 3(i)(c) of the order is not applicable.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification/ material discrepancies noticed on physical verification have been properly dealt with in the books of account.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable.

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the order are not applicable.

(vii)(a).The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b). There are no dues in respect of income-tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution, banks, government, or debenture holders during the year.

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

(x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. Accordingly, paragraph 3(x) of the order is not applicable.

(xi) In our opinion and according to the information and explanation given to us, Company has paid/provided managerial remuneration in accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the Act.

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

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly paragraph 3(xiv) of the order is not applicable.

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

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Sriramulu Naidu & Co**

Chartered Accountants

FRN : 008975S

CA.S.Deenadayal

Partner

Membership No: 205194

UDIN: 21205194AAAAKU7416

Place: Bangalore

Date : 5th May 2021

Golden Star Facilities And Services Private Limited

(Amount in Rs)

Balance Sheet	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,672,612	31,420,951
Financial assets			
(i) Non current loans	4	5,023,470	5,830,470
(ii) Other non-current financial assets	5	-	461,200
Deferred tax assets (net)	6	40,602,180	57,678,263
Income tax assets (net)	6	79,176,369	87,957,655
Total non-current assets		138,474,631	183,348,539
Current assets			
Inventories	7	3,166,919	4,900,236
Financial assets			
(i) Trade and other receivables	8	255,782,085	474,875,024
(ii) Cash and cash equivalents	9	639,993	2,541,944
(iii) Bank balances other than cash and cash equivalent above	10	461,200	5,876,735
(iv) Current loans	11	412,034	911,930
(v) Unbilled revenue	12	166,612,484	172,816,847
Other current financial assets	13	101,216	660,446
Other current assets	14	11,598,118	13,016,171
Total current assets		438,774,049	675,599,333
Total Assets		577,248,680	858,947,872
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	10,000,000	10,000,000
Instruments entirely equity in nature	16	-	72,230,000
Other equity	17	267,494,593	207,808,616
Total equity		277,494,593	290,038,616
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other non-current liabilities	18	304,801	3,763,708
Non-current provisions	19	27,786,753	27,710,518
Total non-current liabilities		28,091,554	31,474,226
Current liabilities			
Financial liabilities			
(i) Current borrowings	20	37,777,881	245,611,519
(ii) Trade and payables	21	15,726,018	22,744,854
(iii) Other current financial liabilities	22	187,411,996	209,551,107
Other current liabilities	23	30,746,638	59,527,550
Total current liabilities		271,662,533	537,435,030
Total Liabilities		299,754,087	568,909,256
Total Equity and Liabilities		577,248,680	858,947,872

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Sriramulu Naidu & Co.**
Chartered Accountants
Firm registration number: 008975S

for and on behalf of Board of Directors of
Golden Star Facilities And Services Private Limited

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

S Deenadayal
Partner
Membership No. : 205194

Rajesh Kharidehal
Director
DIN: 08472077

Srinivasan Guruprasad
Director
DIN: 07596207

Place: Bengaluru
Date: 5-May-2021

Golden Star Facilities And Services Private Limited

Statement of Profit and loss	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
		(Amount in Rs)	
Income			
Revenue from operations	24	2,005,568,926	2,426,250,967
Other income	25	3,745,385	1,258,303
Total Income		**2,009,314,311**	**2,427,509,270**
Expenses			
Cost of materials, stores and spare parts consumed	26	41,459,109	70,057,943
Employee benefits expenses	27	1,674,747,625	2,013,657,754
Finance costs	28	13,031,643	30,442,727
Depreciation expenses	29	20,894,735	22,310,883
Other expenses	30	182,119,392	265,061,867
Total expenses		**1,932,252,504**	**2,401,531,174**
Profit before income tax		**77,061,807**	**25,978,096**
Tax expense			
Current tax	6	-	-
Income tax for earlier years	6	(2,488,309)	5,745,884
Deferred tax expense for earlier periods	6	-	4,201,015
Deferred tax	6	17,777,837	(16,708,773)
Total tax expenses		**15,289,528**	**(6,761,874)**
Profit for the year		**61,772,279**	**32,739,970**
Other comprehensive (income)/expense			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset		2,788,056	4,243,721
Income tax relating to items that will not be reclassed to profit or loss		(701,754)	(1,068,145)
Other comprehensive (income) / expense for the year, net of income tax		**2,086,302**	**3,175,576**
Total comprehensive income for the period		**59,685,977**	**29,564,394**
Earnings per equity share (face value of Rs 10 each)			
Basic	35	61.77	32.74
Diluted	35	59.71	31.55

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Sriramulu Naidu & Co.**
Chartered Accountants
Firm registration number: 008975S

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

S Deenadayal
Partner
Membership No. : 205194

Place: Bengaluru
Date: 5-May-2021

for and on behalf of Board of Directors of
Golden Star Facilities And Services Private Limited

Rajesh Kharidehal
Director
DIN: 08472077

Srinivasan Guruprasad
Director
DIN: 07596207

Golden Star Facilities And Services Private Limited

Statement of Cash Flows	For the year ended 31 March 2021	For the year ended 31 March 2020
	(Amount in Rs)	
Cash flow from operating activities		
Profit before tax	77,061,807	25,978,096
Adjustments for:		
Depreciation expense	20,894,735	22,310,883
Financial Guarantee income	-	(10,438)
Loss/(Profit) on sale of fixed assets, net	-	(5,264)
Bad debts written off	9,620,661	3,650,783
Impairment loss allowance on financial assets, net	(25,134,414)	19,245,517
Interest income	(3,516,035)	(1,242,601)
Finance costs	13,031,643	30,442,727
Operating cash flows before working capital changes	**91,958,398**	**100,369,703**
Working capital adjustments:		
Changes in:		
Inventories	1,733,317	2,407,671
Trade receivables and security deposits	235,413,692	(208,640,436)
Other current, non-current, unbilled revenue and financial assets	14,558,277	36,997,638
Trade payables and other financial liabilities	(61,397,767)	61,069,879
Other liabilities and provisions	(2,711,821)	(1,063,166)
Cash generated from operating activities	**279,554,096**	**(8,858,711)**
Income taxes paid, net of refund	11,269,594	(40,768,799)
Net cash (used in) / provided by operating activities (A)	**290,823,690**	**(49,627,510)**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(3,146,396)	(22,528,721)
Proceeds from sale of fixed assets	-	225,131
Interest income on term deposits and others	3,516,035	1,242,601
Net cash (used in) / provided by investing activities (B)	**369,639**	**(21,060,989)**
Cash flows from financing activities		
Finance cost paid	(85,261,643)	41,787,273
Short-term borrowings, net of repayments	(207,833,637)	31,204,047
Net cash (used in) / provided by financing activities (C)	**(293,095,280)**	**72,991,320**
Net increase in cash and cash equivalents (A+B+C)	(1,901,951)	2,302,821
Cash and cash equivalents at the beginning of the year	2,541,944	239,123
Cash and cash equivalents at the end of the period (refer note 9)	**639,993**	**2,541,944**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Sriramulu Naidu & Co.**
Chartered Accountants
Firm registration number: 008975S

for and on behalf of Board of Directors of
Golden Star Facilities And Services Private Limited

SRIRAMULU NAIDU & Co. BANGALORE Chartered Accountants

S Deenadayal
Partner
Membership No. : 205194

Rajesh Kharidehal
Director
DIN: 08472077

Srinivasan Guruprasad
Director
DIN: 07596207

Place: Bengaluru
Date: 5-May-2021

Golden Star Facilities And Services Private Limited
Statement of Changes in Equity for the year ended 31 March 2021

(A) Equity share capital

(Amount in Rs)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
Opening balance	15	10,000,000	10,000,000
Changes in equity share capital	15	-	-
Closing balance		**10,000,000**	**10,000,000**

(B) Other equity

(Amount in Rs)

Particulars	Note	Reserves and surplus		Other items of other comprehensive Income	Total equity attributable to equity holders of the Company
		Retained earnings	Other Reserves	Remeasurement of the net defined benefit liability/asset	
Balance as of 1 April 2019		**169,222,724**	**3,250,000**	**5,771,498**	**178,244,222**
Add: Profit for the Period		32,739,970	-	-	32,739,970
Add: Fair value of financial guarantee received	17	-	-	-	-
Add: Other comprehensive income (net of tax)	17	-	-	(3,175,576)	(3,175,576)
Balance as of 31 March 2020		**201,962,694**	**3,250,000**	**2,595,922**	**207,808,616**
Balance as of 1 April 2020		**201,962,694**	**3,250,000**	**2,595,922**	**207,808,616**
Add: Profit for the Period		61,772,279	-	-	61,772,279
Add: Fair value of financial guarantee received	17	-	-	-	-
Add: Other comprehensive income (net of tax)	17	-	-	(2,086,302)	(2,086,302)
Balance as of 31 March 2021		**263,734,973**	**3,250,000**	**509,620**	**267,494,593**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Sriramulu Naidu & Co.**
Chartered Accountants
Firm registration number: 008975S

SRIRAMULU NAIDU & Co. BANGALORE Chartered Accountants

S Deenadayal
Partner
Membership No. : 205194

Place: Bengaluru
Date: 5-May-2021

for and on behalf of Board of Directors of
Golden Star Facilities And Services Private Limited

Rajesh Kharidehal
Director
DIN: 08472077

Srinivasan Guruprasad
Director
DIN: 07596207

Golden Star Facilities And Services Private Limited
Notes to the financial statements for the year ended 31 March 2021

3. Property, plant and equipment

(Amount in Rs)

Particulars	Computer equipment	Plant & Machinery	Office equipment	Furniture & fixtures	Vehicles	ROU Building	Total
Gross carrying amount as at 1 April 2019	**4,490,382**	**58,192,374**	**1,737,282**	**865,968**	**2,441,434**		**67,727,440**
Additions during the year	272,381	7,817,848	-	-	-	14,438,492	22,528,721
Disposals for the year *	40,616	1,298,889	-	-	-	-	1,339,505
Balance as at 31 March 2020	**4,722,147**	**64,711,333**	**1,737,282**	**865,968**	**2,441,434**	**14,438,492**	**88,916,656**
Additions during the year	109,261	3,037,135	-	-	-	-	3,146,396
Disposals for the year *	-	-	-	-	-	-	-
Balance as at 31 March 2021	**4,831,408**	**67,748,468**	**1,737,282**	**865,968**	**2,441,434**	**14,438,492**	**92,063,052**

Particulars	Computer equipment	Plant & Machinery	Office equipment	Furniture & fixtures	Vehicles	ROU Building	Total
Accumulated depreciation as at 1 April 2019	**3,049,419**	**29,848,391**	**917,038**	**370,767**	**2,118,846**		**36,304,460**
Depreciation for the year	962,423	15,007,968	296,187	223,897	216,973	5,603,434	22,310,883
Accumulated depreciation on deletions	25,485	1,094,153	-	-	-	-	1,119,638
Balance as at 31 March 2020	**3,986,357**	**43,762,206**	**1,213,225**	**594,664**	**2,335,819**	**5,603,434**	**57,495,705**
Depreciation for the year	539,073	14,156,975	269,520	220,120	105,615	5,603,432	20,894,735
Accumulated depreciation on deletions	-	-	-	-	-	-	-
Balance as at 31 March 2021	**4,525,430**	**57,919,181**	**1,482,745**	**814,784**	**2,441,434**	**11,206,866**	**78,390,440**
Net carrying amount:							
As at 31 March 2021	**305,978**	**9,829,287**	**254,537**	**51,184**	**0**	**3,231,626**	**13,672,612**
As at 31 March 2020	**735,790**	**20,949,127**	**524,057**	**271,304**	**105,615**	**8,835,058**	**31,420,951**

There has been no impairment losses recognised during the year or previous year.

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Notes to the financial statements for the year ended 31 March 2021

4 Non-current loans

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	5,023,470	5,830,470
	5,023,470	**5,830,470**

5 Other non-current financial assets

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Bank deposits (due to mature after 12 months from the reporting date)	-	461,200
	-	**461,200**

6 Taxes

A Amount recognized in profit or loss

(Amount in Rs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current income tax:		
In respect of the current period	-	-
In respect of the prior period	-	-
Minimum alternate tax credit utilization / (entitlement)	-	-
Tax relating to earlier years	(2,488,309)	5,745,884
Deferred tax:		
Attributable to:		
Deferred tax expense for earlier periods	-	4,201,015
Origination and reversal of temporary differences	17,777,837	(16,708,773)
Income tax expense reported in the Statement of profit and loss	**15,289,528**	**(6,761,874)**

B Income tax recognized in other comprehensive income

(Amount in Rs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability/ asset		
Before tax	2,788,056	4,243,721
Tax expense/(benefit)	(701,754)	(1,068,145)
Net of tax	**2,086,302**	**3,175,576**

C Reconciliation of effective tax rate

(Amount in Rs)

Particulars	For the year ended 31 March 2021		31 March 2020	
Profit before tax		77,061,807		25,978,096
Tax using the Company's domestic tax rate	25.17%	19,396,457	25.17%	6,538,687
Effect of:				
Difference in enacted tax rate	0.00%	-	16.17%	4,201,015
Non-deductible expenses	0.09%	66,903	1.16%	302,066
80JJA Tax incentives	-2.19%	(1,685,523)	-90.65%	(23,549,526)
Others	0.00%			-
Effective tax rate	**23.07%**	**17,777,836**	**(48.15%)**	**(12,507,758)**
Add: Provisions relating to earlier years	(3.23%)	(2,488,309)	22.12%	5,745,884
Income tax expense reported in the Statement of profit and loss	**19.84%**	**15,289,527**	**(26.03%)**	**(6,761,874)**

D The following table provides the details of income tax assets and income tax liabilities as of 31 March 2021 and 31 -

Non-current tax assets (net) *(Amount in Rs)*

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax assets	103,588,074	126,178,654
Income tax liabilities	(24,411,705)	(38,220,999)
Net income tax asset at the end of the year	**79,176,369**	**87,957,655**

E Deferred tax assets, net

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset:		
Provision on employee benefits- Gratuity	6,993,926	6,974,735
Impairment loss allowance on financial assets	4,804,164	11,130,496
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	9,119,757	7,368,466
Defered Tax - Leases 116	133,924	223,697
Deferred Tax others	19,550,409	31,980,869
Net deferred tax assets	**40,602,180**	**57,678,263**
	17,076,083	

The movement of deferred tax aggregating to Rs. 1,70,76,083 for the year ended 31 March 2021 (31 March 2020: Rs (1,35,75,903)) comprises of Rs. 1,77,77,837 (31 March 2020: Rs. (1,67,08,773) of the year's deferred tax income and Rs. 42,01,015 of deferred tax expenses of earlier periods) charged to Statment of profit and loss and Rs. (7,01,754) {31 March 2020: Rs (10,68,145)} charged to other comprehensive income.

F Recognized deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet *(Amount in Rs)*

For the year ended 31 March 2021	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:				
Provision for employee benefits	6,974,735	(682,563)	(701,754)	6,993,926
Impairment loss allowance on financial assets	11,130,496	(6,326,332)	-	4,804,164
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	7,368,466	1,751,291	-	9,119,757
Leases IndAs 116	223,697	(89,773)	-	133,924
Others	31,980,869	(12,430,460)	-	19,550,409
Gross deferred tax assets	**57,678,263**	**(17,777,837)**	**(701,754)**	**40,602,180**
Net deferred tax assets	**57,678,263**	**(17,777,837)**	**(701,754)**	**40,602,180**

(Amount in Rs)

For the year ended 31 March 2020	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:				
Provision for employee benefits	6,824,234	(917,644)	(1,068,145)	6,974,735
Impairment loss allowance on financial assets	6,948,257	4,182,239	-	11,130,496
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	6,039,080	1,329,386	-	7,368,466
Leases IndAs 116	-	223,697	-	223,697
Others	24,290,789	7,690,080	-	31,980,869
Gross deferred tax assets	**44,102,360**	**12,507,758**	**(1,068,145)**	**57,678,263**
Net deferred tax assets	**44,102,360**	**12,507,758**	**(1,068,145)**	**57,678,263**

7 Inventories

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Valued at lower of cost and net realizable value		
Raw material and consumables	3,166,919	4,900,236
	3,166,919	**4,900,236**

8 Trade receivables

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good	263,870,428	491,185,901
Considered doubtful	10,998,524	27,910,404
Loss allowance [refer note 32(i)]	-	-
Unsecured considered good	(8,088,343)	(16,310,877)
Doubtful	(10,998,524)	(27,910,404)
Net trade receivables	**255,782,085**	**474,875,024**

All trade receivables are current.

Of the above, trade receivables from related parties are as below:

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables from related parties	696,124	3,567,977
Less: loss allowance	(533)	(93,067)
Net trade receivables	**695,591**	**3,474,910**

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 32.

9 Cash and cash equivalents

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Cash in hand	19,921	158,595
Balances with banks	-	
In current accounts	402,972	2,166,249
In deposit accounts (with orginal maturity of less than 3 months)	217,100	217,100
Cash and cash equivalents in the statement of cash flow	**639,993**	**2,541,944**

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Notes to the financial statements for the year ended 31 March 2021

10 Bank balances other than cash and cash equivalent above

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
In deposit accounts (Due to mature within 12 months from the reporting date)	461,200	5,876,735
	461,200	**5,876,735**

11 Current Loans

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	170,953	651,853
Advances to employees	241,081	260,077
	412,034	**911,930**

12 Unbilled revenue

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Unbilled revenue	166,612,484	172,816,847
	166,612,484	**172,816,847**

13 Other current financial assets

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued but not due	101,216	660,446
	101,216	**660,446**

14 Other current assets

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Advances other than capital advances		
Other advances	2,233,630	5,994,340
Prepaid expenses	9,364,488	7,021,831
	11,598,118	**13,016,171**

15 Equity share capital

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Authorized		
10,00,000 (31 March 2020: 10,00,000) equity shares of par value of Rs 10 each	10,000,000	10,000,000
	10,000,000	**10,000,000**
Issued, subscribed and paid-up		
10,00,000 (31 March 2020: 10,00,000) equity shares of par value of Rs 10 each, fully paid up	10,000,000	10,000,000
	10,000,000	**10,000,000**

15.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

(Amount in Rs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in Rs	Number of shares	Amount in Rs
At the commencement of the year	1,000,000	10,000,000	1,000,000	10,000,000
Shares issued during the year	-	-	-	-
At the end of the year	**1,000,000**	**10,000,000**	**1,000,000**	**10,000,000**

15.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. 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

15.3 Shares held by holding company

(Amount in Rs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in Rs		Number of shares
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	999,999	9,999,990	999,999	9,999,990
Ajit Isaac *(Nominee of Quess Corp Limited)*	1	10	1	10
	1,000,000	**10,000,000**	**1,000,000**	**10,000,000**

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15.4 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% Held	Number of shares	% Held
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	1,000,000	100.00%	1,000,000	100.00%
	1,000,000		**1,000,000**	**100.00%**

As per the records of the Company, including its register of members/shareholders, the above shareholding represents both legal and beneficial ownership of the shares.

16 Instruments entirely equity in nature

(a) Reconciliation of the number of compulsorily convertible debentures outstanding at the beginning and at the end of the reporting period

(Amount in Rs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of CCDs	Amount in Rs	Number of CCDs	Amount
Number of compulsorily convertible debentures (CCDs) outstanding at the beginning and end of the year	-	-	72,230	72,230,000

(b) The rights, preferences and restrictions attaching to compulsorily convertible debentures issued to Quess Corp Limited, holding company including restirctions if any :

The Company has one class of compulsorily convertible debentures of Rs 1,000 per CCD. These CCDs are unsecured and carry a discretionary coupon of 10% per annum. The CCDs shall have a tenure of 10 years from the date of issue. The holder of these CCDs shall have the right to convert any or all of the CCDs, any time during the tenure of CCDs. CCDs outstanding at the end of the tenure shall be automatically be converted into Equity shares of the Company.

(c) Particulars of compulsorily convertible debentures held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

Particulars	As at 31 March 2021	As at 31 March 2020
Quess Corp Limited	-	72,230

(d) CCD holders holding more than 5% of compulsorily convertible debentures along with the total number of CCDs held at the beginning and at the end of the reporting period is as given below

Particulars	As at 31 March 2021		As at 31 March 2020	
	% of Holding	Nos	% of Holding	Nos
Quess Corp Limited, holding company	-	-	100	72,230

(e) During the year under review the compnay had repaid the compulsorily convertible debentures.

17 Other Equity *

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Retained earnings	263,734,973	201,962,694
Other reserves	3,250,000	3,250,000
Other comprehensive income	509,620	2,595,922
	267,494,593	**207,808,616**

* For detailed movement of reserves refer statement of changes in equity.

17.1 Other comprehensive income

Remeasurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income).

18 Other non-current financial liabilities

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liability (refer note 38 (ii))	304,801	3,763,708
	304,801	**3,763,708**

19 Non-current provisions

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefit		
Provision for gratuity (refer note 39)	27,786,753	27,710,518
	27,786,753	**27,710,518**

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20 Current borrowings

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities (refer note 20.1 & 20.2)	37,777,881	245,611,519
	37,777,881	**245,611,519**

Information about the Company's exposure to interest rate and liquidity risk is included in note 32.

20.1 The company has working capital limits of Rs. 24,00,00,000 (31 March 2020: Rs 24,00,00,000) with HDFC Bank at interest rate of various facilities from 8.25% p.a - 8.50% p.a. The HDFC Bank has paripassu charge on the current assets and unencumbered moveable fixed assets of the company along with Kotak Mahindra Bank. Further it is backed by corporate guarantee of holding company, Quess Corp Limited .

20.2 The company has working capital limits of Rs 11,00,00,000 (31 March 2020: Rs. 11,00,00,000) with Kotak Mahindra Bank Limited at interest rate of various facilities from 8.30% p.a. - 8.50% p.a. The Kotak Mahindra Bank has paripassu charge on the current assets and unencumbered moveable fixed assets of the company along with HDFC Bank. Further it is backed by corporate guarantee of holding company, Quess Corp Limited.

21 Trade payables

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Dues to micro, small and medium enterprises (refer note 42)	-	-
Trade payables to related parties (refer note 37 (iii))	1,700,498	5,848,134
Other trade payables	14,025,520	16,896,720
	15,726,018	**22,744,854**

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 32.

22 Other current financial liabilities

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of finance lease obligations		
Amount payable to related parties	-	-
Capital creditors	1,794,263	74,052
Lease liability (refer note 39 (ii))	3,458,905	5,960,094
Other payables	-	
Accrued salaries and benefits	167,240,766	167,112,627
Provision for expenses	14,918,062	36,404,334
	187,411,996	**209,551,107**

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 32.

23 Other current liabilities

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances payable to government authorities	30,746,638	59,527,550
	30,746,638	**59,527,550**

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24 Revenue from operations

(Amount in Rs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Facility management services	2,005,568,926	2,426,250,967
	2,005,568,926	2,426,250,967

25 Other income

(Amount in Rs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Interest income under the effective interest method on:		
Deposits with Banks	237,692	496,247
Interest income on present valuation of financial instruments	-	10,438
Interest on tax refunds due	3,278,343	746,354
Profit on sale of property, plant and equipment and intangible assets	-	5,264
Miscellaneous income	229,350	-
	3,745,385	1,258,303

26 Cost of material and stores and spare parts consumed

(Amount in Rs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Inventory at the beginning of the year	4,900,236	7,307,907
Add: purchases during the year	39,725,792	67,650,272
Less: Inventory at the end of the year	3,166,919	4,900,236
Cost of materials, stores and spare parts consumed	**41,459,109**	**70,057,943**

27 Employee benefits expenses

(Amount in Rs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Salaries and wages	1,481,083,568	1,786,192,452
Contribution to provident and other funds	174,903,438	202,649,229
Expenses related to post-employment defined benefit plan	5,288,179	5,373,207
Staff welfare expenses	13,472,440	19,442,866
	1,674,747,625	2,013,657,754

28 Finance costs

(Amount in Rs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Interest expense on financial liabilites measured at amortised cost	13,031,643	30,076,059
Other borrowing costs	-	366,668
	13,031,643	30,442,727

29 Depreciation expenses

(Amount in Rs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Depreciation of property, plant and equipment (refer note 3)	20,894,735	22,310,883
	20,894,735	22,310,883

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30 Other expenses

(Amount in Rs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Sub-contractor charges	53,653,473	72,283,166
Recruitment and training expenses	1,247,445	1,500,475
Rent (refer note 38)	730,357	2,347,176
Power and fuel	679,278	1,378,494
Repairs & maintenance	-	-
- plant and machinery	2,065,950	3,336,028
- others	3,982,393	4,852,644
Legal and professional fees (refer note 30.1)	7,434,177	42,790,371
Rates and taxes	1,746,672	3,100,471
Printing and stationery	837,816	1,841,787
Stores and tools consumed	113,285,561	87,998,326
Travelling and conveyance	1,378,679	4,035,893
Communication expenses	2,380,375	2,373,344
Insurance	5,992,458	6,938,763
Bad debts written off	9,620,661	3,650,783
Bank charges	560,254	421,132
Impairment loss allowance on financial assets, net [refer note 32(i)]	(25,134,414)	19,245,517
Business promotion and advertisement expenses	327,757	4,487,209
CSR contributions [refer note 30.2]	650,000	840,025
Miscellaneous expenses	680,500	1,640,263
	182,119,392	**265,061,867**

30.1 Payment to auditors (net of goods and services tax included in legal and professional fees)

(Amount in Rs)

Particulars		For the year ended
	31 March 2021	31 March 2020
Statutory audit	400,000	400,000
Limited review	120,000	120,000
Tax audit fee	50,000	50,000
	570,000	**570,000**

30.2 Details of CSR expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility ("CSR") activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education. art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds required to be spent and funds spent during the year with respect to the Group are explained below:

(Amount in Rs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
a) Gross amount required to be spent by the Company during the year	644,627	831,557
b) Amount spent during the year		
i) Construction or acquisition of any asset		
ii) On purpose other than i) above	650,000	840,025

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Notes to the financial statements for the year ended 31 March 2021

31 Financial instruments - fair value and risk management

Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at 31 March 2021 and 31 March 2020 is as follows:

Fair value hierarchy

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

a) recognized and measured at fair value

b) measured at amortized cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(Amount in Rs)

Particulars	Carrying value	Fair Value		
	31 March 2021	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Non current financials assets	-	-	-	-
Loans	5,435,504	-	-	-
Trade receivables	255,782,085	-	-	-
Cash and cash equivalents	639,993	-	-	-
Unbilled revenue	166,612,484	-	-	-
Other non-current assets	-			
Total financial assets	**428,470,066**	-	-	-
Financial liabilities measured at amortised cost				
Lease Liability	304,801		-	
Loans and borrowings	37,777,881	-	-	-
Trade payables	15,726,018	-	-	-
Other current financial liabilities	187,411,996	-	-	-
Total financial liabilities	**241,220,697**	-	-	-

(Amount in Rs)

Particulars	Carrying value	Fair Value		
	31 March 2020	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Non current financials assets	461,200	-	-	-
Loans	6,742,400	-	-	-
Trade receivables	474,875,024	-	-	-
Cash and cash equivalents	2,541,944	-	-	-
Unbilled revenue	172,816,847	-	-	-
Other non-current assets	-			
Total financial assets	**657,437,415**	-	-	-
Financial liabilities measured at amortised cost				
Lease Liability	3,763,708		-	
Loans and borrowings	245,611,519	-	-	-
Trade payables	22,744,854	-	-	-
Other current financial liabilities	209,551,107	-	-	-
Total financial liabilities	**481,671,188**	-	-	-

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price. The non-convertible debentures is classified under Level 1 being quoted debentures.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference shares included in level 3.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

A Financial Assets:

Fair value of these assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B Financial Liabilities:

1 **Loans and borrowings:** It includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

2 **Trade payables and other liabilities:** Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

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32 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by Internal Auditors Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However the management also considers the factors that may influence the credit risk of its customer base.The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three Months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 31 March 2021 and as at 31 March 2020 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 270 days past due. Loss rates are based on actual credit loss experience over the last six quarters. These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

As at 31 March 2021

(Amount in Rs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	190,991,378	0.08%	146,147	No	190,845,231
Past due 1–90 days	53,084,702	3.97%	2,109,744	No	50,974,958
Past due 91–180 days	13,816,499	21.54%	2,976,186	No	10,840,313
Past due 181–270 days	5,977,849	47.78%	2,856,267	No	3,121,582
Past due 271–360 days	10,998,524	100.00%	10,998,524	Yes	-
	274,868,952		**19,086,867**		**255,782,085**

As at 31 March 2020

(Amount in Rs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	309,811,818	0.24%	728,839	No	309,082,979
Past due 1–90 days	149,372,604	3.52%	5,254,788	No	144,117,816
Past due 91–180 days	24,299,507	24.50%	5,952,911	No	18,346,596
Past due 181–270 days	7,701,972	56.80%	4,374,339	No	3,327,633
Past due 271–360 days	27,910,404	100.00%	27,910,404	Yes	-
	519,096,305		**44,221,281**		**474,875,024**

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Movement in allowance for impairment in respect of trade receivables.
The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	44,221,281	24,975,764
Impairment loss recognized	(25,134,414)	19,245,517
Balance as at the end of the year	**19,086,867**	**44,221,281**

ii) Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposits. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

i) Financing arrangement

The Company maintains the following line of credit:

a. The company has working capital limits of Rs. 24,00,00,000 (31 March 2020: Rs 24,00,00,000) with HDFC Bank at interest rate of various facilities from 8.25% p.a. - 8.50% p.a. The HDFC Bank has paripassu charge on the current assets and unencumbered moveable fixed assets of the company along with Kotak Mahindra Bank. Further it is backed by corporate guarantee of holding company, Quess Corp Limited .

b. The company has working capital limits of Rs 11,00,00,000 (31 March 2020: Rs. 11,00,00,000) with Kotak Mahindra Bank Limited at interest rate of various facilities from 8.30% p.a. - 8.50% p.a. The Kotak Mahindra Bank has paripassu charge on the current assets and unencumbered moveable fixed assets of the company along with HDFC Bank. Further it is backed by corporate guarantee of holding company, Quess Corp Limited.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payments and excludes netting arrangements:

As at 31 March 2021

(Amount in Rs)

Particulars		Contractual cash flow			
	Carrying Amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	37,777,881	37,777,881	-	-	
Trade payables	15,726,018	15,726,018	-	-	
Other financial liabilities	187,411,996	187,411,996	-	-	

As at 31 March 2020

(Amount in Rs)

Particulars		Contractual cash flow			
	Carrying Amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	245,611,519	245,611,519	-	-	
Trade payables	22,744,854	22,744,854	-	-	
Other financial liabilities	209,551,107	209,551,107	-	-	

iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Company is not exposed to significant currency risk as the revenue and expenses are denominated only in INR.

(ii) 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 borrowing comprises of cash credit facilities & working capital loan which carries fixed rate of interest and unsecured loan from holding company Quess Limited , which do not expose it to interest rate risk.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in Rs)

Particulars	As at	
	31 March 2021	31 March 2020
Variable rate borrowings	-	-
Fixed rate borrowings	37,777,881	245,611,519
Total borrowings	**37,777,881**	**245,611,519**

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33 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing and current borrowing, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the effective portion of cash flow hedges and cost of hedging.

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio were as follows:

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Total External liabilities	37,777,881	245,611,519
Less: Cash and cash equivalent	639,993	2,541,944
Adjusted net debt (total borrowings net of cash and cash equivalent)	**37,137,888**	**243,069,575**
Total equity	277,494,593	290,038,616
Net debt (Total external liabilities) to equity ratio	**0.13**	**0.84**

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34 **Contingent liabilities and commitment (to the extent not provided for)**

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Bank guarantees issued against performance of contract	30,634,465	26,881,418
	30,634,465	**26,881,418**

35 **Earnings per share**

(Amount in Rs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Nominal value of equity shares (Rs per share)	10	10
Net profit after tax for the purpose of earnings per share	61,772,279	32,739,970
Weighted average number of shares used in computing basic earnings per share	1,000,000	1,000,000
Basic earnings per share (Rs)	**61.77**	**32.74**
Weighted average number of shares used in computing diluted earnings per share	1,034,615	1,037,584
Diluted earnings per share (Rs)	**59.71**	**31.55**

36 **Segment reporting**

The Chief Executive Officer and Managing Director of the company has been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by service offerings. Accordingly, the Company is engaged in the business of providing facility management services and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The Company caters to the needs of only the Indian market. Accordingly, there are no reportable secondary geographical segments.

37 **Related party disclosures**

(i) **Name of related parties and description of relationship:**

- Ultimate Holding Company	Fairfax Financial Holdings Limited
- Holding Company	Quess Corp Limited
- Fellow Subsidiaries	MFX Infotech Private Limited Aravon Services Private Limited[1] Brainhunter Systems Ltd. Mindwire Systems Limited Quess (Philippines) Corp. Quess Corp (USA) Inc. Quesscorp Holdings Pte. Ltd. Quess Corp Vietnam LLC Quessglobal (Malaysia) SDN. BHD. Quess Corp Lanka (Private) Limited Comtel Solutions Pte. Ltd. MFXchange Holdings, Inc. MFXchange US, Inc. MFX Chile SpA Dependo Logistics Solutions Private Limited CentreQ Business Services Private Limited[1] Excelus Learning Solutions Private Limited Conneqt Business Solution Limited Vedang Cellular Services Private Limited Master Staffing Solutions Private Limited[1] Comtelpro Pte. Limited. Comtelink Sdn. Bhd Monster.com (India) Private Limited Monster.com.SG PTE Limited Monster.com HK Limited Agensi Pekerjaan Monster Malaysia SDN. BHD. Quesscorp Management Consultancies Quesscorp Manpower Supply Services LLC Qdigi Services Limited Greenpiece Landscapes India Private Limited Simpliance Technologies Private Limited Allsec Technologies Limited Allsectech Inc., USA Allsectech Manila Inc., Philippiness Retreat Capital Management Inc., USA Trimax Smart Infraprojects Private Limited Quess Corp Services Limited Terrier Security Services (India) Private Limited Quess East Bengal FC Private Limited

1. Merged w.e.f 1 April 2019 pursuant to approval from the Regional Direcor, South East Region, MCA.

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- Associates of the holding company	Heptagon Technologies Private Limited Quess Recruit, Inc. Agency Pekerjaan Quess Recruit SDN. BHD. Stellars Log Technovation Private Limited
- Joint Venture of a fellow subsidiary	Himmer Industrial Services (M) Sdn. Bhd.
- Entity having common directors of holding company	Net Resource Investments Private Limited Isaac Enterprises Private limited Go Digit Infoworks Service Private Limited Go Digit General Insurance Limited
- Entities in which key managerial personnel of holding company has significant influence	Careworks foundation
- Entities having significant influence	Fairfax Financial Holdings Limited Fairfax (US) Inc. HWIC Asia Fund Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (upto 6 December 2019) Fairfax (US) Inc. National Collateral Management Services Limited

Key management personnel

Srinivasan Guruprasad	Director
Rupal Sinha	CEO - IFMG
Anita Verghese	Managing Director (Till 30th June 2020)

(ii) Related party transactions during the year

(Amount in Rs)

Particulars		For the year ended	
		31 March 2021	31 March 2020
- Revenue from operations	Quess Corp Limited	17,924,988	7,586,276
- Other expenses	Terrier Security Services (India) Private Limited	20,943,183	42,595,041
	Quess Corp Limited	5,952,381	31,317,637
- Loans given by holding company	Quess Corp Limited	18,000,000	108,400,000
- Repayment/Adjustment of loans given by holding company	Quess Corp Limited	18,000,000	108,400,000
- Finance costs	Quess Corp Limited	282,082	2,624,499
- Issue/(redemption) of Compulsory Convertible Debentures	Quess Corp Limited	(72,230,000)	72,230,000
- Corporate Guarantee given to bank by the holding Company	Quess Corp Limited	-	-

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(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in Rs)

Particulars		As at 31 March 2021	As at 31 March 2020
- Trade payables	Terrier Security Services (India) Private Limited	1,700,498	5,848,134
- Trade receivables (gross of loss allowance)	Quess Corp Limited	696,124	3,567,977
- Provision for expenses	Terrier Security Services (India) Private Limited	1,447,233	2,622,116
	Quess Corp Limited	-	7,000,000

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

(iv) Compensation of key managerial personnel*

(Amount in Rs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Anita Verghese	1,145,060	5,951,612
	1,145,060	**5,951,612**

* Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

38 Leases

i) Operating Leases

The Company has taken operating leases for offices under cancellable lease agreements that are renewable on periodic basis at the option of both lessor and lessee. The total rent expense debited to the statement of profit and loss for the current year.

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Payable within 1 year	-	-
Payable between 1-5 years	-	-

(Amount in Rs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Total rental expense relating to operating lease	**730,357**	**2,347,176**
- Non-cancellable	-	-
- Cancellable		
Rent	8,222,765	8,231,452
Add: Rent Amortisation IndAs	-	9,116
Less: Leases - IndAs 116	(6,629,498)	(5,893,392)
Less: Rent Concession IndAs	(862,910)	-
Rent cost to Profit and Loss Statement	**730,357**	**2,347,176**

ii) Lease liability

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Current lease liability	3,458,905	5,960,094
Non-current lease liability	304,801	3,763,708
Total	**3,763,706**	**9,723,802**

The following is the movement in lease liabilities

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Operating lease recognised on adoption of Ind AS 116	9,723,802	14,438,492
Add: Finance cost accrued during the period	669,402	1,178,702
Less: Payment of lease obligation	(6,629,498)	(5,893,392)
Carrying amount	**3,763,706**	**9,723,802**

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Golden Star Facilities And Services Private Limited
Notes to the financial statements for the year ended 31 March 2021

Amount recognised in PL (Amount in Rs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense (included in finance cost)	669,402	1,178,702
Expenses relating to short-term lease (included in other expenses)	(6,629,498)	(5,893,392)
Rent Concession IndAs	(862,910)	-
assets that are not included above	5,603,432	5,603,434
	(1,219,574)	888,744

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2021 on an undiscounted basis:

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	3,458,905	5,960,094
One to five years	304,801	3,763,708
More than five years	-	-
	3,763,706	9,723,802

39 Assets and liabilities relating to employee benefits (Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability, gratuity plan	27,786,753	27,710,518
Liability for compensated absences	-	-
Total employee benefit liability	**27,786,753**	**27,710,518**
Non-current	27,786,753	27,710,518

The Company does not have any assets relating to employee benefits. For details about the related employee benefit expenses, see note 27.

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act,1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A Funding

The Company's gratuity scheme for employees is administered through a trust with the Life Insurance Corporation of India. The funding requirements are based on the gratuity funds actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purpose for which assumptions are same as set out below. Employees do not contribute to the plan.

The Company has determined that, in accordance with the terms and conditions of gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations

B Reconciliation of net defined benefit liability/asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

(Amount in Rs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	37,702,443	28,479,964
Current service cost	4,488,152	4,363,725
Interest cost	1,287,633	1,266,232
Past service cost	-	-
Benefit settled	(9,152,600)	(518,374)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	7,425,845	3,662,193
- Changes in demographic assumptions	(4,087,881)	(7,053)
- Changes in financial assumptions	51,577	455,756
Obligation at end of the year	**37,715,169**	**37,702,443**
Reconciliation of present value of plan assets		
Plan assets at beginning of the year, at fair value	9,991,925	3,950,000
Interest income on plan assets	487,606	256,750
Re-measurement- actuarial gain/(loss)	601,485	(132,825)
Return on plan assets recognised in other comprehensive income	-	-
Contributions	8,000,000	5,918,000
Benefits settled	(9,152,600)	-
Plan assets at end of year, at fair value	**9,928,416**	**9,991,925**
Net defined benefit liability	**27,786,753**	**27,710,518**

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C (i) Expense recognised in profit or loss

(Amount in Rs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Current service cost	4,488,152	4,363,725
Interest cost	1,287,633	1,266,232
Interest income	(487,606)	(256,750)
Net gratuity cost	**5,288,179**	**5,373,207**

(ii) Remeasurements recognised in other comprehensive income

(Amount in Rs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Actuarial (gains) /losses on defined benefit obligation	3,389,541	4,110,896
Return on plan assets excluding interest income	(601,485)	132,825
	2,788,056	**4,243,721**

D Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended	
	31 March 2021	31 March 2020
Discount rate	3.74%	4.88%
Future salary growth	1.00%	5.00%
Attrition rate	90.00%	70.00%

E Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

(Amount in Rs)

Particulars	As at			
	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	37,483,014	37,951,617	37,285,489	38,131,718
Future salary growth (1% movement)	37,769,188	37,661,334	37,946,559	37,460,731

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40 Revenue from Contracts with customers

(i) Disaggregation of revenue

The Company is providing facility managment services accross India to various customers.

(ii) Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in Rs.)

Particulars	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in 'Trade and other receivables'	255,782,085	474,875,024
Contract assets	166,612,484	172,816,847

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date.The contract assets are transferred to receivables when the rights become unconditional.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2021

(Amount in Rs.)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning	172,816,847	207,630,657
Add : Revenue recognized during the period	2,005,568,926	2,426,250,967
Less : Invoiced during the period	2,011,773,289	2,461,064,777
Less : Impairment / (reversal) during the period	-	-
Add : Translation gain/(Loss)	-	-
Balance at the end	**166,612,484**	**172,816,847**

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for (i) contracts with an original expected duration of one year or less and (ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

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41 In March 2020, the World Health Organisation (WHO) declared CoVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020 leading to closure of the IT parks, factories and business locations. Although, the Government of India has progressively relaxed the lockdown restrictions, the Companies operations have partially commenced with requisite precautions as at the date of approval of this standalone Ind AS financial statements.

The Companies operations were impacted during the pandemic due to work from home options given by the most of the IT companies and most of the clients are working with lesser man force. However, the management believes that the impact is short term and temporary in nature as the Companies operations have partially resumed. Further, the management believes that the pandemic is not likely to have significant impact on the recoverability of the carrying value of its assets as at 31 March 2021 and the future operations.

The management is continuously and closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is still continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these standalone Ind AS financial statements.

Impact of the CoVID 19:
a.Business operations
During the year under review the company had recognised revenue of Rs. 200 crores compared to Rs. 242 crores is the last financial year. This is mainly because IT Companies are allowed their employees to work from home and other businesses/ factories are worked with lessor man force, accordingly the requirement of the companies' services are reduced.

b.Impact on liquidity and assessment of going concern assumption
Delayed commencement of business operations due to restrictions imposed by respective state governments along with option given by the IT Companies to employees to work from home have resulted in lower manpower supply thereby impacting the operations of the Company. However the company is able to recover its debt during this pandemic and management is of the view that the revenue loss is temporary and no contract with existing customers are terminated during this pandemic. Accordingly, these standalone Ind AS financial statements have been prepared on going concern basis.

42 Dues to micro, small and medium enterprises
The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2021 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at 31 March 2021	As at 31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year;		
The amount of interest paid by the Group in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day during accounting year	-	-
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 this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
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 this Act.	-	-

43 Scheme of Amalgamation
The Board has on 18th February, 2020 approved the Scheme of Amalgamation of Golden Star Facilities and Services Private Limited ("Transferor Company") with Quess Corp Limited ("Transferee Company"). The scheme was rejected by the Regional Director, South-East Region, Hyderabad vide Order no. 3/Kar/CP.No.25/RD(SER)/CAA-11/233/2020 dated March 19, 2021 on technical requirement under Section 233(1)(b) of the Act.

44 Previous year's figures have been regrouped/reclassified, wherever necessary to conform to those of current year classification.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Sriramulu Naidu & Co.**
Chartered Accountants
Firm registration number: 008975S

SRIRAMULU NAIDU & Co. BANGALORE Chartered Accountants

S Deenadayal
Partner
Membership No.: 205194

Place: Bengaluru
Date: 5-May-2021

for and on behalf of Board of Directors of
Golden Star Facilities and Services Private Limited

Rajesh Kharidehal
Director
DIN: 08472077

Srinivasan Guruprasad
Director
DIN: 07596207

1. Company overview
Golden Star Facilities And Services Private Limited ("the Company") is incorporated on 14 March 2008 under the provisions of Companies Act 1956. The Registered office of the company is located in Hyderabad. The company is engaged in the business of providing Facility management services.

2. Significant accounting policies
This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2.1 Basis of preparation

Statement of compliance
These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act') and the relevant rules thereunder. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Ind AS financial statements are presented in Indian Rupees ("INR") which is also the Company's functional currency and all amounts have been rounded off to the nearest lakhs, unless otherwise stated.

Basis of measurement
The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following:

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations ("DBO").

2.2 Use of estimates and judgement

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Contingent liability: Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

ii) Income taxes: Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Availability of future taxable profits against which deferred tax amount can be used.

iii) Measurement of defined benefit obligations: Key actuarial assumptions used for actuarial valuation.

iv) Impairment of financial assets: The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments.

v) Property, plant and equipment: Useful life of asset.

vi) Other estimates: The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.3 Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.4 Property, plant and equipment
Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.

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Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method ('SLM') over estimated useful life of the fixed assets estimated by the Management. The management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/ sold during the year is proportionately charged. The Company estimated the useful lives for fixed assets as follows:

Asset Category	**Estimated useful life**
Computer equipment	3 years
Vehicles	3 years
Plant and machinery	3 years
Furniture and fixtures	5 years
Office equipment	5 years

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/losses.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of the assets not put to use before such date are disclosed under 'Capital work-in-progress'

Impairment of property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.5 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2.6 Revenue

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

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Revenue from time and material contracts are recognised as the services are performed and as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Refer Note 40 for disclosure related to revenue from contracts with customers.

Policy in case of Unbilled revenue and unearned revenue
Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Policy in case of Contract modifications
Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Policy in case of variable consideration
The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Policy in case of warranties
The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of service delivery costs.

Policy in case of cost of obtaining a contract
Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.

Policy in case of cost of fulfilling a contract
The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

Policy in case of significant financing component
The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

Policy in case of Principal vs agent
The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

2.7 Other income
Other income mostly comprises interest income on deposits, dividend income and gain/ (losses) on disposal of financial assets and non-financial assets. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

2.8 Financial instruments

a) Recognition and initial measurement
Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement Financial assets
On initial recognition, a financial asset is classified and measured at:

- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair Value through profit and loss (FVTPL)

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Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI- equity investment). This election is made on an investment-to-investment basis. All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mistake that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets, at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

c) Impairment of financial assets

The Company assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

d) Derecognition of financial assets

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

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

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

Financial liabilities

a) Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost.
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.

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

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Financial liabilities at fair value through profit or loss

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

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

The Company has not designated any financial liability as at fair value through profit and loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Financial guarantee contracts

Financials gurantee contracts issued by the holding company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make the payment when due in accordance with the terms of a debt instrument. Fair value of cost of availing the financial gurantee is recognized initially as an asset giving corresponding affect to a component in other equity. The asset so recognized is amortised to the statement of profit and loss over the period of such gurantee availed.

Derecognition

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

2.9 Employee benefit

(a) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of remeasurements of the net defined liability or asset through other comprehensive income.

Remeasurement of the net defined liability or asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

The Company's gratuity scheme is administered through a trust with the State Bank of India and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

b) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

c) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

d) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

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2.10 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2.11 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. Deferred tax is not recognised for :

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profits may not be available. Therefore, in case of history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.12 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with the contract.

2.13 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.14 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

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2.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit 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 Company are segregated.

2.16 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. The company does not have potential dilutive equity shares outstanding during the period.

2.17 Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, the Company is engaged in the business of providing facility management services and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The Company caters to the needs of only the Indian market. Accordingly, there are no reportable secondary geographical segments.

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SRIRAMULU NAIDU & CO., BANGALORE, Chartered Accountants

MSKA
& Associates
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of HEPTAGON TECHNOLOGIES PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HEPTAGON TECHNOLOGIES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 opinion.

Emphasis of Matter

We draw attention to Note 50 to the financial statements which states that management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which

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is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Other Matter

The financial statements of the Company for the year ended 31st March, 2020, were audited by another auditor whose report dated 30 April 2020 expressed an unmodified opinion on those statements. Our opinion is not modified in respect of this matters.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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Chartered Accountants

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(e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

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

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

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G
Partner
Membership No. 205226
UDIN: 21205226AAAAED9960
Place: Hyderabad
Date: 30 April 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF HEPTAGON TECHNOLOGIES PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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

MSKA & ASSOCIATES Hyderabad Chartered Accountants

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.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G
Partner
Membership No. 205226
UDIN: 21205226AAAAED9960
Place: Hyderabad
Date: 30 April 2021

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HEPTAGON TECHNOLOGIES PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) All the fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them annually which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

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vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.

viii. In our opinion and according to information and explanations given to us and based on the records of the Company examined by us, the Company has not defaulted in the repayment of loans and borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government or dues to debenture holders.

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

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us, since the Company is a Private Company, the provisions of section 197 of the Act will not be applicable. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.

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

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

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

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G

Partner

Membership No. 205226

UDIN: 21205226AAAAED9960

Place: Hyderabad

Date: 30 April 2021

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HEPTAGON TECHNOLOGIES PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to financial statements of Heptagon Technologies Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

MSKA & ASSOCIATES Hyderabad Chartered Accountants

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan G
Partner
Membership No. 205226
UDIN: 21205226AAAAED9960
Place: Hyderabad
Date: 30 April 2021

Heptagon Technologies Private Limited
(formerly known as Helpr Infotech India Private Limited)
Balance sheet as at 31 March 2021

(Amount in INR, Unless Otherwise Stated)

Particulars	Note	31 Mar 2021	31 Mar 2020
ASSETS			
Non-Current assets			
Property, Plant and Equipment	3	54,52,726	43,51,213
Right-of-use-assets	3	83,95,003	1,12,94,139
Intangible assets	4	1,44,99,835	1,59,98,724
Intangible assets under development	4	1,54,30,590	91,47,578
Financial assets			
(i) Non- Current Investments	5	-	64,50,00,000
(ii) Non-Current loans	6	8,66,492	7,87,722
Income tax assets (net)	7	1,55,57,898	1,24,81,922
Other Non-Current assets	8	2,19,852	3,10,836
Total Non-Current assets		**6,04,22,397**	**69,93,72,134**
Current assets			
Financial assets			
(i) Current Investments	9	-	71,69,36,886
(ii) Trade receivables	10	1,86,53,383	1,43,18,507
(iii) Cash and cash equivalents	11	37,35,259	39,99,074
(iv) Bank balances other than cash and cash equivalents above	12	2,00,387	-
(v) Current loans	13	5,06,924	2,78,536
(vi) Unbilled revenue	14	91,59,543	59,47,149
(vii) Other Current financial assets	15	-	27,18,346
Other Current assets	16	26,81,108	9,04,202
Total Current assets		**3,49,36,604**	**74,51,02,700**
Total Assets		**9,53,59,000**	**1,44,44,74,834**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	2,77,780	2,77,780
Other equity	18	(26,77,39,327)	(21,97,37,867)
Total equity		**(26,74,61,547)**	**(21,94,60,087)**
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Non-Current borrowings	19	-	65,00,00,001
(ii) Other Non-Current financial liabilities	20	74,09,996	97,58,696
Non-Current provisions	21	75,75,750	43,39,852
Total Non-Current liabilities		**1,49,85,746**	**66,40,98,549**
Current liabilities			
Financial liabilities			
(i) Current borrowings	22	18,32,81,331	88,76,74,276
(ii) Trade payables	23	90,04,830	5,09,951
(iii) Other Current financial liabilities	24	13,16,79,000	9,81,81,486
Current provisions	25	11,99,575	1,91,984
Other Current Liabilities	26	2,26,70,065	1,32,78,675
Total Current Liabilities		**34,78,34,801**	**99,98,36,372**
Total Liabilities		**36,28,20,547**	**1,66,39,34,921**
Total Equity and Liabilities		**9,53,59,000**	**1,44,44,74,834**
Company overview and Significant accounting policies	1 & 2		

The notes referred to above form an integral part of the financial statements
As per our report of even date attached
for MSKA & Associates
Chartered Accountants
ICAI Firm's Registration No: 105047W

Ananthakrishnan G
Partner
Membership No: 205226

Place: Hyderabad
Date: 30th April 2021

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited
CIN: U72200TZ2015PTC021609

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 30th April 2021

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Bengaluru
Date: 30th April 2021

Heptagon Technologies Private Limited
(formerly known as Helpr Infotech India Private Limited)

Statement of Profit and Loss for the year ended 31 March 2021

(Amount in INR, Unless Otherwise Stated)

Particulars	Note	For the Year ended 31 Mar 2021	31 Mar 2020
Income			
Revenue from operations	27	17,39,63,578	6,38,29,763
Other income	28	1,00,41,780	2,93,58,757
Total income		**18,40,05,358**	**9,31,88,520**
Expenses			
Employee benefit expenses	29	9,92,37,499	6,58,37,761
Finance costs	30	6,08,68,749	14,62,61,675
Depreciation and amortisation expenses	31	80,95,591	48,49,483
Other expenses	32	6,36,16,051	1,48,13,051
Total expenses		**23,18,17,890**	**23,17,61,970**
Loss before tax		**(4,78,12,532)**	**(13,85,73,450)**
Tax expense	34	-	-
Total tax expenses		-	-
Loss for the year		**(4,78,12,532)**	**(13,85,73,450)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(1,88,927)	(1,17,494)
Other comprehensive income / (loss) for the period		-	(3,77,27,692)
Total other comprehensive income / (loss), net of tax		**(1,88,927)**	**(3,78,45,186)**
Total comprehensive income / (loss) for the year		**(4,80,01,459)**	**(17,64,18,636)**
Company overview and Significant accounting policies	**1 & 2**		
Earnings per equity share (face value of Rs 10 each)			
Basic	42	(1,721)	(4,989)
Diluted		(1,721)	(4,989)

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for MSKA & Associates
Chartered Accountants
ICAI Firm's Registration No.: 105047W

Ananthakrishnan G
Partner
Membership No: 205226

Place: Hyderabad
Date: 30th April 2021

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited
CIN: U72200TZ2015PTC021609

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 30th April 2021

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Bengaluru
Date: 30th April 2021

Heptagon Technologies Private Limited
(formerly known as Helpr Infotech India Private Limited)
Statement of Cash Flows for the year ended 31 March 2021

(Amount in INR, Unless Otherwise Stated)

Particulars	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
Cash flows from operating activities		
Profit / (Loss) after tax	(4,78,12,532)	(13,85,73,450)
Adjustments for:		
Depreciation and amortisation	80,95,591	48,49,483
Dividend on mutual fund units	(91,22,659)	(2,95,32,070)
Loss/(Profit) on sale of property, plant and equipment, net	25,344	4,062
Deposits written off	58,918	48,317
Provision for bad and doubtful debts, net	-	25,000
Interest income on term deposits	(8,06,023)	(1,59,324)
Interest income on present valuation of financial instruments	(78,770)	(1,60,112)
Loss on change in NAV of mutual funds	(34,328)	4,92,749
Finance costs	6,08,68,749	14,62,61,673
Operating cash flows before working capital changes	**1,11,94,290**	**(1,67,43,670)**
Changes in inventories, trade receivables and unbilled revenue	(75,47,270)	(59,82,729)
Changes in loans, other financial assets and other assets	7,45,118	69,47,910
Changes in trade payables and other financial liabilities	1,02,75,718	(6,00,04,369)
Changes in other liabilities and provisions	1,34,45,952	40,02,555
Cash generated from operations	**2,81,13,809**	**(7,17,80,304)**
Income taxes paid, net of refund	(30,75,976)	(56,58,212)
Net cash provided by/ (used in) operating activities (A)	**2,50,37,832**	**(7,74,38,516)**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(1,16,72,887)	(1,17,90,507)
Proceeds from Sale of Investment in equity instruments	64,50,00,000	-
Proceeds from Sale of Investments in mutual fund units	71,69,71,214	-
Bank deposits (having original maturity of more than three months)	(2,00,387)	75,00,000
Interest income on term deposits	8,06,023	1,59,324
Dividend income	91,22,659	2,95,32,070
Net cash used in investing activities (B)	**1,36,00,26,622**	**2,54,00,887**
Cash flows from financing activities		
Proceeds from borrowings, net of Repayments	(65,00,00,001)	-
Lease Liability Paid	(23,88,750)	(10,06,554)
Loans from related parties, net of amounts repaid	(70,43,92,945)	11,16,58,148
Interest paid	(2,85,46,573)	(5,93,44,219)
Net cash provided by financing activities (C)	**(1,38,53,28,269)**	**5,13,07,375**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,63,815)	(7,30,253)
Cash and cash equivalents at the beginning of the period	39,99,074	47,29,327
Cash and cash equivalents at the end of the year (refer note 11)	**37,35,259**	**39,99,074**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for MSKA & Associates
Chartered Accountants
ICAI Firm's Registration No.: 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G
Partner
Membership No: 205226

Place: Hyderabad
Date: 30th April 2021

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited
CIN: U72200TZ2015PTC021609

Heptagon Technologies Private Limited

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 30th April 2021

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Bengaluru
Date: 30th April 2021

Heptagon Technologies Private Limited
(formerly known as Helpr Infotech India Private Limited)

Statement of Changes in Equity for the year ended 31 March 2021

(Amount in INR, Unless Otherwise Stated)

Particulars	Share Capital	Other equity			Total Equity attributable to Equity holders of the Company
		Reserves and Surplus		Other Comprehensive Income	
		Securities Premium	Retained Earnings	Remeasurement of the net defined benefit liability/ (asset)	
Balance as at April 1, 2019	2,77,780	9,75,72,169	(17,82,68,802)	3,73,77,401	(4,30,41,451)
Add: Loss for the year	-	-	(13,85,73,450)	-	(13,85,73,450)
Add: Other comprehensive income for the year	-	-	-	-	-
Remeasurement gain/ (loss) on defined benefit plan	-	-	-	(1,17,494)	(1,17,494)
Other comprehensive income / (loss) for the period	-	-	-	(3,77,27,692)	(3,77,27,692)
Balance as at March 31, 2020	2,77,780	9,75,72,169	(31,68,42,251)	(4,67,785)	(21,94,60,087)
Balance as at April 1, 2020	2,77,780	9,75,72,169	(31,68,42,251)	(4,67,785)	(21,94,60,087)
Add: Loss for the year		-	(4,78,12,532)	-	(4,78,12,532)
Add: Other comprehensive income for the year		-	-	-	-
Remeasurement gain/ (loss) on defined benefit plan		-	-	(1,88,927)	(1,88,927)
Other comprehensive income / (loss) for the period	-	-	-	-	-
Balance as at March 31, 2021	2,77,780	9,75,72,169	(36,46,54,784)	(6,56,712)	(26,74,61,547)

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for MSKA & Associates
Chartered Accountants
ICAI Firm's Registration No: 105047W

Ananthakrishnan G
Partner
Membership No: 205226

Place: Hyderabad
Date: 30th April 2021

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited
CIN: U72200TZ2015PTC021609

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 30th April 2021

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Bengaluru
Date: 30th April 2021

Heptagon Technologies Private Limited
(formerly known as Helpr Infotech India Private Limited)
Notes to the financial statements for the year ended 31 March 2021

3 Property, Plant and Equipment

(Amount in INR, Unless Otherwise Stated)

Particulars	Furniture and fixtures	Office equipment	Plant and machinery	Computer equipment	Right to use asset- Building	Total
Gross block/Deemed Cost						
As at 1 April 2019	**3,71,371**	**5,66,430**	**26,406**	**27,47,692**	-	**37,11,899**
Additions during the year	13,55,576	4,63,134	-	12,52,122	1,27,58,194	1,58,29,027
Disposals for the year		-	-	5,77,781	-	5,77,781
As at 31 March 2020	**17,26,947**	**10,29,564**	**26,406**	**34,22,033**	**1,27,58,194**	**1,89,63,145**
Additions during the year	26,245	2,31,996		30,25,686		32,83,927
Disposals for the year				2,77,906	5,65,452	8,43,358
As at 31 March 2021	**17,53,192**	**12,61,560**	**26,406**	**61,69,813**	**1,21,92,742**	**2,14,03,714**
Accumulated Depreciation						
As at 1 April 2019	**21,423**	**81,863**	**2,125**	**6,88,739**	-	**7,94,150**
Depreciation for the year	1,91,514	1,80,113	2,036	12,09,644	14,64,055	30,47,362
Accumulated depreciation on deletions	-	-	-	5,23,719	-	5,23,719
As at 31 March 2020	**2,12,937**	**2,61,976**	**4,161**	**13,74,664**	**14,64,055**	**33,17,793**
Depreciation for the year	3,49,247	2,28,878	2,029	15,01,815	23,33,684	44,15,653
Accumulated depreciation on deletions	-	-	-	1,77,461	-	1,77,461
As at 31 March 2021	**5,62,184**	**4,90,854**	**6,190**	**26,99,018**	**37,97,739**	**75,55,985**
Net Block :						
As at 31 March 2021	**11,91,008**	**7,70,706**	**20,216**	**34,70,795**	**83,95,003**	**1,38,47,729**
As at 31 March 2020	**15,14,011**	**7,67,588**	**22,244**	**20,47,369**	**1,12,94,139**	**1,56,45,352**

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Heptagon Technologies Private Limited

Heptagon Technologies Private Limited
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Notes to the financial statements for the year ended 31 March 2021

4 Intangible Assets *(Amount in INR, Unless Otherwise Stated)*

Particulars	Trademark	Software (IP Technology)	Intangible assets under development*	Total
Gross block				
As at 1 April 2019	80,000	-	1,81,31,960	1,82,11,960
Additions during the year	-	1,77,54,057	87,69,675	2,65,23,732
Disposals for the year	-	-	-	-
Capitalised during the year			1,77,54,057	1,77,54,057
As at 31 March 2020	**80,000**	**1,77,54,057**	**91,47,578**	**2,69,81,635**
Additions during the year	-	21,81,048	84,64,060	1,06,45,108
Disposals for the year	-	-	-	-
Capitalised during the year	-	-	21,81,048	21,81,048
As at 31 March 2021	**80,000**	**1,99,35,105**	**1,54,30,590**	**3,54,45,695**
Accumulated Depreciation				
As at 1 April 2019	**33,212**	-	-	33,212
Amortisation for the year	26,715	17,75,406	-	18,02,121
Accumulated amortisation on deletions		-	-	-
As at 31 March 2020	**59,927**	**17,75,406**	-	**18,35,333**
Amortisation for the year	20,073	36,59,864	-	36,79,937
Accumulated amortisation on deletions			-	-
As at 31 March 2021	**80,000**	**54,35,270**	-	**55,15,270**
Net Block				
As at 31 March 2021	-	**1,44,99,835**	**1,54,30,590**	**2,99,30,425**
As at 31 March 2020	**20,073**	**1,59,78,651**	**91,47,578**	**2,51,46,302**

* During the current year, the Company is in the process of developing Focus, SeQure and People Chain software's/products. Converse software which was under development last year is capitalised during the month of December'20. The products are in the development phase and all the related cost incurred towards these product has been capitalised. Refer note 48.
The Company is also in the process of registering trademark for the software developed by them for which cost of INR 3,00,750 (31 March 2020:INR 3,00,750) has been capitalised under "intangible asset under development"

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Heptagon Technologies Private Limited

5 Non-current investments

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Unquoted		
Investment carried at fair value through other comprehensive income		
Investments in equity and other instruments (refer note A below)	-	64,50,00,000
	-	**64,50,00,000**

(Amount in INR)

A Particulars	31 Mar 2021	31 Mar 2020
Unquoted - Trade		
Investment carried at fair value through other comprehensive income		
Other non-current investments		
Nil shares (31 March 2020: 1,25,000) fully paid up equity shares of par value of INR 10.00 each of Terrier Security Services (India) Private Limited	-	64,50,00,000
Total investments in equity accounted investees (refer note 36)	**-**	**64,50,00,000**
Aggregate amount of unquoted investments	-	64,50,00,000
Aggregate amount of impairment in value of investments	-	3,77,27,692

(i) During the year ended 31 March 2019, the Company had entered into Share Purchase Agreement ("SPA") with Terrier Security Services (India) Private Limited ("Terrier") and its shareholder Captain S Ravi dated 10 May 2018, to acquire shareholding of Captain S Ravi i.e 25% stake (1,25,000 shares) for consideration of INR 64.50 crore mentioned in the SPA. However, the Company is not in a position to exert control as it does not have the power to govern the relevant activities. Further, the Company has no other contractual rights/arrangements that provides control to the Heptagon.
Therefore, Heptagon does not have any control on Terrier and money invested in Terrier to acquire 25% holding was accounted as investment.
During the year on 27th May 2020, the Company has entered into Share Purcahse Agreement ("SPA") with Quess Corp Limited to sell its stake in Terrier to Quess Corp Limited at a consideration of Rs.64.5 cr as mentioned in SPA.

6 Non current loans

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Unsecured, considered good		
Security deposits	8,66,492	7,87,722
	8,66,492	**7,87,722**

The Company has fair valued these security deposits under Ind AS.

7 Income tax assets (net)

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Advance income tax (Refer note 34)	1,55,57,898	1,24,81,922
	1,55,57,898	**1,24,81,922**

8 Other Non-Current assets

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
(Unsecured and considered good)		
Prepaid expenses	2,19,852	3,10,836
	2,19,852	**3,10,836**

9 Current Investments

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Investment carried at fair value through profit & loss		
Investments in liquid mutual fund units	-	71,69,36,886
	-	**71,69,36,886**

Details of investments in liquid mutual fund

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Nil units (March 2020: 7,151,661.38 units) Liquid Fund - DP monthly dividend	-	71,69,36,886
	-	**71,69,36,886**
Aggregate value of quoted investments	**-**	**71,69,36,886**

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Heptagon Technologies Private Limited

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Notes to the financial statements for the year ended 31 March 2021

10 Trade receivables

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Unsecured		
Considered good (Refer note 37)*	1,86,28,383	1,43,18,507
Considered doubtful	25,000	25,000
	1,86,53,383	**1,43,43,507**
Loss allowance (refer note 37)		
Unsecured considered good	-	-
Doubtful	-	25,000
	-	**25,000**
Net trade receivables	**1,86,53,383**	**1,43,18,507**
# receivable from related parties (refer note 46(C))	1,25,49,792	32,84,776

All trade receivables are current. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

11 Cash and cash equivalents

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Cash and cash equivalents		
Cash in hand	9,124	2,216
Balances with banks		
In current accounts	37,26,135	39,96,858
Cash and cash equivalents in balance sheet	**37,35,259**	**39,99,074**
Bank overdraft used for cash management purpose	-	-
Cash and cash equivalent in the statement of cash flow	**37,35,259**	**39,99,074**

12 Bank balances other than cash and cash equivalents

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
In deposit accounts (mature within 12 months from the reporting date)	2,00,387	-
	2,00,387	**-**

13 Current loans

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Unsecured, considered good		
Security deposits	-	60,000
	-	60,000
Other loans and advances		
Loans to employees*	5,06,924	2,18,536
	5,06,924	**2,78,536**

*There is no loss allowance required to be created for loans to employees as these are in the nature of advance given to employees for operating purpose.

14 Unbilled revenue

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Unbilled revenue*	91,59,543	59,47,149
	91,59,543	**59,47,149**
*includes unbilled revenue billable to related parties (refer note 46(C))	25,12,200	24,43,500

15 Other current financial assets

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Dividend receivable	-	27,18,346
	-	**27,18,346**

16 Other current assets

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Advances to suppliers	4,01,700	4,62,214
Prepaid expenses	6,28,647	1,33,608
Balances with government authorities	16,50,761	3,08,380
	26,81,108	**9,04,202**

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Notes to the financial statements for the year ended 31 March 2021

17 Equity share capital

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Authorised		
1,00,000 (31 March 2020: 1,00,000) equity shares of par value of Rs 10 each	10,00,000	10,00,000
	10,00,000	**10,00,000**
Issued, subscribed and paid-up		
27,778 (31 March 2020: 27,778) equity shares of par value of Rs 10 each, fully paid up	2,77,780	2,77,780
	2,77,780	**2,77,780**

17.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in Rs	Number of shares	Amount in Rs
Equity shares				
At the commencement of the year	27,778	2,77,780	27,778	2,77,780
Shares issued on exercise of employee stock options	-	-	-	-
Shares issued during the year	-	-	-	-
At the end of the year	**27,778**	**2,77,780**	**27,778**	**2,77,780**

17.2 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in Rs	Number of shares	Amount in Rs
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	13,611	1,36,110	13,611	1,36,110
Rengasamy Vignesh	4,722	47,222	4,722	47,223
Veeraraghavan Vijayramkumar	4,722	47,223	4,722	47,223
Sankarappan Rajesh	4,722	47,223	4,722	47,223
	27,778	**2,77,779**	**27,778**	**2,77,779**

17.3 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each equity holder is entitled to one vote per share. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of preferential amounts if any, in proportion to the number of equity shares held.

17.4 The Company has not made any buy back of shares or issued any shares for consideration other than cash, during the period of five years immediately preceding the balance sheet date.

18 Other equity*

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Securities premium account (refer note 18.1)	9,75,72,169	9,75,72,169
Other comprehensive income (refer note 18.2)	(6,56,712)	(4,67,785)
Retained earnings	(36,46,54,784)	(31,68,42,251)
	(26,77,39,327)	**(21,97,37,867)**

18.1 Securities premium account

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

18.2 Other comprehensive income

Remeasurement of defined benefit liability (asset) comprises actuarial gain and losses and impact of fair valuation of Investment in Terrier Security Services (India) Private Limited.

* For detailed movement of reserves refer Statement of Changes in Equity.

19 Non-current borrowings

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Secured		
Loan from Citi Corp Finance (India) Limited (refer note 19.1)	-	65,00,00,001
Total borrowing	-	**65,00,00,001**

19.1 The Company has taken loan from Citicorp Finance (India) Limited for acquisition of 25% of stake in Terrier Security Service Pvt. Ltd. of INR 65 crore with a repayment period of 5 year at an interest rate 9% p.a as per the repayment schedule.

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Heptagon Technologies Private Limited

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Notes to the financial statements for the year ended 31 March 2021

20 Other non-current financial liabilities

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Lease liability (refer note 45)	74,09,996	97,58,696
	74,09,996	**97,58,696**

21 Non-current provisions

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Provision for employee benefits		
Provision for gratuity (refer note 40)	62,36,439	38,34,709
Provision for compensated absences(refer note 40)	13,39,311	5,05,143
	75,75,750	**43,39,852**

22 Current borrowings

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Loan from related parties, unsecured		
From Quess Corp Ltd. (refer note 22.1)	18,29,65,203	88,73,58,148
Loan from Directors	3,16,128	3,16,128
	18,32,81,331	**88,76,74,276**

*Information about the Company's exposure to interest rate and liquidity risk is included in note 36.

22.1 The Company has availed a loan of INR 85.73 crore from Quess Cop Ltd. at the rate of 10% p.a which is repayable on demand.
The Company has also taken working capital loan from Quess Corp Ltd. for INR 3 crore at the rate of 10% p.a which can be converted into equity. As confirmed by Quess Corp Limited as on the reporting date, Quess does not have an intention to convert this loan balance into equity.

23 Trade payables

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 41)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises#	90,04,830	5,09,951
	90,04,830	**5,09,951**
# payable to related party (refer note 46(C))	30,05,356	3,780

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 37.

24 Other current financial liabilities

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Interest accrued but not due#	11,34,26,672	8,22,22,557
Interest Payable to Citicorp Finance (India) Limited		44,71,644
Other payables		
Accrued salaries and benefits	1,59,03,627	94,94,341
Lease liability (refer note 45)	23,48,701	19,92,944
	13,16,79,000	**9,81,81,486**
# payable to related party (refer note 46(C))	11,81,76,843	8,64,87,789

The Company's exposure to currency and liquidity risk related to other current financial liabilities is disclosed in note 37

25 Current provisions

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Provision for employee benefits		
Provision for gratuity (refer note 40)	5,98,423	4,994
Provision for compensated absences (refer note 40)	6,01,152	1,86,990
	11,99,575	**1,91,984**

26 Other current liabilities

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Income received in advance	3,10,054	86,65,893
Advance received from customers#	1,61,69,402	10,48,342
Balances payable to government authorities	15,87,851	24,36,144
Provision for expense	46,02,757	11,28,296
	2,26,70,065	**1,32,78,675**
# Advance from related party (refer note 46(C))	1,60,18,929	10,18,930

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Heptagon Technologies Private Limited

27 Revenue from operations

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Sale of services (refer note 44)	17,39,63,578	6,38,29,763
	17,39,63,578	**6,38,29,763**

28 Other income

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Interest income on deposits with banks	8,06,023	1,59,324
Interest income under the effective interest method on:		
Interest income on present valuation of financial instruments	78,770	1,60,112
Dividend income on mutual fund units	91,22,659	2,95,32,070
Gain / (Loss) on change in NAV of mutual fund	34,328	(4,92,749)
	1,00,41,780	**2,93,58,757**

29 Employee benefits expense

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Salaries and wages	9,21,96,484	6,05,34,358
Contribution to provident and other funds	29,27,201	28,09,882
Expenses related to post-employment defined benefit plan (refer note 40)	28,06,232	16,46,157
Expenses related to compensated absences	12,48,330	5,60,939
Staff welfare expenses	59,252	2,86,425
	9,92,37,499	**6,58,37,761**

30 Finance costs

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Interest expense on financial liabilities at amortised cost	6,08,68,749	14,62,61,675
	6,08,68,749	**14,62,61,675**

31 Depreciation and amortisation expense

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Depreciation of property, plant and equipment (refer note 3)	44,15,654	30,47,362
Amortisation of intangible assets (refer note 4)	36,79,937	18,02,121
	80,95,591	**48,49,483**

32 Other expenses

(Amount in INR)

Particulars	31 Mar 2021	31 Mar 2020
Recruitment and training expenses	1,06,853	68,831
Rent (refer note 45)	2,07,734	25,22,703
Power and Fuel	1,13,578	6,35,953
Repairs & maintenance		
- buildings	1,16,221	7,62,464
- plant and machinery	1,40,000	3,18,120
- computer equipment's, consumables and others	2,30,942	7,25,393
Sub-contractor charges	4,69,55,014	7,30,092
Legal and professional fees (refer note 33)	53,46,768	7,89,663
Rates and taxes	6,91,800	88,225
Printing and stationery	1,04,843	2,25,930
Travelling and conveyance	28,741	12,88,444
Communication expenses	26,78,211	17,86,729
Impairment loss allowance on financial assets, net [refer note 37(i)]	-	25,000
Deposits/Advances Written-off	58,918	48,317
Technological support services	41,59,913	25,08,155
Bank charges	90,629	828
Bad debts written off	718	-
Business promotion and advertisement expenses	19,39,597	21,61,944
Loss on sale of fixed assets, net	25,344	4,062
Foreign exchange loss, net	6,20,227	1,01,677
Miscellaneous expenses	-	20,519
	6,36,16,051	**1,48,13,051**

33 Payment to auditors (net of GST; included in legal and professional fees)

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit fees	75,000	75,000
Tax audit fees	40,000	40,000
Other services	30,000	30,000
Reimbursement of expenses	3,000	3,000
	1,48,000	1,48,000

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Heptagon Technologies Private Limited

34 Taxes

The major components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are as follows:

(Amount in INR)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Statement of profit and loss account		
Current income tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of profit and loss	-	-
Other comprehensive Income		
Deferred tax related to items recognised in OCI during the year	-	-
Income tax expense has been allocated as follows:		
- Deferred tax arising on income and expense recognised in other comprehensive income	-	-
Total	-	-

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(Amount in INR)

	For the year ended	
	31 March 2021	31 March 2020
Profit before tax	- #	- #
Enacted income tax rate in India	26.00%	26.00%
Effect of:		
Deferred tax credit	-*	-*
Total income tax expense	-	-

The tax rates under Indian Income Tax Act, for the year ended 31 March 2021 and 31 March 2020 is 26% and 26% respectively.
No tax recognition in the previous year since taxable loss incurred in the previous year.

Deferred tax

The company has not recognised deferred tax asset as at 31 March 2021 and 31 March 2020 due to absence of reasonable certainty of set off of unabsorbed losses against taxable profits in the foreseeable future.

The Company has not created deferred tax assets on the following: *(Amount in INR)*

Particulars	As at	
	31 March 2021	31 March 2020
Property, plant and equipment	(1,25,328)	69,489
Provision for compensated absence	5,04,520	1,45,844
Provision for gratuity	17,77,064	5,19,076
Lease liability	3,54,560	1,18,950
Remeasurement of defined benefit obligation	(49,121)	30,548
Losses available for offsetting against future taxable income	4,72,10,888	4,18,16,755
	4,96,72,585	**4,27,00,663**

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2021 and 31 March 2020:

(Amount in INR)

Particulars	31 March 2021	31 March 2020
Income tax assets	1,55,57,898	1,24,81,922
Income tax liabilities	-	-
Net income tax assets at the end of the year	**1,55,57,898**	**1,24,81,922**

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Heptagon Technologies Private Limited

Heptagon Technologies Private Limited
(formerly known as Helpr Infotech India Private Limited)
Notes to the financial statements for the year ended 31 March 2021

35 Financial instruments - fair value and risk management

Financial instruments by category

(Amount in INR)

Particulars	Note	31 March 2021		
		FVTPL	FVTOCI	Amortised Cost
Financial assets:				
Non-current investments	5	-	-	-
Loans	6 and 13	-	-	13,73,416
Current investments	9	-	-	-
Trade receivables	10	-	-	1,86,53,383
Cash and cash equivalents including other bank balances	11 and 12	-	-	39,35,646
Unbilled revenue	14	-	-	91,59,543
Other financial assets	15	-	-	-
Total financial assets		-	-	**3,31,21,988**
Financial liabilities:				
Borrowings	22	-	-	18,32,81,331
Trade payables	23	-	-	90,04,830
Other financial liabilities	24	-	-	13,16,79,000
Non-current borrowings	19	-	-	-
Other non current financial liabilities	20	-	-	74,09,996
Total financial liabilities		-	-	**33,13,75,157**

*Current maturities of finance lease obligation forms part of other financial liabilities

(Amount in INR)

Particulars	Note	31 March 2020		
		FVTPL	FVTOCI	Amortised Cost
Financial assets:				
Non-current investments	5	-	64,50,00,000	-
Loans	6 and 13	-	-	10,66,258
Current investments	9	71,69,36,886	-	-
Trade receivables	10	-	-	1,43,18,507
Cash and cash equivalents including other bank balances	11 and 12	-	-	39,99,074
Unbilled revenue	14	-	-	59,47,149
Other financial assets	15	-	-	27,18,346
Total financial assets		**71,69,36,886**	**64,50,00,000**	**2,80,49,334**
Financial liabilities:				
Borrowings	22	-	-	88,76,74,276
Trade payables	23	-	-	5,09,951
Other financial liabilities	24	-	-	9,81,81,486
Non-current borrowings	19	-	-	65,00,00,001
Other non current financial liabilities	20	-	-	97,58,696
Total financial liabilities		-	-	**1,64,61,24,410**

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Heptagon Technologies Private Limited

Heptagon Technologies Private Limited
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Accounting classification and fair value

The carrying value and fair value of financial instruments by categories as at 31 March 2021 and 31 March 2020 are as follows:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard

As at 31 March 2021 *(Amount in INR)*

Particulars	Carrying value	Fair value		
Financial assets	**31 March 2021**	**Level 1**	**Level 2**	**Level 3**
Amortised cost				
Trade receivables	1,86,53,383	-	-	-
Cash and cash equivalents	37,35,259	-	-	-
Other financial assets	98,66,854	-	-	-
Non-current loans	8,66,492	-	-	-
Financial assets measured at fair value				
Other non-current investments	-	-	-	-
Current investments	-	-	-	-
Total financial assets	**3,31,21,988**	**-**	**-**	**-**
Financial liabilities				
Amortised cost				
Borrowings	18,32,81,331	-	-	-
Trade payables	90,04,830	-	-	-
Other financial liabilities	13,16,79,000	-	-	-
Non-current borrowings	-	-	-	-
Other non current financial liabilities	74,09,996	-	-	-
Total financial liabilities	**33,13,75,157**	**-**	**-**	**-**

As at 31 March 2020 *(Amount in INR)*

Particulars	Carrying value	Fair value		
Financial assets	**31 March 2020**	**Level 1**	**Level 2**	**Level 3**
Amortised cost				
Trade receivables	1,43,18,507	-	-	-
Cash and cash equivalents	39,99,074	-	-	-
Other financial assets	89,44,030	-	-	-
Non-current loans	7,87,722	-	-	-
Financial assets measured at fair value				
Other non-current investments	64,50,00,000	-	-	64,50,00,000
Current investments	71,69,36,886	71,69,36,886	-	-
Total financial assets	**1,38,99,86,219**	**71,69,36,886**	**-**	**64,50,00,000**
Financial liabilities				
Amortised cost				
Borrowings	88,76,74,276	-	-	-
Trade payables	5,09,951	-	-	-
Other financial liabilities	9,81,81,486	-	-	-
Non-current borrowings	65,00,00,001	-	-	-
Other non current financial liabilities	97,58,696	-	-	-
Total financial liabilities	**1,64,61,24,410**	**-**	**-**	**-**

The management assessed that fair value of cash and short-term deposits, trade receivables, other current assets, borrowings, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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36 Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference shares included in level 3.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current \transaction between willing parties, other than in a forced or liquidation sale.

The management assessed that fair value of financials assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Hence there are no financials assets or liabilities revalued at fair value except below items.

Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used (refer above notes for valuation technique adopted):

Investment in Terrier is sold to Quess Corp Limited at purchase consideration of Rs.64.5 cr on 27th May 2020 so no fair valuation done for the year. However fair market valuation done for Investment in the previous year is shown below:

Financial instruments measured at fair value

Particulars	Fair Value as at 31 March 2021	Significant unobservable inputs	Fair value as at 31-Mar-21		Sensitivity
			Increase	Decrease	
Other non-current investments (unquoted)	-	WACC change	-	-	
		EBITDA projection	-	-	

Particulars	Fair Value as at 31 March 2020	Significant unobservable inputs	Fair value as at 31-Mar-20		Sensitivity
			Increase	Decrease	
Other non-current investments (unquoted)	64,50,00,000	WACC	2,61,00,000	2,61,00,000	Decrease and Increase in WACC by
		Revenue projection	78,00,000	(78,00,000)	Decrease or increase in EBITDA projection by 1%

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37 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Credit risk on cash and cash equivalents and other bank balances and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loan represents security deposits given to suppliers, employees and others. The credit risk associated with such deposits is relatively low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base. The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 31 March 2021 and 31 March 2020 are as follows:

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are due for more than specific number of days. Loss rates are based on actual credit loss experience over the last six quarters.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

Expected credit loss for trade receivable:

As at 31 March 2021 *(Amount in INR)*

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	1,07,79,414	0.00%	-	No	1,07,79,414
Past due 1–90 days	67,44,994	0.00%	-	No	67,44,994
Past due 91–180 days	6,34,869	0.00%	-	No	6,34,869
Past due 181–270 days	3,52,095	0.00%	-	No	3,52,095
Past due 271–360 days	1,42,010	0.00%	-	No	1,42,010
Above 360 days	-	100.00%	-	No	-
	1,86,53,383		-		**1,86,53,383**

As at 31 March 2020 *(Amount in INR)*

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	1,07,30,913	0.00%	-	No	1,07,30,913
Past due 1–90 days	29,22,680	0.00%	-	No	29,22,680
Past due 91–180 days	6,64,914	0.00%	-	No	6,64,914
Past due 181–270 days	-	0.00%	-	No	-
Past due 271–360 days	-	0.00%	-	No	-
Above 360 days	25,000	100.00%	25,000	No	-
	1,43,43,507		**25,000**		**1,43,18,507**

Movement in allowance for impairment in respect of trade receivables:

The movement in the allowance for impairment in respect of trade receivables during the year was as follows: *(Amount in INR)*

Particulars	31 March 2021	31 March 2020
Balance as at the beginning of the year	25,000	-
Additions through business combination	-	-
Impairment loss allowances recognised/ (reversed)	-	25,000
Less: Amounts written off	-	-
Balance as at the end of the year	**25,000**	**25,000**

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ii) Liquidity risk

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

i) Financing arrangement

The Company maintains the following line of credit:

(i) The Company has taken loan from Quess Corp Ltd. having interest rate at 10% p.a.

As at 31 March 2021 *(Amount in INR)*

Particulars	Contractual cash flows			
	Carrying amount	Less than 1 year	1-2 years	2 years and above
Non-current borrowings	-	-	-	-
Borrowings	18,32,81,331	18,32,81,331	-	-
Trade payables	90,04,830	90,04,830	-	-
Other financial liabilities	13,16,79,000	13,16,79,000	-	-

As at 31 March 2020

Particulars	Contractual cash flows			
	Carrying amount	Less than 1 year	1-2 years	2 years and above
Non-current borrowings	65,00,00,001	-	-	65,00,00,001
Borrowings	88,76,74,276	88,76,74,276	-	-
Trade payables	5,09,951	5,09,951	-	-
Other financial liabilities	9,81,81,486	9,81,81,486	-	-

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is not exposed to Market risk as the Company does not have any major foreign transactions and interest rates are also fixed

a) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the related entities.

a) Exposure to currency risk

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

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Foreign currency*	Amount in Reporting Currency	Foreign currency*	Amount in Reporting Currency
Trade receivables					
	MYR	-	-	11,322	1,97,789
	GBP	900	90,715	-	-
	USD	71,842	52,45,851	10,682	8,05,043

The following significant exchange rates have been applied

Particulars	Year end spot rate	
	31 March 2021	31 March 2020
MYR/ Reporting currency	-	17.47
GBP/ Reporting currency	100.96	-
USD/ Reporting currency	73.17	75.37

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b) Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the MYR, GBP and USD against Reporting currency at 31 March 2021 and 31 March 2020 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
MYR (1% movement)	-	-	-	-
GBP (1% movement)	(907)	907	(657)	657
USD (1% movement)	(52,459)	52,459	(38,006)	38,006
31 March 2020				
MYR (1% movement)	(1,978)	1,978	(1,433)	1,433
GBP (1% movement)	-	-	-	-
USD (1% movement)	(8,050)	8,050	(5,957)	5,957

b) **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 borrowings comprises of term loan taken from Citicorp Finance (India) Limited (till July 2020) , working capital loan taken from Quess Corp Ltd. and loan from Director. Loan from Citicorp Finance (India) Limited (till July 2020) and loan from Quess Corp Ltd. carry fixed rate of interest and is not exposed to significant interest rate risk.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows: *(Amount in INR)*

Particulars	March 31, 2021	March 31, 2020
Variable rate borrowings	-	-
Fixed rate borrowings	18,32,81,331	1,53,76,74,277
Total borrowings	**18,32,81,331**	**1,53,76,74,277**

c) **Price risk**

(a) Price risk exposure

The Company's exposure to price risk arises from investments held by the company in the mutual fund units and classified as fair value through profit or loss in the financial statements.

To manage its price risk arising from investments in mutual fund units, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The exposure of the Company's mutual fund investments to security price changes at the end of the reporting period are as follows:

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Investments in mutual fund units	-	71,69,36,886
Total investments	-	**71,69,36,886**

(b) Sensitivity

(Amount in INR)

Particulars	Impact on profit after tax	
	1% increase	1% decrease
31 March 2021	-	-
31 March 2020	53,05,336	(53,05,336)

38 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

The Company's policy is to keep the ratio below 2.50. The Company's adjusted net debt to equity ratio is as follows:

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Gross debt	36,28,20,547	1,66,39,34,921
Less: Cash and cash equivalent	37,35,259	39,99,074
Adjusted net debt (borrowings net of cash and cash equivalent)	**35,90,85,288**	**1,65,99,35,847**
Total equity	(26,74,61,547)	(21,94,60,087)
Net debt (Total external liabilities) to equity ratio	**(1.34)**	**(7.56)**

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39 Capital Commitments and commitments

The company does not have any capital commitments and contingent liability as at 31 March 2021 and 31 March 2020.

40 Assets and liabilities relating to employee benefits

A The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Scheme is not funded. The Company accrued gratuity under the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date and the maximum payment is restricted to Rs 20 lakhs.

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability, gratuity plan	68,34,862	38,39,703
Liability for compensated absences	19,40,463	6,92,133
Total employee benefit liability	**87,75,325**	**45,31,836**
Current (refer note 25)	11,99,575	1,91,984
Non- Current (refer note 21)	75,75,750	43,39,852
	87,75,325	**45,31,836**

For details about employee benefit expenses, see note 2.12

B Reconciliation of net defined benefit liability/ asset

(Amount in INR)

Particulars	31 March 2021	31 March 2020
Change in defined benefit obligation		
Obligation at the beginning of the year	38,39,703	20,76,052
Current service cost	25,62,583	14,95,324
Interest cost	2,43,649	1,50,833
Benefit settled	-	-
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	6,49,927	(1,67,639)
- Changes in demographic assumptions	(8,84,750)	912
- Changes in financial assumptions	4,23,570	2,84,221
Obligation at end of the year	**68,34,682**	**38,39,703**

C i) Expense recognised in profit or loss

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Service cost	25,62,583	14,95,324
Net interest on net defined benefit liability/(asset)	2,43,649	1,50,833
Net gratuity cost	**28,06,232**	**16,46,157**

ii) Remeasurement recognised in other

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability	1,88,747	1,17,494
Remeasurement of the net defined benefit asset	-	-
	1,88,747	**1,17,494**

D Defined benefit obligation - Actuarial Assumptions

Particulars	31 March 2021	31 March 2020
Discount rate	5.65%	6.35%
Salary increase	10.00%	10.00%
Attrition rate	20.00%	15.00%
Average duration of defined benefit obligation (in years)	9 Years	9 Years

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

E Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	64,28,702	72,87,243	35,25,689	41,99,868
Future salary growth(1% movement)	72,44,167	64,52,759	41,74,744	35,34,870
Attrition rate (50% movement)	56,97,387	90,90,177	30,35,803	52,94,016

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40 Assets and liabilities relating to employee benefits (continued)

F Compensated absence

The Company has accounted the cost of compensated absence based on the actuarial valuation report obtained on 31 March 2021 and has estimated a compensated absence liability of INR 19,40,463 (31 March 2020: INR 6,92,133) under projected unit credit method as per Ind AS 19.

Key assumptions used in the valuation of compensated absence Liability are as given below:

Particulars	31 March 2021	31 March 2020
Discount rate	5.65%	6.35%
Salary increase	10.00%	10.00%
Attrition rate	20.00%	15.00%
Mortality rate	IALM (2012-14) published table of mortality rates	IALM (2012-14) published table of mortality rates

41 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2021 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act,

42 Computation of Earnings per share (EPS)

(Amount in INR except number of shares and per share data)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Nominal value of equity shares	10	10
Net profit after tax for the purpose of earnings per share	(4,78,12,532)	(13,85,73,450)
Weighted average number of shares used in computing basic earnings per share	27,778	27,778
Basic earnings per share	**(1,721)**	**(4,989)**
Weighted average number of shares used in computing diluted earnings per share	27,778	27,778
Diluted earnings per share*	**(1,721)**	**(4,989)**

* Refer note 22.1. Accordingly, the loan is not considered as potential equity and hence does not impact the diluted EPS

Computation of weighted average number of shares

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Number of equity shares outstanding at beginning of the year	**27,778**	**27,778**
Add: Weighted average number of equity shares issued during the year	-	-
Weighted average number of shares outstanding at the end of year for computing basic and diluted earnings per share	**27,778**	**27,778**

43 In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

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44 Revenue from Contracts with customers

(i) Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.
Invoicing in excess of earnings are classified as unearned revenue.
Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR)

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Receivables, which are included in 'Trade and other receivables'	1,86,53,383	1,43,18,507
Contract assets (Unbilled revenue)	91,59,543	59,47,149
Contract liabilities (Unearned revenue & Advance r'd from customers)	1,64,79,456	97,14,234

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.
The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2021 and 31 March 2020:

(Amount in INR)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Balance at the beginning	59,47,149	30,55,896
Add : Revenue recognized during the period	17,39,63,578	6,38,29,763
Less : Invoiced during the period	(17,07,51,184)	(6,09,38,510)
Balance at the end	91,59,543	59,47,149

The following table discloses the movement in unearned revenue (contract liabilities) balances for the year ended 31 March 2021 and 31 March 2020:

(Amount in INR)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Balance at the beginning	86,65,893	7,69,024
Less: Revenue recognized during the period	6,49,78,615	21,22,977
Add: Invoiced during the period but not recognized as revenues	5,66,22,776	1,00,19,847
Balance at the end	3,10,054	86,65,893

(ii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the company has not disclosed the value of remaining performance obligations for
(i) contracts with an original expected duration of one year or less and
(ii) contracts for which the company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).
The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2021, other than those meeting the exclusion criteria mentioned above, is Nil.

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Heptagon Technologies Private Limited

45 Lease liability

(Amount in INR)

a) Particulars	As at 31 March 2021
Current lease liability	23,48,701.00
Non-current lease liability	74,09,996.00
Total	**97,58,697.00**

b) The following is the movement in lease liabilities *(Amount in INR)*

Particulars	As at 31 March 2021
Operating lease recognised on adoption of Ind AS 116	1,17,51,640.0
Reclassification on adoption of Ind AS 116 - Fin lease obligation	-
Add: Additions	-
Less: Deletion	(5,65,452.0)
Add: Finance cost accrued during the period	9,61,259.0
Less: Payment of lease obligation	(23,88,750.0)
Carrying amount as at 31 March 2021	**97,58,697.00**

c) Amount recognised in PL *(Amount in INR)*

Particulars	For the year ended 31 March 2021
Interest expense (included in finance cost)	9,61,259.0
Expenses relating to short-term lease (included in other expenses)	2,07,734.0
	11,68,993

d) The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2021 on an undiscounted basis:

(Amount in INR)

Particulars	As at 31 March 2021
Less than one year	31,77,038
One to five years	83,43,167
More than five years	-
	1,15,20,205

Rental expense recorded for short-term leases was INR 2,07,734 for the year ended 31 March 2021 and INR 25,22,702 for the year ended 31 March 2020.

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Heptagon Technologies Private Limited

(formerly known as Helpr Infotech India Private Limited)

Notes to the financial statements for the year ended 31 March 2021

46 Related party disclosures

(A) Name of related parties and description of relationship:

- Entity having significant influence	Quess Corp Limited Fairfax Financial Holdings Limited HWIC Asia Fund Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (upto 6 December 2019) Fairfax (US) Inc. National Collateral Management Services Limited
- Subsidiaries, associates and joint venture of Quess Corp	Refer note (i)
- Entity having common directors	Vedang Cellular Services Private Limited Qdigi Services Limited Dependo Logistics Solutions Private Limited Conneqt Business Solution Limited Simpliance Technologies Private Limited Terrier Security Services (India) Private Limited Trimax Smart Infraprojects Private Limited Golden Star Facilities and Services Private Limited Comtelpro Pte. Limited. Comtel Solutions Pte. Ltd. Quess Corp Lanka (Private) Limited Quessglobal (Malaysia) SDN. BHD. Monster.com.SG PTE Limited Monster.com HK Limited Agency Pekerjaan Quess Recruit SDN. BHD. Himmer Industrial Services (M) SDN. BHD.

(i) List of subsidiaries (including step-subsidiaries), associates and joint venture

Name of the entity	Nature of relation	Country of domicile
Coachieve Solutions Private Limited*	Subsidiary of Quess Corp Ltd.	India
MFX Infotech Private Limited	Subsidiary of Quess Corp Ltd.	India
Aravon Services Private Limited*	Subsidiary of Quess Corp Ltd.	India
Brainhunter Systems Ltd.	Subsidiary of Quess Corp Ltd.	Canada
Mindwire Systems Limited	Subsidiary of Quess Corp Ltd.	Canada
Quess (Philippines) Corp.	Subsidiary of Quess Corp Ltd.	Philippines
Quess Corp (USA) Inc.	Subsidiary of Quess Corp Ltd.	USA
Quesscorp Holdings Pte. Ltd.	Subsidiary of Quess Corp Ltd.	Singapore
Quess Corp Vietnam LLC	Subsidiary of Quess Corp Ltd.	Vietnam
Quessglobal (Malaysia) SDN. BHD.	Subsidiary of Quess Corp Ltd.	Malaysia
Quess Corp Lanka (Private) Limited	Subsidiary of Quess Corp Ltd.	Sri Lanka
Comtel Solutions Pte. Ltd.	Subsidiary of Quess Corp Ltd.	Singapore
MFXchange Holdings, Inc.	Subsidiary of Quess Corp Ltd.	Canada
MFXchange US, Inc.	Subsidiary of Quess Corp Ltd.	USA
MFX Chile SpA	Subsidiary of Quess Corp Ltd.	Chile
Dependo Logistics Solutions Private Limited	Subsidiary of Quess Corp Ltd.	India
CentreQ Business Services Private Limited*	Subsidiary of Quess Corp Ltd.	India
Excelus Learning Solutions Private Limited	Subsidiary of Quess Corp Ltd.	India
Conneqt Business Solution Limited	Subsidiary of Quess Corp Ltd.	India
Vedang Cellular Services Private Limited	Subsidiary of Quess Corp Ltd.	India
Master Staffing Solutions Private Limited*	Subsidiary of Quess Corp Ltd.	India
Golden Star Facilities and Services Private Limited	Subsidiary of Quess Corp Ltd.	India
Comtelpro Pte. Limited.	Subsidiary of Quess Corp Ltd.	Singapore
Comtelink Sdn. Bhd	Subsidiary of Quess Corp Ltd.	Malaysia
Monster.com (India) Private Limited	Subsidiary of Quess Corp Ltd.	India
Monster.com.SG PTE Limited	Subsidiary of Quess Corp Ltd.	Singapore
Monster.com HK Limited	Subsidiary of Quess Corp Ltd.	Hong Kong
Agensi Pekerjaan Monster Malaysia SDN. BHD.	Subsidiary of Quess Corp Ltd.	Malaysia
Quesscorp Management Consultancies	Subsidiary of Quess Corp Ltd.	Dubai, UAE
Quesscorp Manpower Supply Services LLC	Subsidiary of Quess Corp Ltd.	Dubai, UAE
Qdigi Services Limited	Subsidiary of Quess Corp Ltd.	India
Greenpiece Landscapes India Private Limited	Subsidiary of Quess Corp Ltd.	India
Simpliance Technologies Private Limited	Subsidiary of Quess Corp Ltd.	India
Allsec Technologies Limited	Subsidiary of Quess Corp Ltd.	India
Allsectech Inc., USA	Subsidiary of Quess Corp Ltd.	USA
Allsectech Manila Inc., Philippiness	Subsidiary of Quess Corp Ltd.	Philippines
Retreat Capital Management Inc., USA	Subsidiary of Quess Corp Ltd.	USA
Trimax Smart Infraprojects Private Limited	Subsidiary of Quess Corp Ltd.	India
Quess Corp Services Limited	Subsidiary of Quess Corp Ltd.	Bangladesh
Terrier Security Services (India) Private Limited	Associate of Quess Corp Ltd.	India
Quess East Bengal FC Private Limited	Associate of Quess Corp Ltd.	India
Quess Recruit, Inc.	Associate of Quess Corp Ltd.	Philippines
Agency Pekerjaan Quess Recruit SDN. BHD.	Associate of Quess Corp Ltd.	Malaysia
Himmer Industrial Services (M) SDN. BHD.	Associate of Quess Corp Ltd.	Malaysia

**Merged with Quess Corp Limited w.e.f 1 April 2019 pursuant to approval from the Regional Director, South East Region, MCA.*

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46 Related party disclosures (continued)

(A) Name of related parties and description of relationship (continued)

(ii) Key executive management personnel

Rengasamy Vignesh	Director
Veeraraghavan Vijayramkumar	Director
Sankarappan Rajesh	Director
Srinivasan Guruprasad	Director
Vijay Sivaram	Director

(B) Transactions with related parties

(Amount in Rs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations		
-Quess Corp Limited	8,48,25,453	3,89,43,900
-Quess Global Malaysia Sdn BHD	-	23,79,480
-Brainhunter Systems Limited	-	2,57,500
-Allsec Technologies Ltd	70,75,284	5,09,360
-Conneqt Business Solutions Limited	-	2,97,000
-Dependo Logistics Solutions Private Limited	-	16,86,627
-MFX Infotech Private Limited	-	9,87,900
-Monster.Com (India) Private Limited	-	15,04,093
-Vedang Cellular Services Pvt Ltd	27,40,936	14,68,500
-Terrier Security Services (India) Pvt. Ltd.	-	7,26,008
Other expenses		
-Allsec Technologies Limited	37,000	1,17,170
-Quess Corp Limited	2,71,290	1,49,509
-Quessglobal Malaysia Sdn Bhd	-	81,856
-MFX Infotech Private Limited	27,16,279	-
Finance cost		
-Quess Corp Limited	3,13,60,917	8,60,21,448
Investment made in Equity Instruments		
-Terrier Security Services (India) Pvt. Ltd.	-	64,50,00,000
Sale of Non-Current Investment made in Equity Instruments (refer note 5)	-	-
-Quess Corp Limited	64,50,00,000	-
Compensation of key managerial personnel		
Rengasamy Vignesh	49,78,404	23,78,400
Veeraraghavan Vijayramkumar	24,89,208	26,18,400
Sankarappan Rajesh	49,78,404	23,78,400

*The above compensation paid does not include cost of employee benefits such as gratuity and compensated absences since provision for these are based on an actuarial valuation carried out for the Company as a whole.

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Heptagon Technologies Private Limited

Heptagon Technologies Private Limited
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Notes to the financial statements for the year ended 31 March 2021

46 Related party disclosures (continued)
(C) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Trade payables		
-Quess Corp Limited	-	-
-MFX Infotech Private Limited	30,01,488	-
-Allsec Technologies Limited	3,868	3,780
Trade receivables		
-Quess Corp Limited	56,17,164	24,20,368
-Allsec Technologies Limited	64,07,907	-
-Quess Global Malaysia Sdn BHD	-	2,03,701
-Monster.Com (India) Private Limited	-	-
-Dependo Logistics Solutions Pvt Ltd	1,39,535	1,39,535
-Brainhunter Systems Limited	-	-
-Conneqt Business Solutions Limited	-	97,200
-Vedang Cellular Services Pvt Ltd	3,71,977	18,290
-Terrier Security Services (India) Pvt. Ltd.	13,209	4,05,681
Unbilled revenue		
-Quess Corp Limited	5,71,800	14,10,500
-Allsec Technologies Limited	19,40,400	-
-Conneqt Business Solutions Limited	-	33,000
-Vedang Cellular Services Pvt Ltd	-	10,00,000
Income received in advance		
-Quess Corp Limited	1,60,18,929	10,18,930
Borrowings		
-Quess Corp Limited	18,29,65,203	88,73,58,148
Interest payable on loan taken		
-Quess Corp Limited	11,34,26,672	8,22,22,557
Unsecured loan payable		
-Rengasamy Vignesh	2,05,000	2,05,000
-Veeraraghavan Vijayramkumar	28,457	28,457
-Sankarappan Rajesh	82,671	82,671
	3,16,128	**3,16,128**
Accrued Expenses (Remuneration payable)		
-Rengasamy Vignesh	17,53,941	14,02,245
-Veeraraghavan Vijayramkumar	12,69,681	14,55,215
-Sankarappan Rajesh	17,26,549	14,07,772
	47,50,171	**42,65,232**

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Notes to the financial statements for the year ended 31 March 2021

47 Earnings and expenditure in foreign currency

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Earning in foreign currency	3,90,58,399	44,63,234
Expenses in foreign currency	1,21,93,232	19,02,530

48 Internally generated intangible asset under development

As required under Ind AS 38, the mangement has assessed prescribed criteria required for recognition of Intangible assets as under ;

(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

(b) the cost of the asset can be measured reliably.

In respect of development phase of internally generated intangible asset. Disclosures below

Product	People Chain	Focus	Converse	SeQure
Opening balance	**39,35,366**	**31,54,314**	**17,55,548**	-
Cost of Development during the year	25,95,000	4,20,000	4,25,500	50,23,560
Cost recovered	-	-	(21,81,048)	-
Total Cost under development	**65,30,366**	**35,74,314**	-	**50,23,560**

49 Segment reporting

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Company is in the business of rendering Information technology services & Information technology products to clients which are covered under similar arrangements and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards.

Geographic information

The geographical information analyses the Company's revenue by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers.

Geographic information	For the year ended 31 March 2021	For the year ended 31 March 2020
	Revenue	Revenue
India	13,48,83,379	5,93,66,529
Other countries:		
- United States of America	2,97,92,513	27,35,105
- Malaysia	-	23,79,480
-United Kingdom	12,78,679	12,87,609
-Canada	-	2,57,500
-Germany	68,26,490	-
-UAE	11,60,717	-

50 In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

51 Previous year figures are reclassified/regrouped wherever necessary.

As per our report of even date attached
for MSKA & Associates
Chartered Accountants
ICAI Firm's Registration No.: 105047W

Ananthakrishnan G
Partner
Membership No: 205226

Place: Hyderabad
Date: 30th April 2021

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited
CIN: U72200TZ2015PTC021609

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 30th April 2021

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Bengaluru
Date: 30th April 2021

1. Company overview

Heptagon Technologies Private Limited (formerly known as Helpr Infotech India Pvt Ltd) ('Heptagon' or 'the Company') was incorporated on 23 July 2015 under the provisions of Companies Act, 2013, with its registered office in Coimbatore, India. The Company is engaged in the business of Information technology services & information technology products development.

The Company has changed its name from Helpr Infotech India Pvt Ltd to Heptagon Technologies Private Limited effective from 21st March 2017.

2. Basis of preparation

The company being an Associate Company of M/s. Quess Corp Ltd., a company whose equity is listed in both Bombay Stock Exchange (BSE) & National Stock Exchange, (NSE). These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Company's standalone Ind AS financial statements are approved for issue by the Company's Board of Directors on 30th April 2021.

The standalone Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.1 Basis of measurement and significant accounting policies

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

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments) and

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO").

2.2 Use of estimates and judgement

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements is included in the following note

i. ***Income taxes:*** Significant judgements are involved in determining provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

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Heptagon Technologies Private Limited

ii. ***Measurement of defined benefit obligations:*** The cost of the defined benefit obligations are based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.

iii. ***Impairment of financial assets:*** The Company assesses on a forward-looking basis the expected credit losses associated with financial assets carried at amortised cost based on 12-month expected credit losses (ECL) at each reporting period, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

iv. ***Property, plant and equipment and Intangible assets:*** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired, generated, and reviewed periodically.

v. ***Other estimates:*** The impairment of non-financial assets involves key assumptions underlying recoverable amounts including the recoverability of expenditure on internally generated intangible assets.

2.3 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the degree to which the fair value measurements are observable and significance of the inputs to fair value measurements:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments

2.4 Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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The cost and related accumulated depreciation are derecognized from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is classified as capital advances under other non-current assets and the cost of the assets not ready for intended use are disclosed under 'Capital work-in-progress'

ii) Depreciation

Depreciation is provided on a Straight-Line Method ('SLM') over the estimated useful lives of the property, plant and equipment as estimated by the Management and is generally recognized in the statement of profit and loss. The management believes that the useful lives as given below best represent the period over which the management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for some of these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). The Company has estimated the useful lives for property, plant and equipment as follows:

Asset category	**Estimated useful life for 31 March 2021**
Plant and machinery	3 years
Computer equipment	3 years
Furniture and Fixtures	5 years
Office equipment	5 years

Leasehold improvements are depreciated over the lease term or estimated useful life whichever is lower.

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

2.5 Goodwill and intangible assets

(i) Recognition and measurement

Internally generated: Research and development

Research costs are expensed as incurred. Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

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Directly attributable costs that are capitalized as part of the software includes employee costs and an appropriate portion of relevant overheads.
Capitalized development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Others

Other intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brand, is recognized in the statement of profit and loss as and when incurred.

(iii) Amortisation

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. 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), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The estimated useful lives of intangible assets are as follows:

Asset category	Estimated useful life for 31 March 2021
Software (owned)	5 years
Trademark	3 Years

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted if appropriate.

2.6 Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

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2.7 Leases

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The Company has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The Company's lease asset classes primarily consist of Land and Building. The group assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimated of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate (As at 1 April 2019 - 9.5%).

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

The Company has elected not to recognize right-of-use assets and liabilities for short-term leases of INR 100,000 that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Practical expedients adopted on initial recognition:

1. The agreements maturing within 12 months from the initial application of Ind AS 116, are not considered.
2. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.
3. Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

Refer note 45 for disclosure related to leases.

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2.8 Revenue recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognized as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation. Certain arrangements are on time and material basis and are recognized as the services are performed as per the terms of the arrangement with the customer.

Refer Note 44 for disclosure related to revenue from contracts with customers

a) Policy in case of Unbilled revenue and unearned revenue

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

b) Policy in case of Contract modifications

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

c) Policy in case of variable consideration

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

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d) Policy in case of cost of obtaining a contract

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.

e) Policy in case of cost of fulfilling a contract

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

2.9 Other income

Other income mostly comprises interest income on deposits, dividend income and gain/ (losses) on disposal of financial assets and non-financial assets. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established

2.10 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in statement of profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in the statement profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

The assets and liabilities of foreign operations (subsidiaries and joint venture) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

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Heptagon Technologies Private Limited

2.11 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

b) Financial assets

(i) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(ii) A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(iii) On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-to-investment basis.

(iv) All financial assets not classified at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit and loss. Any gain or loss on derecognition is recognized in the statement of profit and loss.

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Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to statement of profit and loss.

(i) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on financial assets trade receivables. 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 ECLs at each reporting date, right from its initial recognition.

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

ECL impairment loss allowance (or reversal) is recognized as an income/expense in the Statement of Profit and Loss during the period.

(ii) Derecognition of financial assets

A financial asset is derecognised only when:
- The Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

c) Financial liabilities

(i) Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit and loss. Other financial liabilities subsequently measured at amortised cost using the

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effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit and loss. Any gain or loss is also recognized in the statement of profit and loss.

(ii) Financial guarantee contracts

Financial guarantee contracts are those contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because the specified party fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts are initially recognized at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognized less cumulative amortization.

(iii) Derecognition

A financial liability is derecognized when the Group's obligations are discharged or cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.12 Employee benefits

(a) Short-term benefit plans

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g. short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

(b) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as at the reporting date.

(c) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

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Technologies Private Limited

(d) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognized in other comprehensive income. Further, the Statement of profit and loss does not include an expected return on plan assets. Instead net interest recognized in the Statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to the Statement of profit and loss in subsequent periods.

(e) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.13 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax is not recognized for:

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

- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

-taxable temporary difference arising on the initial recognition of goodwill.

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Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realised. Deferred tax assets, unrecognised or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Ind AS 12 defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

2.14 Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost. Expected future operating losses are not provided for.

Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with the contract.

2.15 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.16 **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.17 Cash flow statement

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V. Vijay

Cash flows are reported using the indirect method, whereby profit 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 Company are segregated.

2.18 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.19 Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. However since the Company is in the business of rendering Information technology services & Information technology products to clients which are covered under similar arrangements and is considered by CODM as the only reportable business segment.

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MONSTER.COM.HK LIMITED

REPORTS AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2021

H.F. LEUNG & CO.

CERTIFIED PUBLIC ACCOUNTANTS

MONSTER.COM.HK LIMITED

REPORTS AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2021

Contents

MONSTER.COM.HK LIMITED
REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31st March 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of online recruitment website, "www.monster.com.hk", which offers various recruitment services, including placement of job postings, access to resume database and other career related contents.

THE STATE OF THE COMPANY'S AFFAIRS AND APPROPRIATIONS

The results of the company for the year ended 31st March 2021 and the state of the company's affairs at that date are set out in the annexed financial statements.

The director do not recommend the payment of a dividend.

RESERVES

No transfer to reserves has been made or proposed for the year.

PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the year are set out in note 9 to the financial statements.

SHARE CAPITAL

Details of share capital of the company are set out in note 13 to the financial statements.

DIRECTOR

The directors who held office during the year and up to date of this report were:

Vijay Sivaram
Kharidehal Rajesh
Subramanian Ramakrishnan (Resigned on 31st March 2021)

There being no provision in the Company's Articles of Association to the contrary, all exisiting directors continue in office for the coming year.

DIRECTORS' INTEREST IN CONTRACTS

No significant transactions, arrangements and contracts to which the company was a party and in which a director of the company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' RIGHT TO ACQUIRE SHARES AND DEBENTURES

At no time during the year was the company or its holding company a party to any arrangements to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

MONSTER.COM.HK LIMITED
REPORT OF THE DIRECTORS

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

PERMITTED INDEMNITY PROVISIONS

There were no permitted indemnity provisions being in force for the benefit of the directors of the Company during the financial year or up to the date of this Directors' Report.

HOLDING AND ULTIMATE HOLDING COMPANY

As at 31st March 2021, the Company's immediate holding company and ultimate holding company are Quesscorp Holdings Pte. Ltd (a company incorporated in Singapore) and Quess Corp Limited (a public company incorporated in India and listed its shares on National Stock Exchange of India Limited) respectively.

AUDITORS

The financial statements has been audited by Messrs. H.F. Leung & Co., Certified Public Accountants, who retire and being eligible, offer themselves for re-appointment.

On behalf of the Board

Vijay Sivaram
Chairman
Hong Kong, 20th April 2021

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MONSTER.COM.HK LIMITED

(incorporated in Hong Kong with limited liability)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Monster.com.hk Limited set out on pages 5 to 14 which comprise the statement of financial position as at 31st March 2021, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis of Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the financial statements, which indicates that as at 31st March 2021, the Company had net current liabilities of HK$1,547,983 (2020: HK$1,675,081) and capital deficiency of HK$1,547,983 (2020: HK$1,675,081). These conditions indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern which is dependent upon the continuing financial support of its ultimate holding company, We consider that appropriate estimates and disclosures have been made and our opinion is not qualified in respect of this matter.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MONSTER.COM.HK LIMITED
(incorporated in Hong Kong with limited liability)
(continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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 the directors.
- Conclude on the appropriateness of the directors' 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 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 financial statements, including the disclosures, and whether the 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.

H.F. Leung & Co.

H.F. LEUNG & CO.
Certified Public Accountants
Room 1004, Xing Hua Centre,
433 Shanghai Street
Mongkok,
Kowloon.
Date : 20th April 2021

MONSTER.COM.HK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31ST MARCH 2021

	Note	2021 HK$	2020 HK$
Revenue	4	1,753,153	2,819,813
Less: Staff Costs	6	(540,303)	(984,293)
Less: Operating Lease Payments		(2,100)	(240,970)
Less: Administrative expenses		(1,106,918)	(676,103)
Profit before taxation	7	103,832	918,447
Taxation	8	23,266	(61,634)
Profit for the year		127,098	856,813

The notes on pages 9 to 14 form an integral part of these financial statements.

MONSTER.COM.HK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 HK$	2020 HK$
Current assets			
Amout due from related Companies	9	80,283	343,796
Trade & Other receivables	10	1,302,403	1,021,186
Deposits and Prepayments	10	2,359	62,815
Pre-Paid Taxation		81,634	-
Cash and cash equivalents		505,543	795,144
		1,972,222	2,222,941
Current liabilities			
Accounts payable and accurals		285,856	274,943
Amout due to related Companies	9	2,588,316	2,105,451
Deferred Revenue	11	646,033	1,364,071
Provision for taxation			153,557
		3,520,205	3,898,022
Net current liabilities		(1,547,983)	(1,675,081)
NET LIABILITIES		(1,547,983)	(1,675,081)
CAPITAL AND RESERVES			
Share capital	13	38,700,002	38,700,002
Retained profits		(40,247,985)	(40,375,083)
TOTAL EQUITY		(1,547,983)	(1,675,081)

Approved on behalf of the Board by : 20th April 2021

Vijay Sivaram

Kharidehal Rajesh

The notes on pages 9 to 14 form an integral part of these financial statements.

MONSTER.COM.HK LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31ST MARCH 2021

	Share capital	Accumulated Loss	Total
	HK$	HK$	HK$
BALANCE AT 31ST MARCH 2019	38,700,002	(41,231,896)	(2,531,894)
Profit for the year	-	856,813	856,813
BALANCE AT 31ST MARCH 2020	38,700,002	(40,375,083)	(1,675,081)
Profit for the year	-	127,098	127,098
BALANCE AT 31ST MARCH 2021	38,700,002	(40,247,985)	(1,547,983)

The notes on pages 9 to 14 form an integral part of these financial statements.

MONSTER.COM.HK LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31ST MARCH 2021

	2021	2020
	HK$	HK$
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	103,832	918,447
Adjustments for:		
Depreciation	-	-
Operating profit before changes in working capital	103,832	918,447
Changes in working capital:		
Increase/Decrease in trade receivables	(281,217)	292,500
Increase/Decrease in deposits and prepayments	60,456	904,450
Increase /Decrease in amount due from a related Companies	263,513	(144,765)
Increase /Decrease in accounts payables and accurals	10,913	(165,594)
Increase/Decrease in Deferred revenue	(718,038)	(927,256)
Increase /Decrease in amount due to a related Companies	482,865	(564,596)
CASH GENERATED FROM OPERATIONS	(77,676)	313,186
Income Tax (Paid)/Refunded	(211,925)	-
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	(289,601)	313,186
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(289,601)	313,186
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	795,144	481,958
CASH AND CASH EQUIVALENTS CARRIED FORWARD	505,543	795,144

ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS

Cash and bank balances	505,543	795,144

1. GENERAL

Monster.Com.HK Limited is a company incorporated in Hong Kong with limited liability. The Company's registered office is located at Unit 1905, Empress Plaza, 17-19 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong.

The principal activities of the Company are that of online recruitment website, "www.monster.com.hk", which offers various recruitment services, including placement of job postings, access to resume database and other career related contents.

As at 31st March 2021, the Company's immediate holding company and ultimate holding company are Quesscorp Holdings Pte. Ltd (a company incorporated in Singapore) and Quess Corp Limited (a public company incorporated in India and listed its shares on National Stock Exchange of India Limited)

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention and on accrual basis of accounting and on the basis that the company is a going concern in spite of the significant loss and net liabilities at 31st March 2021 on the grounds that the ultimate holding company has agreed to continue/provide their financial supports to the Company in the foreseeable future.

The financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

3. PRINCIPAL ACCOUNTING POLICIES

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements :

a. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is charge to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of the property, plant and equipment.

Depreciation on property, plant and equipment is calculated at a rate sufficient to write off their cost or revalued amounts over their estimated useful lives on a straight-line basis at the following rates:

Office and Computer equipment	27% - 33 1/3% per annum
Resume database	20% per annum

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant assets, and is recognised in the income statement.

3. PRINCIPAL ACCOUNTING POLICIES - continued

b. Impairment of assets

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

c. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables, The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

d. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents represent cash and bank balances, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the company's cash management are also included as a component of cash and cash equivalents.

e. Payables and accruals

Payables and accruals are recognised initially at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

f. Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following bases:-

(i) Revenue from the placement of job postings on the Company's website is recognised over the length of the advertising agreement or membership term. Rvenue from the subscriptions to the Company's online resume database network is recognised over the period of the underlying subscription. Unearned revenues are reported on the statement of financial position as deferred revenue.

(ii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and at the interest rate applicable.

g. Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the income statement or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

Deferred tax liabilities are provided in full on all taxable temporary differences while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3. PRINCIPAL ACCOUNTING POLICIES - continued

h. Foreign currency translation

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong dollars using exchange rates applicable at the balance sheet date. Gains and losses on foreign exchange are recognised in the income statement.

i. Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits

j. Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

4. REVENUE

Turnover represents revenue from the placement of job postings on the company's website and access to the company's online resume database network.

An analysis of the company's revenue is as follows:

	2021	2020
	HK$	HK$
Revenue	1,986,889	3,362,106
Exchange difference	-	90,786
Bad Debts Recovered	115,271	-
Other Income	8,972	-
	2,111,132	3,452,892

MONSTER.COM.HK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2021

5. DIRECTORS' EMOLUMENTS

The directors did not receive any fees or emoluments in respect of their to the Company during the year (2019 : Nil)

6. STAFF COSTS

Employee costs (including directors) comprise:

	2021	2020
	HK$	HK$
Wages and Salaries	521,855	899,247
Staff insurance	-	52,167
MPF	18,448	32,879
	540,303	984,293

7. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging the followings:

	2021	2020
	HK$	HK$
Audit Fee	75,000	75,000
Taxation Service fee	53,639	30,000
Loss on exchange	154,728	(90,786)
Rent	2,100	240,970
Staff costs (Note 6)	540,303	984,293

8. INCOME TAX

Hong Kong Profits Tax has been provided for at the rate of 8.25% (2020: 8.25%) on the estimated assessable profits arising in Hong Kong during the year.

The amount of taxation charged to the statement of comprehensive income represents:

	2021	2020
	HK$	HK$
Hong Kong profits tax		
Provision for the year before tax relief	2,113	81,634
Less:Tax Relief for the year of assesment (20/21)	(2,113)	(20,000)
Less : Overprovision made in previous year	(23,266)	-
Tax charge for the year	(23,266)	61,634

Tax payable in the balance sheet represents provision for taxation for the current year.

9. AMOUNT DUE TO/FROM RELATED COMPANIES

The amount was unsecured, interest free and had no fixed terms of repayment.

	2021 HK$	2020 HK$
Monster.com India Pvt Limited		
Monster.com India Pvt Limited-(Dubai branch)	(515,127)	233,566
Monster.Com Phillppines	48,415	50,385
Monster.com.sg Pte Ltd	31,867	59,844
Agensi Pekerjaan Monster Malaysia Sdn. Bhd.	(680,593)	(887,382)
	(1,392,596)	(1,218,076)
	(2,508,033)	(1,761,663)

10. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

The company's trade receivables, deposits and prepayments are non interest-bearing and their carrying amounts approximate to their fair values.

11. DEFERRED REVENUE

Deferred revenue represents revenue received in advance which will be recognised in advance which will be recognised as revenue over the period of the underlying advertising or subscription agreement

12. IMMEDIATE HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The directors considered that as at 31st March 2021, the Company's immediate holding company and ultimate holding company were Quesscorp Holdings Pte. Ltd (a company incorporated in Singapore) and Quess Corp Limited (a public company incorporated in India and listed its shares on National Stock Exchange of India Limited) respectively.

13. SHARE CAPITAL

	2021 HK$	2020 HK$
Issued and fully paid:		
38,700,000 ordinary shares	38,700,002	38,700,002

14. RELATED PARTY TRANSACTIONS

In addition to the transactions an balances detailed elsewhere in these financial statements, the Company had the following material transactions with related parties during the year:

	2021 HK$	2020 HK$
Consultancy Fee paid to related Company	693,061	-
Gross global website memebership fees from related companies	412,265	1,826,209
Gross global website memebership fees to related companies	338,415	509,247
Net Commission fee to related Companies	20,894	66,837

15. COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform with the current year's presentation.

16. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the company's Board of Directors on 20th April 2021

MONSTER.COM.HK LIMITED

DETAILED INCOME STATEMENT

YEAR ENDED 31ST MARCH 2021

(For management information purposes only)

	2021	2020
	HK$	HK$
Revenue	1,986,889	3,362,106
Less: Sub-Contracting Cost	(357,979)	(633,079)
Gross Profit	1,628,910	2,729,027
Other Income		
Bad debts Recovered	115,271	-
Exchange difference	-	90,786
Other Income	8,972	-
	124,243	90,786
Total Revenue	1,753,153	2,819,813
Administrative and general expenses		
Advertising	28,808	142,940
Audit fee	75,000	75,000
Bank charges	10,008	21,593
Bad debt expenses	2,745	161,136
Consultancy Fee	693,061	-
Exchange difference	154,728	-
MPF	18,448	32,879
Postage and courier	412	715
Printing and stationery	2,189	12,533
Rent	2,100	240,970
Salaries	521,855	899,247
Sales Commission	38,460	86,098
Staff insurance	-	52,167
Staff Welfare	-	16,629
Secretarial Fees	26,328	48,664
Sundry expenses	2,314	36,841
Storage Service Fees	7,073	20,403
Taxation Service Fee	53,639	30,000
Telephone, fax and internet expenses	10,539	20,019
Transportation	1,614	3,532
	1,649,321	1,901,366
Profit before taxation	103,832	918,447

Caulfield International PAC
Chartered Accountants

MONSTER.COM.SG PTE LIMITED

Company Reg. No.: 200004227N

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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Incorporated with Limited liability Regn No.201431978R

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.: 200004227N)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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MONSTER.COM.SG PTE LIMITED
(Company Reg. No.: 200004227N)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The directors are pleased to present their statement to the members together with the audited financial statements of Monster.com.sg Pte Limited (the "Company") for the financial year ended 31 March 2021.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, with the continuing financial support from the immediate holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Sandro Lang
Vijay Sivaram
Keckeis Roman Werner
Rajesh Kharidehal
Ramakrishnan Subramanian (Resigned on 31 March 2021)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the Act), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

5. SHARES OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6. AUDITOR

Caulfield International PAC, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Vijay Sivaram
Director

Rajesh Kharidehal
Director

Singapore
07 MAY 2021

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF

MONSTER.COM.SG PTE LIMITED

Report on the Audit of The Financial Statements

Opinion

We have audited the financial statements of Monster.com.sg Pte Limited (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 in the financial statement, which indicates that the Company incurred a net loss of S$79,139 during the year ended 31 March 2021 and, as of that date, the Company's total current liabilities exceeded its total assets by S$123,606. As stated in Note 2.2, these events or conditions, along with other matters as set forth in Note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The ultimate holding company has undertaken to provide continuing financial support to enable the Company to meets its liability as and when they fall due. Our opinion is not modified in respect of this matter.

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Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the 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 assurance, but is not a guarantee that an audit conducts in accordance with SSAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

CAULFIELD INTERNATIONAL PAC
Public Accountants and
Chartered Accountants

Singapore
07 MAY 2021

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MONSTER.COM.SG PTE LIMITED
(Company Reg. No.:200004227N)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 S$	Restated 2020 S$
ASSETS			
Non-current assets			
Plant and equipment	4	-	8,569
Intangible assets under development	5	245,991	163,727
Right of use assets	6	-	17,646
		245,991	189,942
Current assets			
Trade and other receivables	7	2,061,009	5,611,623
Cash and cash equivalents	8	1,004,794	1,467,958
		3,065,803	7,079,581
TOTAL ASSETS		3,311,794	7,269,523
EQUITY AND LIABILITIES			
Equity			
Share capital	9	2	2
Accumulated losses		(123,608)	(73,480)
Equity attributable to the owners of the company		(123,606)	(73,478)
Current liabilities			
Trade and other payables	10	3,435,400	7,295,499
Income tax payable		-	29,011
Lease liability	11	-	18,491
		3,435,400	7,343,001
TOTAL EQUITY AND LIABILITIES		3,311,794	7,269,523

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

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.:200004227N)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S$	2020 S$
Revenue	12	3,295,600	5,001,482
Other income	13	97,735	56,394
		3,393,335	5,057,876
Item of expenses:			
Subcontractor charges		(680,504)	(1,249,430)
Employee benefits	14	(1,514,925)	(1,983,251)
Selling and distributions costs		(94,060)	(382,816)
Administrative expenses		(1,182,764)	(1,232,860)
Finance cost		(221)	(7,239)
(Loss) / Profit before tax	15	(79,139)	202,280
Income tax credit	16	29,011	-
(Loss) / Profit after tax		(50,128)	202,280
Other comprehensive income:-			
Item that may be reclassified subsequently to profit or loss		-	-
Item that will not be reclassified subsequently to profit or loss		-	-
Other comprehensive income, net of tax		-	-
Total comprehensive (loss) / income for the year		(50,128)	202,280

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

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.:200004227N)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	Share capital S$	Accumulated losses S$	Total S$
Balance as at 1 April 2020		2	(73,480)	(73,478)
Loss for the year, representing total comprehensive loss for the year		-	(50,128)	(50,128)
Balance as at 31 March 2021		2	(123,608)	(123,606)
Balance as at 1 April 2019		2	(275,760)	(275,758)
Profit for the year, representing total comprehensive income for the year		-	202,280	202,280
Balance as at 31 March 2020		2	(73,480)	(73,478)

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

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.:200004227N)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S$	2020 S$
Cash flows from operating activities			
(Loss) / Profit after income tax		(79,139)	202,280
Adjustments for:			
Bad debt written off		41,822	-
Depreciation of plant and equipments	4	8,569	14,048
Depreciation of right of use assest	6	17,646	105,878
Interest expense on lease liability		221	7,239
Expected credit loss on trade receivables		(26,360)	20,514
		(37,241)	349,959
Changes in working capital:			
Trade and other receivables		(172,918)	120,911
Trade and other payables		(152,029)	(893,504)
Cash used in operations		(362,188)	(422,634)
Income tax refund		-	2,421
Net cash used in operating activities		(362,188)	(420,213)
Cash flows from investing activities			
Acquisition of plant and equipment		-	(4,950)
Acquisition of intangible assets	5	(82,264)	(163,727)
Net cash used in investing activities		(82,264)	(168,677)
Cash flows from financing activities			
Payment on principal portion of lease liability	A	(18,491)	(105,033)
Interest expenses on lease liability		(221)	(7,239)
Net cash used in financing activities		(18,712)	(112,272)
Net decrease in cash and cash equivalents		(463,164)	(701,162)
Cash and cash equivalents at beginning of the year		1,467,958	2,169,120
Cash and cash equivalents at end of the year	8	1,004,794	1,467,958

Note A: Reconciliation of liabilities arising from financing activities

	As at 1 April	Financing cash flow S$	Non Cash Changes		As at 31 March S$
			Additions S$	Accretion of interest S$	
2021					
Lease liabilities	18,491	(18,712)	-	221	-
2020					
Lease liabilities	-	(112,272)	123,524	7,239	18,491

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

These notes form an integral part and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Monster.com.sg Pte Limited (the "Company") is incorporated and domiciled in Singapore with its registered office and principal place of business at 10 Jalan Besar #07-07 Sim Lim Tower Singapore 208787.

The immediate holding and ultimate holding companies are Quesscorp Holdings Pte Ltd, a company incorporated in Singapore and Quess Corp Limited, a company incorporated in India, respectively.

The principal activities of the Company are those of the business of a web-based employment placement and career services agency. There have been no significant changes in the nature of these activities during the financial period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore ("FRS"s). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S$), which is the Company's functional currency. All financial information presented in Singapore Dollar, unless otherwise indicated.

Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Company's significant operations are in Singapore, which have been affected by the spread of COVID-19 in 2020.

Set out below is the impact of COVID-19 on the Company's financial performance reflected in this set of financial statements for the year ended 31 March 2021:

i. The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

ii. During the financial year, border closures, production stoppages and workplace closures have resulted in periods where the Company's operations were temporarily suspended to adhere to the respective governments' movement control measures. There is no significant impact on the Company's financial performance for 2021.

iii. During the financial year, the Company has received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of Government's measures to support business during the period of economic uncertainty impacted by Covid-19. The effects of such wage support are disclosed in Note 14.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.1 BASIS OF PREPARATION – CONTINUED

iv. The Company has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets and provisions for onerous contracts as at 31 March 2021. However, there is no significant impact to the financial statements of the Company.

2.2 GOING CONCERN

The financial statements of the Company have been prepared on a going concern basis notwithstanding that its total current liabilities exceed its total assets as at 31 March 2021 was S$123,606 (2020: S$73,478). These factors indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the undertaking of its ultimate holding company to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2.3 ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendment to FRS 116 Leases: Covid-19-Related Rent Concessions	1 June 2020
Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.5 FINANCIAL INSTRUMENTS

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.5 FINANCIAL INSTRUMENTS - CONTINUED

(a) Financial assets - continued

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.6 IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 -months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and demand deposits which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents includes cash at bank and fixed deposits.

2.8 CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.9 CONTRACT LIABILITIES

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.10 PROVISION

General

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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where 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.

2.11 SHARE CAPITAL

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.12 LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.12 LEASES – CONTINUED

(a) As lessee - continued

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.15.

The Company's right-of-use assets are presented in Note 6.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are disclosed in Note 11.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.12 LEASES – CONTINUED

(a) As lessee - continued

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.13 EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points 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 financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

2.14 PLANT AND EQUIPMENT

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives (years)
Leasehold improvement	3
Computer and office equipment	3 - 4
Furniture & fittings	3

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.16 DIVIDENDS

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Articles of Association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

2.17 REVENUE RECOGNITION

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Rendering of services

Services rendered are accounted for separately in the transaction price and it is supported by contracts with the customers. In accordance with FRS115, the Company has recognised the revenue only when they have satisfied the performance obligation promised in the contract.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.17 REVENUE RECOGNITION – CONTINUED

(b) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

2.18 GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.19 EMPLOYEE BENEFITS

a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The undiscounted liability for leave expected to be settled wholly within twelve months from the reporting date is recognised for annual leave as a result of services rendered by employees up to the end of the reporting period. The Company allows employee leave entitlements to carry forward for a maximum period of twelve months.

c) Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.20 RELATED PARTIES

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Company if that person:
   (i) Has control or joint control over the Company;
   (ii) Has significant influence over the Company; or
   (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

b) An entity is related to the Company if any of the followings conditions apply:

   (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or jointly venture of the other entity (or an associate or joint ventures of a member of a group of which the other entity is a member).
   (iii) Both entities are joint venture of the same third party.
   (iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
   (v) The entity is a post-employment benefits plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
   (vi) The entity is controlled or jointly controlled by a person identified in (a).
   (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
   (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.21 TAXES

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income 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.

b) Deferred tax

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

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

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

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.22 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.23 INTANGIBLE ASSETS

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in statement of comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation of an intangible asset commences when the intangible asset is available for use. Amortisation is recognised in statement of comprehensive income and is calculated based on the cost of the asset less residual value on a straight line basis over the estimated useful lives of intangible assets. No amortisation is provided for the intangible asset for the company as the intangible asset is not available for use as at year end.

The amortisation methods, useful lives and residual values are reviewed at each year end and adjusted if appropriate and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are not amortised and are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of comprehensive income when the asset is derecognised.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3.1 Judgement made in applying accounting policies

(a) Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

(b) Determination of lease term of contracts with extension options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The company has no lease contract that include extension option. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of plant and equipment

The useful life of an item of plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Company's plant and equipment as at 31 March 2021 was S$Nil (2020: S$8,569).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES - CONTINUED

3.2 Key sources of estimation uncertainty – continued

(b) Provision for expected credit losses (ECLs) of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 19(a).

The level of estimation and judgement used in the ECL calculation has increased as a result of the COVID-19 outbreak. The Company has considered the impact of COVID-19 on its customers and grouped them based on shared credit risk characteristics. Separate provision matrices are applied to each customer groupings and the historical loss rates are adjusted to reflect the current and forward-looking information.

In calculating the ECL rates, the Company has considered the volatility of the forward-looking macroeconomic factors affecting the ability of the customers to repay their debts

The carrying amount of the Company's trade receivables as at 31 March 2021 was S$1,881,929 (2020: S$5,440,746).

(c) Leases – estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

4. PLANT AND EQUIPMENT

	Leasehold improvement S$	Computers & office equipment S$	Furniture & fittings S$	Total S$
Costs				
As at 01.04.2019	172,449	139,544	42,193	354,186
Additions	-	4,950	-	4,950
As at 31.03.2020	172,449	144,494	42,193	359,136
Additions	-	-	-	-
As at 31.03.2021	172,449	144,494	42,193	359,136
Accumulated depreciation				
As at 01.04.2019	172,449	121,930	42,140	336,519
Depreciation Charge	-	13,995	53	14,048
As at 31.03.2020	172,449	135,925	42,193	350,567
Depreciation Charge	-	8,569	-	8,569
As at 31.03.2021	172,449	144,494	42,193	359,136
Net carrying value				
As at 31.03.2021	-	-	-	-
As at 31.03.2020	-	8,569	-	8,569

5. INTANGIBLE ASSETS UNDER DEVELOPMENT

	Software S$
Costs	
As at 01.04.2019	-
Additions	163,727
As at 31.03.2020	163,727
Additions	82,264
As at 31.03.2021	245,991
Accumulated amortisation	
As at 01.04.2019	-
Amortisation for the year	-
As at 31.03.2020	-
Amortisation for the year	-
As at 31.03.2021	-
Net carrying value	
As at 31.03.2021	245,991
As at 31.03.2020	163,727

The company has entered into an agreement with third party for development of the Company website. No amortisation is provided for the intangible asset for the company as the software services are still under development as at year end.

6. RIGHT OF USE ASSETS

	Office Premise S$
At 1 April 2019	-
Additions	123,524
Depreciation	(105,878)
At 31 March 2020	17,646
Depreciation	(17,646)
At 31 March 2021	-

Details of leased assets are disclosed in Note 18(a).

7. TRADE AND OTHER RECEIVABLES

	2021 S$	2020 S$
Trade receivables:		
- Third parties	1,227,735	1,494,120
Less: Allowance of expected credit loss	(154)	(26,514)
	1,227,581	1,467,606
- Fellow subsidiaries	654,348	3,973,140
	1,881,929	5,440,746
Other receivables	22,596	-
Deposits	109	51,096
Prepayments	4,771	809
Deferred commission	151,604	118,972
	2,061,009	5,611,623

Third party trade receivables are non-interest bearing and generally on 30 to 120 (2020: 30 - 120) days' term.

Trade receivables are unsecured.

They are recognised at their original invoice amounts which represents their fair value on initial recognition.

Other receivables are non-trade in nature, unsecured, interest free and have no fixed term of repayment.

Commission expenses incurred and relating to future periods are carried forward to future periods as deferred commission.

Trade amount due from fellow subsidiaries are non-trade, interest-free, and recoverable on demand.

The carrying amount of trade and other receivables approximate their fair values.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2021 S$	2020 S$
At 1 April	26,514	11,500
Provision for expected credit losses	(26,360)	15,014
At 31 March	154	26,514

7. TRADE AND OTHER RECEIVABLES – CONTINUED

The Company's trade receivables and trade payables that are off-set are as follows:

31 December 2020	Gross carrying amounts before offsetting S$	Amounts offset S$	Net amounts in the statement of financial position S$
Trade receivables – Fellow subsidiaries	4,362,417	3,708,069	654,348
Trade payables – Fellow subsidiaries	4,798,594	3,708,069	1,090,525

8. CASH AND CASH EQUIVALENTS

	2021 S$	2020 S$
Cash at bank	1,004,794	343,627
Fixed deposits	-	1,124,331
	1,004,794	1,467,958

The fixed deposits have maturity term of 6 months in 2020. The average interest rate of the fixed deposits is 1.74% per annum in 2020.

The carrying amount of cash and cash equivalents approximate their fair values.

9. SHARE CAPITAL

	2021		2020	
	Number of ordinary shares	S$	Number of ordinary shares	S$
Issued and fully paid				
Balance as at beginning / end of financial year	2	2	2	2

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meeting. All shares rank equally with regards to the Company's residual assets. The ordinary shares have no par value.

10. TRADE AND OTHER PAYABLES

	2021 S$	2020 S$
Trade payables		
- Third party	221,535	186,736
- Fellow subsidiaries	1,090,525	4,461,130
	1,312,060	4,647,866
Accruals	664,200	479,744
Contract liabilities	1,425,561	2,137,042
GST payables	33,579	30,847
	3,435,400	7,295,499

The trade amounts due to third party and fellow subsidiaries are unsecured, non-interest bearing and are repayable on demand.

Other payables are non-trade in nature, unsecured, interest free and have no fixed term of repayment.

The carrying amount of trade and other payables approximate their fair values.

11. LEASE LIABILITY

	2021 S$	2020 S$
Current		
- Lease liabilities (secured) (Note 18)	-	18,491

12. REVENUE

	2021 S$	2020 S$
Service income	3,295,600	5,001,482

13. OTHER INCOME

	2021 S$	2020 S$
Fixed deposits interest income	6,916	21,617
Foreign exchange gain	90,819	34,777
	97,735	56,394

14. EMPLOYEE BENEFITS

	2021 S$	2020 S$
Other key management personnel:		
Defined contribution plan (Note 17)	12,619	18,144
Salaries and other short-term benefits (Note 17)	232,885	325,458
Staffs' salaries and other related costs:		
Defined contribution plan	91,508	90,238
Salaries and bonus [a]	1,061,647	1,453,564
Commission	110,213	56,344
Staffs' welfare	6,053	39,503
	1,514,925	1,983,251

[a] Included within salaries and bonus are:

(i) Government grant income of S$164,442 (2020: Nil) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

15. (LOSS)/PROFIT BEFORE TAX

(Loss)/(profit) before tax has been arrived at after charging/(crediting):

	2021 S$	2020 S$
Communication expenses	21,417	58,603
Consultancy fee	1,000,040	881,551
Depreciation of plant and equipment (Note 4)	8,569	14,048
Depreciation of right of use assets (Note 6)	17,646	105,878
Employee benefits (Note 14)	1,514,925	1,983,251
Expected credit loss on trade receivables	(26,360)	29,514
Foreign exchange gain	(90,819)	(34,777)
IT related expenses	-	4,500
Rent expenses	21,800	-
Sub-contractor charges	680,504	1,249,430
Travel expenses	-	34,820

16. INCOME TAX CREDIT

The major components of income tax expense recognised in profit or loss for the financial years ended 31 March 2021 and 2020 were as follows:

	2021 S$	2020 S$
Current income tax:		
- Current year	-	-
- Over provision in respect of prior years	29,011	-
Income tax credit recognised in profit or loss	29,011	-

Relationship between tax expense and accounting (loss) / profit

A reconciliation between tax expense and the product of accounting (loss) / profit multiplied by the applicable corporate tax rate for the financial period ended 31 March 2021 and 2020 were as follows:

	2021 S$	2020 S$
(Loss)/Profit before income tax	(79,139)	202,280
Income tax using the statutory tax rate of 17% (2020: 17%)	(13,454)	34,388
Adjustments:		
Non-taxable income	-	(5,912)
Non-deductible expenses	756	3,478
Deferred tax assets on temporary difference not recognised	12,698	(31,954)
Over provision in respect of prior year	29,011	-
Income tax credit recognised in profit or loss	29,011	-

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company has unrecognised tax losses of S$921,434 (2019: S$850,019) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses and capital allowances have no expiry date.

17. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	2021 S$	2020 S$
Sales transferred from fellow subsidiaries	183,604	779,935
Sub-contractor charges by fellow subsidiaries	(666,638)	(1,228,366)
Sales to a fellow subsidiary	66,175	130,045
Sales support fees payable to fellow subsidiaries	(16,287)	(40,884)
Sales support fees recoverable from fellow subsidiaries	56,800	85,826
Payment on behalf by a fellow subsidiary	(376,527)	(693,666)
Staffs' costs charged to fellow subsidiary	45,679	495,234
Advertising fees charged by a fellow subsidiary	4,730	-
Consultancy fee charged by a fellow subsidiary	1,000,040	881,551
Rental expenses charged by a fellow subsidiary	21,000	-
Collection on behalf by a fellow subsidiary	132,014	326,523
Advance to a fellow subsidiary	-	27,000
Payment on behalf for fellow subsidiaries	6,420	25,255
Collection on behalf for fellow subsidiaries	11,813	-
Key management personnel compensation:		
Other key management personnel:		
Defined contribution plan (Note 14)	12,619	18,144
Salaries and other short-term benefits (Note 14)	232,885	325,458

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company.

18. LEASES

Company as a lessee

The Company has lease contracts for office premises. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

(a) Carrying amounts of right-of-use assets

	Office Premises S$	Total S$
At 1 April 2019	-	-
Additions	123,524	123,524
Depreciation	(105,878)	(105,878)
At 31 March 2020	17,646	17,646
Depreciation	(17,646)	(17,646)
At 31 March 2021	-	-

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 11 and the statements of cash flows respectively and the maturity analysis of lease liabilities is disclosed in Note 19(b).

(c) Amounts recognised in profit or loss

	2021 S$	2020 S$
Depreciation of right of use assets	17,646	105,878
Interest expense on lease liability	221	7,239
Total amount recognised in profit or loss	17,867	113,117

(d) Total cash outflow

The Company had total cash outflows for leases of S$18,712 in 2021 (2020: S$112,272).

19. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables and loan to the immediate holding company. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

19. FINANCIAL RISK MANAGEMENT – CONTINUED

a) Credit risk – continued

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- There is a disappearance of an active market for that financial asset because of financial difficulty;

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

19. FINANCIAL RISK MANAGEMENT – CONTINUED

a) Credit risk – continued

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount S$	Loss allowance S$	Net carrying amount S$
31 December 2020						
Trade receivables – third parties	7	Note 1	Lifetime ECL (simplified)	1,213,057	(154)	1,212,903
					(154)	
31 December 2019						
Trade receivables – third parties	7	Note 1	Lifetime ECL (simplified)	1,494,120	(26,514)	1,467,606
					(26,514)	

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk other than those balances with fellow subsidiaries comprising 78% (2020: 62%) of trade receivables. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

19. FINANCIAL RISK MANAGEMENT – CONTINUED

b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company finances its working capital requirements through its funds generated from operations. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

2021	Carrying amount S$	Contractual cash flows S$	One year or less S$
Financial assets			
Trade and other receivables [a]	1,904,634	1,904,634	1,904,634
Cash and cash equivalents	1,004,794	1,004,794	1,004,794
Total undiscounted financial assets	2,909,428	2,909,428	2,909,428
Financial liabilities			
Trade and other payables [b]	1,976,260	1,976,260	1,976,260
Total undiscounted financial liabilities	1,976,260	1,976,260	1,976,260
Total net undiscounted financial assets	933,168	933,168	933,168
2020			
Financial assets			
Trade and other receivables [a]	5,491,842	5,491,842	5,491,842
Cash and cash equivalents	1,467,958	1,467,958	1,467,958
Total undiscounted financial assets	6,959,800	6,959,800	6,959,800
Financial liabilities			
Trade and other payables [b]	5,127,610	5,127,610	5,127,610
Lease liability	18,491	18,712	18,712
Total undiscounted financial liabilities	5,146,101	5,146,322	5,146,322
Total net undiscounted financial assets	1,813,699	1,813,478	1,813,478

[a] The amounts excluded prepayments and deferred commission.
[b] The amounts excluded GST payable and contract liabilities.

19. FINANCIAL RISK MANAGEMENT – CONTINUED

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates that will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily United States Dollars, Indian Rupee, Hong Kong Dollars, and Malaysian Ringgit.

The Company's currency exposure to the United States Dollars, Indian Rupee, Hong Kong Dollars, and Malaysian Ringgit at the reporting date were as follows:

2021	United States Dollars S$	Indian Rupee S$	Hong Kong Dollars S$	Malaysian Ringgit S$
Financial assets				
Cash and cash equivalents	504	-	-	-
	504	-	-	-
Financial liabilities				
Trade and other payables[(b)]	200,602	691,982	-	398,542
	200,602	691,982	-	398,542
Currency exposure	(200,098)	(691,982)	-	(398,542)
2020				
Financial assets				
Cash and cash equivalents	8,246	-	-	-
	8,246	-	-	-
Financial liabilities				
Trade and other payables[(b)]	186,736	2,396,153	441,150	1,623,827
	186,736	2,396,153	441,150	1,623,827
Currency exposure	(178,490)	(2,396,153)	(441,150)	(1,623,827)

[(a)]The amounts excluded prepayments, advance payment and deferred commission.
[(b)] The amounts excluded GST payable and contract liabilities.

19. FINANCIAL RISK MANAGEMENT – CONTINUED

c) Market risk – Continued

(i) Foreign currency risk – Continued

A 10% (2020:10%) strengthening of Singapore Dollars against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	(Loss)/Profit after tax	
	2021 S$	2020 S$
United States Dollars	(16,608)	(14,815)
Indian Rupee	(57,435)	(198,881)
Hong Kong Dollars	-	(36,615)
Malaysian Ringgit	(33,079)	(134,778)

A 10% (2020:10%) weakening of Singapore Dollars against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from the cash and cash equivalents.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial years.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

Fixed rate instruments:	2021 S$	2020 S$
Financial assets		
Within one year		
Cash and cash equivalents	1,004,794	1,467,958

Interests on fixed deposits at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Company that are not included in the above table are not subject to interest rate risks.

20. FAIR VALUES

Fair value

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivable and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables (including trade balances due to from/to fellow subsidiaries) approximate their fair values as they are subject to normal trade credit terms.

21. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at armotised cost and financial liabilities at amortised cost were as follows:

	2021 S$	2020 S$
Financial assets measured at amortised cost		
Trade and other receivables (Note 7)[(a)]	1,904,634	5,491,842
Cash and cash equivalents (Note 8)	1,004,794	1,467,958
Total financial assets measured at amortised cost	2,909,428	6,959,800
Financial liabilities measured at amortised cost		
Trade and other payables (Note 10)[(b)]	1,976,260	5,127,610
Lease liability	-	18,491
Total financial liabilities measured at amortised cost	1,976,260	5,146,101

[(a)]The amounts excluded prepayments, advance payment and deferred commission.
[(b)] The amounts excluded GST payable and contract liabilities.

22. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment and return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2021 and 31 March 2020.

23. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 07 MAY 2021

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.: 200004227N)

THE ACCOMPANYING SUPPLEMENTARY DETAILED STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY

AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.:200004227N)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Appendix A

	2021 S$	2020 S$
Revenue		
Service income	3,295,600	5,001,482
Other income		
Fixed deposit interest income	6,916	21,617
Foreign exchange gain	90,819	34,777
	97,735	56,394
Less:		
Sub-contractor charges	(680,504)	(1,249,430)
Employee benefits (Appendix B)	(1,514,925)	(1,983,251)
Selling and distribution costs (Appendix B)	(94,060)	(382,816)
Administrative expenses (Appendix B)	(1,182,764)	(1,232,860)
Finance cost (Appendix B)	(221)	(7,239)
	(3,472,474)	(4,855,596)
(Loss) / Profit before tax	(79,139)	202,280

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.:200004227N)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Appendix B

	2021 S$	2020 S$
Employee benefits		
Other key management personnel:		
Defined contribution plan	12,619	18,144
Salaries and other short term benefits	232,885	325,458
Staffs' salaries and other related costs:		
Defined contribution plan	91,508	90,238
Salaries and bonus	1,061,647	1,453,564
Commission	110,213	56,344
Staffs' welfare	6,053	39,503
	1,514,925	1,983,251
Selling and distribution costs		
Advertisements	94,052	336,222
Entertainment	8	11,774
Travelling expenses	-	34,820
	94,060	382,816
Administrative expenses		
Bad debt written off	41,822	-
Bank charges	16,697	24,261
Communication	21,417	58,603
Consultancy fee	1,000,040	881,551
Depreciation of plant and equipment	8,569	14,048
Depreciation of right of use assets	17,646	105,878
Expected credit loss on trade receivables	(26,360)	20,514
IT support	-	4,500
Miscellaneous expenses	6,762	1,457
Other office expenses	698	7,150
Printing and stationery	95	2,190
Professional fees	71,083	67,146
Rent expenses	21,800	-
Repair and maintenance	186	
Insurances	1,282	1,669
Subscription	-	38,403
Utilities	1,027	5,490
	1,182,764	1,232,860
Finance Cost		
Interest expenses on lease liability	221	7,239
	221	7,239

MSKA

& Associates

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INDEPENDENT AUDITOR'S REPORT

To the Members of Monster.com India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Monster.com India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 46 of the financial statements which states that the Company has accumulated losses of Rs. 21.56 crores as at March 31, 2021. This condition indicate that a material

MSKA & ASSOCIATES Hyderabad Chartered Accountants

uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. However, the Holding Company has agreed to provide continuing financial support, if necessary, to the Company to meet its current obligations as and when they become due. In view of the above, the financial statements have been prepared on going concern basis.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 47 to the financial statements which states that management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report etc but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and

MSKA & ASSOCIATES
Hyderabad
Chartered Accountants

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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) The matter described in Material uncertainty Related to Going concern section of our report, in our opinion, we may have an adverse effect on the functioning of the company.

(f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

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

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

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Chartered Accountants

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No.205226
UDIN: 21205226AAAAEL5404

Place: Hyderabad, India
Date:07-May-2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF MONSTER.COM INDIA PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

MSKA & ASSOCIATES
Hyderabad
Chartered Accountants

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No.205226
UDIN: 21205226AAAAEL5404

Place: Hyderabad, India
Date:07-May-2021.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MONSTER.COM INDIA PRIVATE LIMITED FOR THE YEAR ENDED 31st MARCH 2021

[Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) The fixed assets of the Company have not been physically verified by the management during the year. The company has not followed the regular program of verification in which the all the fixed assets needs to be physically verified at least once in a cycle of three years. Accordingly, material discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether such material discrepancies have been properly dealt with in the books of account.

(c) The Company does not have any immovable property. Accordingly, the requirements of paragraph 3(i)(c) of the Order are not applicable to the Company.

ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties[3] covered in the register maintained under section 189 ofthe Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c)of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated inparagraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order arenot applicable to the Company.

MSKA & ASSOCIATES Hyderabad Chartered Accountants

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goodsand service tax, duty of customs, cess and any other statutory dues applicable to it.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax Demand	63,723,857	FY 2008-09 to FY 2013-14	CESTAT	

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

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

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us, since the Company is a PrivateCompany, the provisions of section 197 of the Act will not be applicable. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.

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

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

MSKA & ASSOCIATES Hyderabad Chartered Accountants

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

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

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 21205226AAAAEL5404

Place: Hyderabad, India
Date: 07th May, 2021

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MONSTER.COM INDIA PRIVATE LIMITED

[Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to financial statements of Monster.com India Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

MSKA & ASSOCIATES Hyderabad Chartered Accountants

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

MSKA & ASSOCIATES
Hyderabad
Chartered Accountants

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No.205226
UDIN: 21205226AAAAEL5404

Place: Hyderabad, India.
Date:07th May 2021.

Monster.com (India) Private Limited

(Amount in INR lakhs, unless stated otherwise)

Balance Sheet	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	439.26	1,546.94
Other intangible assets	3 (b)	331.95	472.95
Intangible assets under development	3 (b)	330.92	110.65
Financial assets			
(i) Non-current loans	4	96.07	150.48
(ii) Other non-current financial assets	5	-	16.74
Deferred tax assets (net)	6	1,134.28	1,134.28
Income tax assets (net)	7	1,325.97	2,695.30
Other non-current assets	8	16.87	43.61
Total non-current assets		**3,675.32**	**6,170.95**
Current assets			
Financial assets			
(i) Trade receivables	9	2,095.08	2,693.96
(ii) Cash and cash equivalents	10	1,484.69	841.69
(iii) Bank balances other than cash and cash equivalents above	11	32.15	16.14
(iv) Loans	12	1.99	11.73
(v) Other financial assets	13	0.32	7.89
Other current assets	14	1,698.40	1,864.61
Total current assets		**5,312.63**	**5,436.02**
Total Assets		**8,987.95**	**11,606.97**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	5.00	5.00
Instruments entirely equity in nature	16	0.31	0.69
Other equity	17	1,589.20	1,968.24
Total equity		**1,594.51**	**1,973.93**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other non-current financial liabilities	18	272.85	1,055.73
Non-current provisions	19	402.40	447.00
Total non-current liabilities		**675.25**	**1,502.73**
Current liabilities			
Financial liabilities			
(i) Borrowings	20	500.00	600.00
(ii) Trade payables	21	1,157.13	1,191.83
(iii) Other financial liabilities	22	723.68	1,041.97
Current provisions	23	12.60	16.43
Other current liabilities	24	4,324.78	5,280.08
Total current liabilities		**6,718.19**	**8,130.31**
Total Liabilities		**7,393.44**	**9,633.04**
Total Equity and Liabilities		**8,987.95**	**11,606.97**

The notes referred to above form an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No: 105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

Rajesh Kharidehal
Director
DIN: 08472077

Suraj Krishna Moraje
Director
DIN: 08594844

Place: Hyderabad, INDIA
Date: May 07, 2021

Monster.com (India) Private Limited

(Amount in INR lakhs, except per share data)

Statement of Profit and Loss	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	26	8,361.72	10,883.58
Other income	27	380.07	209.76
Total income		**8,741.79**	**11,093.34**
Expenses			
Employee benefit expenses	28	4,056.80	6,303.23
Marketing and business promotional expenses		396.72	1,968.78
Reseller Services purchase expenses		1,117.72	2,107.99
Finance costs	29	225.59	311.31
Depreciation and amortisation expenses	3 (a) & (b)	582.33	803.98
Other expenses	30	1,488.80	2,771.02
Total expenses		**7,867.96**	**14,266.31**
Profit/(Loss) before income tax		**873.83**	**-3,172.97**
Tax expense			
Current tax		-	-
-Tax expense of foreign branches	6	-	-39.43
Deferred tax	6	-	-
Total tax expenses		**-**	**-39.43**
Profit/(Loss) for the year		**873.83**	**-3,212.41**
Other comprehensive income/ (expense)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/ asset		72.76	20.13
Income tax relating to items that will not be reclassified to profit or loss		-	-35.40
Other comprehensive income for the period		-	-
Other comprehensive income/ (expense) for the year, net of income tax		**72.76**	**-15.27**
Total comprehensive income for the year		**946.60**	**-3,227.68**
Earnings/(Loss) per equity share (face value of Rs 10 each)			
Basic earnings /(loss) per share (in INR)	38	1.748	(6,425)
Diluted earnings /(loss) per share (in INR)	38	1,748	(6,425)

The notes referred to above form an integral part of the financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No: 105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad, INDIA
Date: May 07, 2021

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

Rajesh Kharidehal
Director
DIN: 08472077

Suraj Krishna Moraje
Director
DIN: 08594844

Monster.com (India) Private Limited

(Amount in INR lakhs, unless stated otherwise)

Statement of Cash Flows	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from operating activities		
Profit/(Loss) before tax	**873.83**	**-3,172.97**
Adjustments for:		
Depreciation and amortisation expenses	582.33	803.98
Foreign Exchange loss/(gain) (net)	157.54	-14.98
Impairment loss allowance on financial assets (net)	155.18	418.23
Interest income	-4.42	-6.66
Impact of amortisation of financial asset	-34.00	27.60
Finance Cost	164.24	231.71
Other adjustments	-82.79	-4.95
Impact of remeasurement of defined benefits obligation to OCI	72.76	-15.27
Operating cash flows before working capital changes	1,884.68	-1,733.32
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Trade and other receivables	325.00	1,059.59
Current loans & Other current assets	175.97	-181.25
Non-current loans & other non-current assets	115.16	63.52
Adjustments for increase/(decrease) in operating liabilities:		
Non-current provisions	-44.60	-66.03
Changes in loans, other financial liabilities and other liabilities		
Trade payables	-44.38	156.68
Other current liabilities	-1,026.35	-1,250.61
Current provisions	-3.66	1.21
Cash generated from operating activities	1,381.82	-1,950.22
Income taxes paid (net)	1,335.19	176.07
Net cash provided by/ (used in) operating activities (A)	2,717.00	-1,774.15
Cash flows from investing activities		
Acquisition of property, plant and equipment	-220.27	-250.49
Proceeds from sale of property, plant and equipment	-	4.25
Interest received	11.99	5.87
Net cash used in investing activities (B)	-208.28	-240.37
Cash flows from financing activities		
Proceeds from CD's	-	2,398.46
Redeemed CD's	-1,326.03	
Proceeds from short term borrowings	-	600.00
Short term borrowings repaid	-100.00	-
Payment for Leases	-383.19	-449.77
Interest paid	-57.23	-43.76
Net cash provided by financing activities (C)	-1,866.45	2,505
Net increase in cash and bank balances (A+B+C)	**642.27**	**490.40**
Cash and bank balances at the beginning of the year	874.55	384.15
Cash and cash equivalents acquired on amalgamation		
Effects of exchange differences on translation of foreign currency cash and cash equivalents	-	
Cash and bank balances at the end of the year (refer note 10 & 11)	**1,516.83**	**874.55**

The notes referred to above form an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad, INDIA
Date: May 07, 2021

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

Rajesh Kharidehal
Director
DIN: 08472077

Suraj Krishna Moraje
Director
DIN: 08594844

Monster.com (India) Private Limited
Notes to the Financial Statements for the year ended March 31, 2021
(Amount in INR Lakhs, unless otherwise stated)

1 Corporate Information/Background:

Monster.com (India) Private Limited ("the company") is a private limited company registered under the Indian Companies Act, 1956. The company provides online recruitment solutions through its various job portals. It provides the internet based (online) e-recruitment solutions by connecting employers with right job seekers at all levels and also provides personalized career services to job seekers. For employers, the company's goal is to provide the most effective solutions and easy to use technology to simplify the hiring process and cost effectively deliver access to the community of job seekers. For job seekers, the company's purpose is to help improve their careers by providing work-related content, services and advice.

The company's services and solutions include searchable job advertisements, access to Job seeker resume database, recruitment media solutions through our advertising network and partnerships and other career-related content. Job seekers can search our job advertisements and post their resumes for free on each of our career websites and mobile applications. Employers pay to advertise available jobs and recruitment related services, search our resume database and access other career-related services. The recruitment solutions to employers are mostly in the nature of payment of subscription fee for an agreed tenure. The company is conducting its operations in India, Gulf region and Philippines. The company is having three foreign branch offices in Dubai (UAE) & Riyadh (Kingdom of Saudi Arabia) catering to operations in Gulf/Middle east region and one foreign branch office in Manila (Philippines) catering to Philippines operations.

Further, Company is also engaged in providing low end tele-marketing call center services (BPO activity) and providing management services to its associated parties situated in the Singapore and Malaysia in small scale; and providing Internet advertisement services.

2 Significant accounting policies
Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) **Statement of Compliance with Ind AS**
These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Effective 1 April 2016, the Company has adopted all the Ind AS standards and the first time adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards with April 1, 2016 as the transition date.

The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the Previous GAAP.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) **Basis of measurement**
The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-
i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
ii) Asset classified as held for sale

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

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(c) **Use of estimates & judgements**

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Income taxes: Significant judgments are involved in determining the reversal of deferred tax assets based on the probability of carryforward of losses.

ii) Measurement of defined benefit obligations: The cost of the defined benefit obligations are based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.

iii) Impairment of financial assets: The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost.

iv) Property, plant and equipment: : The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

v) Other estimates: The impairment of non-financial assets involves key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets.

2.2 Non-current assets

A. Property, plant and equipment

(i) Recognition and Measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

(ii) Depreciation

Depreciation is provided on a Straight Line Method ('SLM') over estimated useful lives of the property, plant and equipment as estimated by the Management and is generally recognized in the statement of profit and loss. The management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence , the useful lives for some of these assets is different from the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013.

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Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of). The Company has estimated the useful lives for property, plant and equipment as follows:

Asset Category	Useful life (in years)
Furniture & Fixtures	10
Vehicle	3
Office Equipment	
Cell Phones	3
Other Office Equipment	5
Computer Equipment (Computers & Data processing units)	
Servers and Networks	6
Desktops and Laptops	3
Electrical & Office Equipment	10

* Leasehold improvements are amortized over the lease term or estimated useful life of the asset whichever is lower.

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

B. Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

(i) Recognition and Measurement

a) Internally generated: Research and development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

b) Others

Other intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated software is recognised in the Statement of Profit and Loss as and when incurred.

(iii) Amortisation

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. 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), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful life
Intangible assets developed internally	
- Computer Software	5 - 6 years
- IP Technology	3 years
Computer Software	3 years

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

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2.3 Foreign Currency Transactions

(a) Functional and presentation currency

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

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

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

2.4 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:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

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

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

2.5 Revenue Recognition

Revenue from Services

Effective April 1, 2018, the Company has adopted IndAS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration it expects to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

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Revenue from fixed-price, fixed time frame contracts are recognised as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation. Certain arrangements are on time and material basis and are recognised as the services are performed as per the terms of the arrangement with the customer.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company may enter into arrangements with third party suppliers to provide services. In such cases the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer If the Company control the service before it is transferred to the customer, it is the principal, if not, it is the agent.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

Revenue recognized in excess of billing are classified as contract assets (referred to as "Unbilled revenue"); while, billing in excess of revenue recognized is classified as contract liabilities (referred to as "Unearned/Unmatured revenues").

► Revenue from Online Recruitment Services where the terms of transaction provide for licensing the product on a subscription basis, revenue is recognized evenly over the contract / subscription period on a straight-line basis. Substantially all services are provided on a contracted price basis.

► Revenue from Business Process Outsourcing (BPO) services is recognized on time and material basis on rendering of related services as per the terms of the contract. The services are provided on cost plus mark up basis.

► Revenue from Internet Advertisement/media work services is recognised as and when services are rendered as per the terms of the contract and the collectability is reasonably assured.

'Unearned/unmatured revenues' are included in other current liabilities.

Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

However, in case of interest income from short term financial assets such as term deposits, Interest income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Note: In case of interest income that may raise on refunds due from statutory authorities, income is recognised in the year of actual receipt of such interest on cash basis.

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2.6 Taxes

Tax expense for the year, comprising current and deferred tax, are included in the determination of the net profit or loss for the year. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(c) Tax expense relating to foreign branches

The amount of tax whatever name be called, that has been levied on income earned by branches outside of India, to the extent does not qualify for tax relief benefit under a particular double tax avoidance agreement or other or by any other reason that cannot be setoff with taxes payable in India, the same are charged to profit and loss account.

2.7 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

► The appropriate level of management is committed to a plan to sell the asset (or disposal group),

► An active programmed to locate a buyer and complete the plan has been initiated (if applicable),

► The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

► The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and

► Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

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2.8 Leases

As a lessee

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The group has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The group's lease asset classes primarily consist of Land and Building. The group assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimated of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to

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

The Company has elected not to recognize right-of-use assets and liabilities for low value of INR 100,000 that have a lease term of 12 months or less . The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Practical expedients adopted on initial recognition:

1. The agreements maturing within 12 months from the initial application of Ind AS 116, are not considered.

2. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.

3. Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

2.9 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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2.10 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.11 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/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 Company are segregated.

2.13 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.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

a) at amortized cost; or

b) at fair value through other comprehensive income (FVTOCI); or

c) at fair value through profit or loss (FVTPL).

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

<u>Amortized cost</u>: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

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Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL. However, in case of trade receivables, in line with group policy, ECL measured at past 6 quarter average is used subject to any other estimate as deemed appropriate by the management.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 180 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as expense/income in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

In addition to ECL, managaement also ealuating receivables at each level for credit risk and may consider same for impairment of such financial asset in full or part thereof.

The loss allowance for expected credit losses on the financial assets is considered at higher of ECL Model or Management estimate.

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(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownersnip of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

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

(c) Offsetting financial instruments

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

2.14 Employee Benefits

(a) **Short-term obligations**

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

(b) **Other long-term employee benefit obligations**

(i) **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

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(ii) **Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: The company had compensated absences which are vested and unfunded, which are treated earned leaves that are encashable till March 31, 2018. Effective from April 1, 2018 Company has adopted new compenseted absences policy, where in the leaves are unvested and eligible for caryyforwad but not encashable.

The Accumulated compensated absences under the old policy will continue to be trated as such and can be encased at the time of retirement/ sepatation subjected to available leave balance after setoff leaves utilized from such accumulation.

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

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

The employees are entitled for 20 days leave during the calendar year, which can be accumulated up to 20 days. The company provides for the liability at year end on account of unavailed leave as per the actuarial valuation using the Projected Unit Credit Method with estimated average leave availment rate.

2.15 Contributed equity

Equity shares are classified as equity share capital.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

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

2.18 Rounding off amounts

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

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Monster.com (India) Private Limited
Notes to the financial statements for the year ended March 31, 2021

3 (a) Property, plant and equipment

(Amount in INR lakhs, unless stated otherwise)

Particulars	Leasehold improvements	Furniture and fixtures	Vehicles	ROU - Buildings	Electrical & Office Equipment	Computer equipment	Total
Balance as at March 31, 2019	**110.95**	**85.15**	**0.04**	-	**331.66**	**653.30**	1,181.10
Additions during the year		-	-	1,787.29	4.98	66.30	1,858.58
Disposals for the year	101.12	78.89	-	88.61	220.10	31.31	520.03
Balance as at March 31, 2020	**9.82**	**6.27**	**0.04**	**1,698.68**	**116.54**	**688.29**	**2,519.64**
Additions during the year	-	-	-	-	-	-	-
Disposals for the year	-	-	-	1,114.09	-	-	1,114.09
Balance as at March 31, 2021	**9.82**	**6.27**	**0.04**	**584.59**	**116.54**	**688.29**	**1,405.56**
Accumulated depreciation*							
Balance at April 1, 2019	**65.22**	**35.53**	-	-	**205.88**	**417.32**	**723.95**
Depreciation for the year	32.92	41.42	-	396.86	81.02	136.18	688.40
Accumulated depreciation on deletioı	91.06	72.97	-	27.27	215.89	32.47	439.65
Balance as at March 31, 2020	**7.08**	**3.99**	-	**369.60**	**71.00**	**521.03**	**972.70**
Depreciation for the year	2.72	1.36		321.91	**27.73**	**87.61**	441.34
Accumulated depreciation on deletions				447.74			447.74
Balance as at March 31, 2021	**9.81**	**5.34**	-	**243.77**	**98.73**	**608.64**	**966.29**
Net carrying amount							
As at March 31, 2021	**0.02**	**0.92**	**0.04**	**340.82**	**17.81**	**79.65**	**439.26**
As at March 31, 2020	**2.74**	**2.28**	**0.04**	**1,329.08**	**45.54**	**167.26**	**1,546.94**

3 (b) Other intangible assets

(Amount in INR lakhs, unless stated otherwise)

Particulars	Internally Developed Software	Other software	Total	Intangible assets under development
Balance as at March 31, 2019	-	**99.77**	**99.77**	**448.53**
Additions during the year	510.53	-	510.53	172.65
Disposals for the year	-	-	-	510.53
Balance as at March 31, 2020	**510.53**	**99.77**	**610.30**	**110.65**
Additions during the year	-	-	-	220.27
Disposals/Transfer for the year	-	-	-	-
Balance as at March 31, 2021	**510.53**	**99.77**	**610.30**	**330.92**
Accumulated depreciation				
Balance as at March 31, 2019	-	**21.77**	**21.77**	-
Depreciation for the year	76.58	39.00	115.58	-
Accumulated depreciation on deletioı	-		-	-
Balance as at March 31, 2020	**76.58**	**60.77**	**137.35**	-
Depreciation for the year	**102.11**	**38.89**	**141.00**	-
Accumulated depreciation on deletioı	-	-	-	-
Balance as at March 31, 2021	**178.69**	**99.66**	**278.35**	-
Net carrying amount				
As at March 31, 2021	**331.84**	**0.11**	**331.95**	**330.92**
As at March 31, 2020	**433.95**	**39.00**	**472.95**	**110.65**

* There has been no impairment losses recognised during the year or previous year.

Monster.com India Pvt. Ltd. ★ Hyderabad ★

Monster.com (India) Private Limited
Statement of Changes in Equity for the year ended March 31, 2021

(A) Equity share capital

(Amount in INR lakhs, unless stated otherwise)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Opening balance	15	5.00	5.00
Changes in equity share capital	15.1	-	-
Closing balance		**5.00**	**5.00**

(B) Instruments entirely equity in nature

(i) Convertible Debentures

(Amount in INR lakhs, unless stated otherwise)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Opening balance	16	0.69	-
Changes during the period	16.1	-0.38	0.69
Closing balance		**0.31**	**0.69**

(C) Other equity

(Amount in INR lakhs, unless stated otherwise)

Particulars	Note 17	Reserves and surplus			Other items of other comprehensive income	Total equity attributable to equity holders of the Company
		Securities premium	Retained earnings	Capital reserve	Remeasurement of the net defined benefit	
Balance as of 1 April 2019		**2,360.54**	**181.79**	**29.09**	**226.74**	**2,798.15**
Add: Profit/(loss) for the year		-	-3,212.41	-	-	-3,212.41
Add: Security premium received during the period		2,397.77	-	-		2,397.77
Add: Other comprehensive income (net of tax)		-	-	-	-15.27	-15.27
Balance as of 31 March 2020		**4,758.30**	**-3,030.62**	**29.09**	**211.47**	**1,968.24**
Balance as of 1 April 2020		**4,758.30**	**-3,030.62**	**29.09**	**211.47**	**1,968.24**
Add: Profit/(loss) for the year		-	873.83	-	-	873.83
Add: Security premium received during the period		-	-	-	-	-
Less: Security premium repaid during the period		-1,325.65	-	-	-	-1,325.65
Add: Other comprehensive income (net of tax)		-	-	-	72.76	72.76
Balance as of 31 March 2021		**3,432.66**	**-2,156.79**	**29.09**	**284.23**	**1,589.19**

The notes referred to above form an integral part of the financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad, INDIA
Date: May 07, 2021

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

Rajesh Kharidehal
Director
DIN: 08472077

Suraj Krishna Moraje
Director
DIN: 08594844

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Monster.com India Pvt. Ltd. Hyderabad

4. Non-current loans

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security deposits	96.07	150.48
	96.07	**150.48**

5. Other non-current financial assets

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Bank deposits (due to mature after 12 months from the reporting date)	-	16.74
	-	**16.74**

6. Taxes

A Amount recognised in profit or loss

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Current tax:		
In respect of the current year	-	-
-Tax expense of foreign branches	-	-39.43
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	-	-
Increase/ reduction of tax rate	-	-
Income tax expense reported in the Statement of profit and loss	**-**	**-39.43**

B Income tax recognised in other comprehensive income

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Remeasurement of the net defined benefit liability/ asset		
Before tax	72.76	20.13
Tax (expense)/ benefit	-	-35.40
Net of tax	**72.76**	**-15.27**

C Reconciliation of effective tax rate

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Profit before tax	873.83	-3,172.97
Carry forward/(set-off) of losses for the year	-873.83	3,172.97
Taxable Profit	-	-
Tax rate	25.00%	22.00%
Taxable amount	-	-
Effect of:		
Tax exempt income	-	-
Non-deductible expenses	-	-
Effective tax rate	**0.00%**	**0.00%**

(This space has been intentionally left blank)

Monster.com India Pvt. Ltd. ★ Hyderabad ★

D The following table provides the details of income tax assets and income tax liabilities

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax assets (net)	1,325.97	2,695.30
Income tax liabilities (net)	-	-
Net income tax asset at the end of the year	**1,325.97**	**2,695.30**

E Deferred tax assets, net

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset:		
Impairment loss allowance on financial assets	53.15	75.29
Provision for employee benefits	107.90	116.64
Difference of Depreciation provided for in the books	151.18	90.71
Carried forward business losses	822.05	851.63
Deferred tax liabilities:		
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax	-	
Net deferred tax assets	**1,134.28**	**1,134.28**

F Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR lakhs, unless stated otherwise)

For the year ended 31 March 2021	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Gross deferred tax liability	-	-	-	-
Deferred tax assets on:				
Impairment loss allowance on financial assets	75.29	-22.15	-	53.15
Provision for employee benefits	116.64	-8.74		107.90
Carried forward business losses	851.63	-29.58	-	822.05
Difference of Depreciation provided for in the books	90.71	60.47	-	151.18
Others	-	-	-	-
Gross deferred tax assets	**1,134.28**	**0.00**	**-**	**1,134.28**
Net deferred tax assets	**1,134.28**	**0.00**	-	**1,134.28**

(Amount in INR lakhs, unless stated otherwise)

For the year ended 31 March 2020	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Gross deferred tax liability	-	-	-	-
Deferred tax assets on:				
Impairment loss allowance on financial assets	59.83	15.46	-	75.29
Provision for employee benefits	101.99	14.65	-	116.64
Carried forward business losses	881.73	-30.10	-	851.63
Difference of Depreciation provided for in the books	90.71	-0.00	-	90.71
Others	35.41	-	-35.41	-
Gross deferred tax assets	**1,169.67**	**0.00**	**-35.41**	**1,134.28**
Net deferred tax assets	**1,169.67**	**0.00**	**-35.41**	**1,134.28**

Monster.com India Pvt. Ltd. Hyderabad

7. **Income tax assets (net)**

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax Receivable	1,325.97	2,695.30
	1,325.97	**2,695.30**

8. **Other non current assets**

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	16.87	43.61
	16.87	**43.61**

9. **Trade and other receivables**

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered good	1,973.69	2,683.08
Considered doubtful	204.41	299.17
	2,178.10	**2,982.25**
Loss allowance (refer note 32(i))		
Unsecured considered good	-	-
Doubtful	-204.41	-299.17
	-204.41	**-299.17**
Other Receivables		
Other Receivables	121.39	10.88
Net trade receivables	**2,095.08**	**2,693.96**

All trade receivables are current.

Of the above, trade receivables from related parties are

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables from related parties	458.97	4.77
Less: loss allowance	-	-
Net trade receivables	**458.97**	**4.77**

10. **Cash and cash equivalents**

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
In current accounts	1,318.55	802.03
In EEFC Accounts	166.14	39.66
In deposit accounts (with original maturity of less than 3 months)	-	-
Cash and cash equivalents	**1,484.69**	**841.69**
Bank overdraft used for cash management purpose	-	-
Cash and cash equivalents in the statement of cash flow	**1,484.69**	**841.69**

11. **Bank balances other than cash and cash equivalents above**

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
In deposit accounts (due to mature within 12 months from the reporting date)	32.15	16.14
	32.15	**16.14**

The deposits maintained by the company with banks is comprise of time deposits, which can be withdrawn by the company at any point without prior notice or penalty on the principal.

Monster.com India Pvt. Ltd. ★ Hyderabad ★

12. Current loans

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advance given to employees	1.99	11.73
	1.99	**11.73**

13. Other current financial assets

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due	0.32	7.89
	0.32	**7.89**

14. Other current assets

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	273.57	399.81
Advances to creditors	4.50	4.50
Balances with government authorities (GST/VAT receivable)	1,420.33	1,460.30
	1,698.40	**1,864.61**

15. Equity share capital

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
50,000 (March 31, 2020: 50,000) equity shares of par value of INR 10 each	5.00	5.00
	5.00	**5.00**
300,000 5% Non-Cumulative Optional Convertible Redeemable Preference Shares of INR 10 each	30.00	30.00
	30.00	**30.00**
Issued, subscribed and paid-up		
50,000 (March 31, 2020: 50,000) equity shares of par value of INR 10 each, fully paid up	5.00	5.00
	5.00	**5.00**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount in INR lakhs	Number of shares	Amount in INR lakhs
Equity shares				
At the commencement of the year	50,000	5.00	50,000	5.00
Shares issued during the year	-	-	-	-
At the end of the year	**50,000**	**5.00**	**50,000**	**5.00**

Monster.com India Pvt. Ltd. ★ Hyderabad ★

15.2. Rights, preferences and restrictions attached to shares

A) Equity shares

The company has one class of equity shares having a par value of INR 10 per share. Each share holder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the current year, the amount of per share dividend recognized as distributions to equity shareholders was Nil (Previous year - Nil). 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.

B) Preference shares

Redemption of Preference Shares: During the year 2014-15, Company has redeemed 290,875 fully paid 5% Non Cummulative OCRPS at par value of INR 10/- each due to expiry of 5 years from the date of issue thereof. Preference shares are redeemed at INR 2,908,750 from the accumulated profits of the company.

15.3. Shares held by holding company

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount in INR lakhs	Number of shares	Amount in INR lakhs
Equity shares				
Equity shares of par value INR 10 each				
- Quess Corp Limited	49,994	5.00	49,994	5.00
	49,994	**5.00**	**49,994**	**5.00**

15.4. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value INR 10 each				
- Quess Corp Limited	49,994	99.988%	49,994	99.988%
	49,994	**99.988%**	**49,994**	**99.988%**

16. Instruments entirely equity in nature

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Issued		
Convertible Debentures		
3,104 (March 31, 2020: 6,942) Convertible Debentures of par value of INR 10 each, fully paid up	0.31	0.69
	0.31	**0.69**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount in INR lakhs	Number of shares	Amount in INR lakhs
Convertible Debentures				
At the commencement of the year	6,942	0.69	-	-
Shares issued during the year	-	-	6,942	0.69
Shares redeemed during the year	(3,838)	-0.38	-	-
At the end of the year	**3,104**	**0.31**	**6,942**	**0.69**

Monster.com India Pvt. Ltd. ★ Hyderabad ★

16.2. Rights, preferences and restrictions attached to shares

Convertible Debentures:

The Company has one class of convertible debentures (CDs) of INR 10 per CD. These CD's are unsecured and carry a discretionary coupon of 10% per annum. The CD's shall have a tenure of 10 years from the date of issue. The holder of these CD's shall have the right to convert any or all of the CD's, any time during the tenure of CD's. CD's outstanding at the end of the tenure shall be automatically be converted into Equity shares of the Company. The conversion ratio of these CD's is one fully paid-up equity share having a face value of INR 10 for every convertible debenture having a face value of INR 10.

The CD's were issued to Quess Corp Limited, the holding company at premium on 24-Sep-2019 and shall be convertible to Equity shares of the Company during any time on or before the end of the tenure.

Out of the 6,942 CDs issued, 3,838 CDs were redeemed in the month of Sept'20.

17. Other equity*

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium account (refer note 17.1)	3,432.66	4,758.30
Capital redemption reserve account (refer note 17.2)	29.09	29.09
Retained earnings	-2,156.79	-3,030.63
Other comprehensive income (refer note 17.3)	284.24	211.47
	1,589.20	**1,968.24**

17.1. Securities premium account

a) Security premium on issuance of Preference Shares

Pursuant to the approved scheme of amalgamation effected from Apr 1, 2005 between Monster.com (India) Private Limited and Webneuron Services Limited, the accounting for amalgamation under pooling of interest method recorded was with securities premium of ₹. 236,053,729 along with carrying value of all the assets, liabilities of the transferor company.

b) Security premium on issuance of Convertible Debentures

The Convertible Debentures were issued on 24-Sep-2019 with premium as per fair valuation of the instrument.

17.2. Capital redemption reserve account

During the year 2014-15, the company has redeemed 290,875 preference shares of Rs. 10/- each fully paid. The redemption was carried out of accumulated profits of the company at the face value of ₹. 2,908,750. Accordingly, the value of redemption has been transferred from accumulated distributable profits to Capital redemption reserve.

17.3. Other comprehensive income

Remeasurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income).

* For detailed movement of reserves refer Statement of changes in Equity.

17.4. Dividend

The Company has not declared any dividend during the current year.

18. Other non-current financial liabilities

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current lease liability	272.85	1,055.73
	272.85	**1,055.73**

19. Non-current provisions

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for gratuity (Refer Note No.45) (Unfunded)	326.69	357.71
Provision for compensated absences (Unfunded & Vested) (Refer Note No.45)	51.21	67.53
Provision for compensated absences (Unfunded & Unvested) (Refer Note No.45)	24.50	21.76
	402.40	**447.00**

Monster.com India Pvt. Ltd. ★ Hyderabad ★

Monster.com (India) Private Limited

Notes to the financial statements for the year ended March 31, 2021

20. **Current borrowings**

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Working capital loan from bank repayable on demand	500.00	600.00
	500.00	**600.00**

This comprises of short tem borrowing payable on demad with hypothication of book debts and other moveable assets of the company and backed with corpoarate guarantee.

21. **Trade payables**

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues to micro, small and medium enterprise (Refer Note No. 41)	3.21	-
Trade payables to related parties	126.93	352.18
Other trade payables	1,026.99	839.65
	1,157.13	**1,191.83**

22. **Other current financial liabilities**

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Employee Payables	603.55	674.60
Interest payable accrued but not due	-	4.20
Lease liability	120.13	363.17
	723.68	**1,041.97**

23. **Current provisions**

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for gratuity (Refer Note No.45) (Unfunded)	5.37	8.42
Provision for compensated absences (Unfunded & Vested) (Refer Note No.45)	1.01	1.96
Provision for compensated absences (Unfunded & Unvested) (Refer Note No.45)	6.22	6.05
	12.60	**16.43**

24. **Other current liabilities**

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances payable to government authorities	85.98	115.99
Advance received from customers	33.28	41.01
Unearned Revenue *	2,884.05	3,237.50
Accrued Salaries	293.93	313.16
Provision for expenses	1,027.54	1,572.42
	4,324.78	**5,280.08**

* Unearned revenue represents the billing in excess of revenue recognized to the extent of unexpired period of the service contract (i.e., billing value corresponding to unexpired portion of the subscription/contract period for which services are yet to be availed by customers).

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25. Revenue from Contracts with customers

(i) Disaggregation of revenue

Revenue disaggregation as per segment and geography has been included in segment information (Refer note 44).

(ii) Trade Receivables and Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables, which are included in 'Trade and other receivables'	1,514.72	2,678.31
Contract assets	-	-
Contract liabilities	2,884.05	3,237.50

The unbilled revenue (contract assets) primarily relate to the company's right to consideration for work completed but not billed at the reporting date.The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unearned revenue (contract liabilities) balances of Recruitment Services & Internet Advertisement Fee Services.

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	3,237.50	4,339.73
Add: Billing made during the period (including Distribution Services)	8,215.73	10,433.03
Less: Revenue recognized during the period	-8,361.72	-10,883.58
Less: Contracts suspended due to uncertainity in ultimate collection	-207.47	-651.68
Closing Balance	2,884.04	3,237.50

26. Revenue from operations

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
- Income from Recruitment and Distribution Services	7,039.90	9,685.98
- Income from BPO Operations	1,220.51	1,068.67
- Income from Internet Advertisement Fee [IAF]	101.31	128.93
	8,361.72	**10,883.58**

27. Other income

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Interest income on fixed deposits	4.42	6.66
Interest income on present valuation of financial instruments	34.00	59.70
Interest on tax refunds	184.09	-
Exchange fluctuation gain (net)	-	105.23
Income from sublet of office premises to subsidaries	31.36	30.96
Liabilities no longer required written back	0.61	0.16
Miscellaneous income	125.59	7.05
	380.07	**209.76**

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28. Employee benefit expenses

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Salaries and wages	3,817.90	5,955.84
Contribution to provident and other funds	85.87	110.72
Expenses related to defined benefit plans (gratuity) (refer Note 45)	86.93	109.58
Expenses related to compensated absences (refer Note 45)	-1.74	12.93
Staff welfare expenses	67.84	114.16
	4,056.80	**6,303.23**

29. Finance costs

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Interest expense	7.96	10.08
Interest on short term loans	57.23	95.64
Interest expense on leases	107.02	129.82
Bank & Gateway charges	53.38	69.52
Other borrowing costs	-	6.25
	225.59	**311.31**

30. Other expenses

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Rent	15.91	185.91
Power and fuel	32.10	102.38
Repairs & maintenance		-
- buildings	48.40	105.69
- plant and machinery	167.33	277.22
- others	17.10	23.20
Legal and professional fees	77.57	231.79
Remuneration to Auditors	19.00	19.00
Rates and taxes	19.56	23.29
Printing and stationery	0.95	18.64
Travelling and conveyance	5.48	174.72
Communication expenses	734.02	1,032.23
Impairment loss allowance on trade receivables (net)	155.18	418.22
Insurance	1.66	2.83
Login expenses	142.01	139.55
Loss on sale of fixed assets, net	-	14.75
Foreign exchange loss, net	52.31	-
Miscellaneous expenses	0.22	1.60
	1,488.80	**2,771.02**

30.1. Remuneration to auditors

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Statutory audit fees	14.00	14.00
Tax audit fees	2.00	2.00
Others Services	3.00	3.00
	19.00	**19.00**

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30.2. **Details of CSR expenditure**

As per Section 135 of the Companies Act, 2013, any Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility ("CSR") activities. The areas for CSR activities are outlined in the CSR policy and CSR activities if any are review by a CSR committee formed by the Company as per the Act. As per calculation of CSR spent for the year FY 2020-21 u/s 135, the amount to be spent by the company is NIL.

As per the consecutive losses of the company, the company is not required to spend any amount towards CSR. Thus, no amount has been earmarked for the year and no amount has been charged to the statement of profit and loss.

(a) Gross amount qualify to be spent during financial year 2020-21 - NIL (Previous Year: Nil)
(b) Amount spent during the financial year 2020-21 - NIL (Previous year: Nil)
(c) Amount spent during the financial year 2020-21 from brought forward of previous years - NIL
(d) Total amount spent in cash during the financial year 2020-21 is NIL

Particulars	**For the year ended**	
	March 31, 2021	**March 31, 2020**
Gross amount required to be spent:		
i. Construction/acquisition of any asset	-	-
- Under control of the company for future use		
- Not under control of the Company for future use		
ii. On purpose other than (i) above		-
	-	-
b) Amount spent during the year		
- In cash	-	-
- Yet to be paid in cash	-	-
Total	-	-

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31. Financial instruments - fair value and risk management

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

(Amount in INR lakhs, unless stated otherwise)

Particulars	Carrying amount	Fair value		
	March 31, 2021	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	98.06	-	-	-
Trade receivables	2,095.08	-	-	-
Cash and cash equivalents including other bank balances	1,516.84	-	-	-
Other financial assets	0.32	-	-	-
Total financial assets	**3,710.29**	-	-	-
Financial liabilities measured at amortised cost				
Borrowings	500.00	-	-	-
Trade payables	1,157.13	-	-	-
Other financial liabilities	996.53	-	-	-
Total financial liabilities	**2,653.66**	-	-	-

Particulars	Carrying amount	Fair value		
	March 31, 2020	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	162.22	-	-	-
Trade receivables	2,693.96	-	-	-
Cash and cash equivalents including other bank balances	857.83		-	-
Other financial assets	24.63	-	-	-
Total financial assets	**3,738.64**	-	-	-
Financial liabilities measured at amortised cost				
Trade payables	1,191.83	-	-	-
Other financial liabilities	2,097.69	-	-	
Total financial liabilities	**3,289.52**	-	-	-

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference securities, mutual funds and debentures that have quoted price.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference securities and non convertible debentures included in level 3.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

A. Financial Assets:

Loans, Trade receivables, Cash and cash equivalents and other assets: Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B. Financial Liabilities:

Borrowings, Trade payables and other liabilities: Fair values of borrowings, trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

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32. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

i) Credit risk

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company has established a credit policy under which each new customer is verified individually for credit period before the Company's payment and delivery terms and conditions are offered. The Company's review includes ratings, if they are available, financial statements, credit information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment received from each contracted customer is possible minimum credit period, which is unique for each customer. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 31 March 2021 and 31 March 2020 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers.

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 180 days past due. Loss rates are based on actual credit loss experience over the last six quarters.

These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

(Amount in INR lakhs, unless stated otherwise)

Particulars	March 31, 2021	March 31, 2020
Provision under Expected Credit Loss method using Credit Loss Rate percentage (A)	67.52	99.22
Provision as per management estimate	204.41	299.17
Actual Provision (Higher of A or B)	204.41	299.17

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As at March 31, 2021

(Amount in INR lakhs, unless stated otherwise)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	1,276.72	0.55%	7.08	No	1,269.64
Past due 1–90 days	337.18	5.83%	19.64	No	317.54
Past due 91–180 days	52.58	18.43%	9.69	No	42.89
Past due 181–270 days	25.21	43.62%	11.00	No	14.21
Past due 271 - 360 days	7.49	67.05%	5.02	No	2.47
Above 360 days	15.08	100.00%	15.08	No	-
	1,714.26		**67.52**		**1,646.75**

As at March 31, 2020

(Amount in INR lakhs, unless stated otherwise)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	2,272.91	0.33%	7.49	No	2,265.43
Past due 1–90 days	487.45	3.57%	17.39	No	470.06
Past due 91–180 days	62.56	20.66%	12.93	No	49.64
Past due 181–270 days	16.99	51.33%	8.72	No	8.27
Past due 271 - 360 days	11.64	92.20%	10.73	No	0.91
Above 360 days	41.97	100.00%	41.97	No	0.00
	2,893.52		**99.22**		**2,794.29**

Movement in allowance for impairment in respect of trade receivables:

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	299.17	230.12
Impairment loss allowances recognised	155.18	418.22
Bad Debt Written off	-249.94	-349.18
Balance as at the end of the year	**204.41**	**299.17**

ii) Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 and March 31, 2020. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

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(Amount in INR lakhs, unless stated otherwise)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
As at March 31, 2021					
Borrowings	500.00	500.00	-	-	-
Trade payables	1,157.13	1,157.13	-	-	-
Other financial liabilities	996.53	723.68	132.84	140.01	-
As at March 31, 2020					
Borrowings	600.00	600.00			-
Trade payables	1,191.83	1,191.83	-	-	-
Other financial liabilities	2,097.69	1,041.97	808.96	246.77	-

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Company.

Exposure to currency risk

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

INR lakhs, unless stated otherwise)

Particulars	Currency	As at March 31, 2021		As at March 31, 2020	
		Foreign currency	Amount	Foreign currency	Amount
Trade receivables	SGD	2.09	113.49	-	-
	PHP	80.15	121.04	159.96	235.22
	USD	10.79	788.54	11.69	828.02
	HKD	4.35	40.90	-	-
	GBP	-	-	0.01	1.27
Trade payables	SGD	-	-	0.66	35.21
	PHP	1.71	2.58	1.20	1.76
	USD	1.01	73.69	7.51	568.48
	MYR	5.82	102.64	14.27	249.94
	HKD	-	-	3.44	33.56
	SAR	0.16	3.17	0.20	3.93
	AED	0.27	5.38	0.33	6.73
	EUR	-	-	0.10	8.34

The following significant exchange rates have been applied

Currency	Year end spot rate	
	March 31, 2021	March 31, 2020
SGD/INR	54.35	53.03
PHP/INR	1.51	1.47
USD/INR	73.11	75.67
MYR/INR	17.63	17.52
HKD/INR	9.41	9.76
SAR/INR	19.49	20.15
AED/INR	19.91	20.60

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR at March 31, 2021 and March 31, 2020 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(Amount in INR lakhs, unless stated otherwise)

Particulars	Profit and loss		Equity, net of tax	
	Strengthenin	Weakening	Strengthening	Weakening
March 31, 2021				
SGD(4%)	4.54	-4.54	4.54	-4.54
PHP(5%)	5.92	-5.92	5.92	-5.92
USD(5%)	35.74	-35.74	35.74	-35.74
MYR(3%)	-3.08	3.08	-3.08	3.08
HKD(5%)	2.04	-2.04	2.04	-2.04
AED(5%)	-0.27	0.27	-0.27	0.27
March 31, 2020				
SGD(4%)	-1.41	1.41	-1.41	1.41
PHP(5%)	11.67	-11.67	11.67	-11.67
USD(5%)	15.79	-15.79	15.79	-15.79
MYR(3%)	-7.50	7.50	-7.50	7.50
HKD(3%)	-1.01	1.01	-1.01	1.01
SAR(2%)	-0.08	0.08	-0.08	0.08
AED(2%)	-0.13	0.13	-0.13	0.13

b) **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 has MCLR linked interest rate applicable on the short term borrowings.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at	
	31 March 2021	31 March 2020
Variable rate borrowings	500.00	600.00
Fixed rate borrowings	-	-
Total borrowings	**500.00**	**600.00**

(b) Sensitivity

(Amount in INR lakhs, unless stated otherwise)

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
March 31, 2021				
Variable rate borrowings	5.00	-5.00	5.00	-5.00
March 31, 2020				
Variable rate borrowings	6.00	-6.00	6.00	-6.00

33. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure of the company consists of equity attributable to equity holders, comprising issued capital and retained earnings. The company does not have externally imposed capital requirements.

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34. Capital commitments

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	-	-
Estimated amount of contracts remaining to be executed on non-capital account not provided for, net of advances	-	-

35. Contingent liabilities and commitment (to the extent not provided for)

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Customer case pending against the company	-	-
b) Claims against the Company not acknowledged as debt	-	-
c) Income tax assessment	-	-

36. Earnings in foreign currency (Receipt Basis)

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Receipts from Operations	3,236.31	4,896.99

37. Expenditure in foreign currency (invoice basis)

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Business promotion expenses	38.49	96.40
Legal and Professional charges	-	3.92
Internet Infrastructure Services	631.69	588.80
Other Operating expenses	114.13	92.81
Expenses incurred by Foreign Branches	116.93	283.07

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38. Earnings per share

(Amount in INR lakhs except number of shares and per share data)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Nominal value of equity shares (INR 10 per share)	10	10
Net Loss after tax for the purpose of earnings per share (INR in lakhs)	873.83	-3,212.41
Weighted average number of shares used in computing basic earnings per share	50,000	50,000
Basic earnings per share (INR)	**1,747.66**	**-6,424.82**
Weighted average number of shares used in computing diluted earnings per share	50,000	50,000
Diluted earnings per share (INR)	**1,747.66**	**-6,424.82**

Computation of weighted average number of shares

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Number of equity shares outstanding at beginning of the year	50,000	50,000
Add: Weighted average number of equity shares issued during the year	-	-
Weighted average number of shares outstanding at the end of the year for computing basic earnings per share	50,000	50,000
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	50,000	50,000

39. Lease liability

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liability	120.13	363.17
Non-current lease liability	272.85	1,055.73
Total	**392.98**	**1,418.90**

Movement in lease liabilities:

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Operating lease recognised on adoption of Ind AS 116	1,418.90	863.32
Add: Additions	-	937.84
Less: Deletion	-749.74	-62.31
Add: Finance cost accrued during the period	107.62	129.82
Less: Payment of lease obligation	-383.80	-449.78
Carrying amount as at 31 March 2021	392.98	1,418.90

Amount recognised in Profit & Loss Account

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Interest expense (included in finance cost)	107.6	128.89
Expenses relating to short-term lease (included in other expenses)	54.03	124.57
Expenses relating to lease of low value assets that are not included above	-	-
	161.65	253.45

Details of the contractual maturities of lease liabilities at undiscounted basis:

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	152.29	474.80
One to five years	299.85	1,225.75
More than five years	-	

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40. Related party disclosures

(i) Name of related parties and description of relationship:

- Holding Company	Quess Corp Limited, India
- Entities under common control	MFX Infotech Private Limited, India Brainhunter Systems Ltd., Canada Mindwire Systems Limited, Canada Quess (Philippines) Corp., Philippines Quess Corp (USA) Inc., USA Quesscorp Holdings Pte. Ltd., Singapore Quess Corp Vietnam LLC, Vietnam Quessglobal (Malaysia) SDN. BHD., Malaysia Quess Corp Lanka (Private) Limited, Sri Lanka Comtel Solutions Pte. Ltd., Singapore MFXchange Holdings, Inc., Canada MFXchange US, Inc. , USA MFX Chile SpA , Chile Dependo Logistics Solutions Private Limited, India Excelus Learning Solutions Private Limited, India Conneqt Business Solution Limited, India Vedang Cellular Services Private Limited, India Golden Star Facilities and Services Private Limited, India Comtelpro Pte. Limited., Singapore Comtelink Sdn. Bhd, Malaysia Monster.com.SG PTE Limited, Singapore Monster.com HK Limited, Hong Kong Agensi Pekerjaan Monster Malaysia SDN. BHD., Malaysia Quesscorp Management Consultancies, Dubai, UAE Quesscorp Manpower Supply Services LLC, Dubai, UAE Qdigi Services Limited, India Greenpiece Landscapes India Private Limited, India Simpliance Technologies Private Limited, India Allsec Technologies Limited, India Allsectech Inc., USA, USA Allsectech Manila Inc., Philippiness, Philippines Retreat Capital Management Inc., USA, USA Trimax Smart Infraprojects Private Limited, India Quess Corp Services Limited, Bangladesh Terrier Security Services (India) Private Limited, India Quess East Bengal FC Private Limited, India
- Associates of Holding Company	Heptagon Technologies Private Limited, India Quess Recruit, Inc., Philippines Agency Pekerjaan Quess Recruit SDN. BHD., Malaysia Stellars Log Technovation Private Limited, India

Key executive management personnel

Mr. K. Suraj Moraje -Director (wef 01-04-2020)
Mr. Subramanian Ramakrishnan - Director (till 31-03-2021)
Mr. Rajesh Kharidehal - Director
Mr. Lohit Bhatia - Director
Mr. Krishnan Seshadri - Chief Executive Officer (KMP) (till 17-07-2020)

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Monster.com (India) Private Limited
Notes to the financial statements for the year ended March 31, 2021

(ii) Related party transactions during the year

(Amount in INR lakhs, unless stated otherwise)

Particulars		For the year ended	
		March 31, 2021	March 31, 2020
Sale of Recruitment Solutions & IAF Services	Quess Corp Limited	22.91	30.53
	Vedang Cellular Services Pvt. Ltd	-	0.46
	Quesscorp Manpower Supply Servcies LLC	587.74	-
Income from BPO operations			
(a) Telecalling services #1	Monster.com SG Pte. Ltd.	204.89	366.28
	Agensi Pekerjaan Monster Malaysia Sdn Bhd	36.59	60.82
#1 Telecalling service is remunerated at cost plus 15% markup			
(b) Consultancy & Management support services	Monster.com SG Pte. Ltd.	548.40	444.46
	Agensi Pekerjaan Monster Malaysia Sdn Bhd	365.60	197.11
	Monster.com HK Ltd.	65.04	-
#2 Consultancy & Management support services are remunerated at cost plus 10% markup.			
Income from sublet of office premises			
	MFX Infotech Private Limited	3.81	2.76
	Quesscorp Manpower Supply Servcies LLC	-	2.78
	Excelus Learning Solutions Private Limited	27.55	25.42
Receipts from Distribution of access rights (net)	Monster.com SG Pte. Ltd.	39.11	228.29
	Agensi Pekerjaan Monster Malaysia Sdn Bhd	18.99	50.20
	Monster.com HK Ltd.	39.11	19.89
Purchase of Services	Quess Corp Limited	22.09	92.20
	Terrier Security Services (India) Private Ltd	16.38	32.24
	Heptagon Technologies Private Limited	-	14.87
	Quesscorp Manpower Supply Servcies LLC	-	34.88
Payment for Distribution of access rights (net)	Monster.com SG Pte. Ltd.	53.03	235.51
	Agensi Pekerjaan Monster Malaysia Sdn Bhd	26.22	143.76
	Monster.com HK Ltd.	8.83	20.77

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in INR lakhs, unless stated otherwise)

Particulars		As at March 31, 2021	As at March 31, 2020
Trade receivables (net)	Monster.com SG Pte. Ltd.	113.49	-
	Quess Corp Limited	9.58	1.54
	MFX Infotech Private Limited	-	0.92
	Quesscorp Manpower Supply Servcies LLC	293.87	0.32
	Terrier Security Services (India) Private Ltd	-	0.27
	Qdigi Services Limited	1.18	1.18
	Vedang Cellular Services Pvt. Ltd	-	0.54
	Monster.com HK Ltd.	40.90	-
Trade payables (net)	Agensi Pekerjaan Monster Malaysia Sdn Bhd	102.64	249.94
	Monster.com HK Ltd.	-	33.56
	Monster.com SG Pte. Ltd.	-	35.21
	Quess Corp Limited	26.03	33.46
	Allsec Technologies Limited	0.40	-
	Quesscorp Manpower Supply Servcies LLC	0.76	-
	Terrier Security Services (India) Private Ltd	0.31	-

Monster.com India Pvt. Ltd. ★ Hyderabad ★

(iv) Compensation of key managerial personnel

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Abhijeet Mukherjee (till 18-08-2019)	-	36.80
Krishnan Seshadri (till 17-07-2020)	29.36	119.11
	29.36	**36.80**

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

41. Dues to micro, small and medium enterprises

Information as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:
In terms of the requirements of the Micro, Small and Medium Enterprises Development Act, 2006, (here after referred as "MSMED Act") the Company has continuously sought confirmations.
Based on the information available with the Company, there are no principal / interest amounts due to micro, small and medium enterprises towards supply of goods or services.

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of the year	3.21	-
The amount of interest paid by the buyer in terms of section 16 of the MEMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
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 MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of the 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	-	-

42. Transfer pricing:

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international as well as specified domestic transactions (if applicable) entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international as well as specified domestic transactions (if any) are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

43. Update on the Code on Social Security, 2020 ('Code')

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

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Monster.com India Pvt. Ltd. * Hyderabad *

Monster.com (India) Private Limited
Notes to the financial statements for the year ended March 31, 2021

44. Segment reporting

Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, segment information has been presented both along business segments and geographic segments for the service offerings. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Reportable segment:

The company has considered "'Business Segment" as its primary segment and "'Geographic Segment" as its secondary segment. Revenues and expenses directly attributable to segments are reported under each reportable segment. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable in business segment reporting.

A) Business segment information

The segments have been identified taking into account the nature of service offerings.

1. Recruitment Solutions and IAF Services: This segment comprises of services primarily relating to services relating to recruitment solutions such as Resume database access, Job Postings, distribution of access rights of third party products and services, consumer services and fee for Internet advertisement services. The revenue from this segment is earned from domestic and outside India customers (i.e., export of sales from India & sales from foreign branches to their customers).

2. BPO Services: This segment comprises of business process outsourcing activity relating to (a) tele marketing/calling service offered to certain associated enterprises of the company and (b) Web Design & IT Support Services provided to certain associated enterprises of the company. The revenue from BPO services segment is earned from outside India customers (i.e., export of services from India).

A Business segment information for the year ended is as follows:

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Recruitment Solutions & IAF Services	BPO Services	Total	Recruitment Solutions & IAF Services	BPO Services	Total
Segment revenue	7,141.21	1,220.51	8,361.72	9,814.91	1,068.67	10,883.58
Segment cost	6,748.95	1,100.01	7,848.96	12,983.08	1,264.23	14,247.31
Segment result	**392.26**	**120.50**	**512.76**	**-3,168.17**	**-195.55**	**-3,363.73**
Other income			380.07			209.76
Unallocated corporate expenses			19.00			19.00
Profit before taxation	**392.26**	**120.50**	**873.83**	**-3,168.17**	**-195.55**	**-3,172.96**
Taxation (Expense)/ Benefit			-			-39.43
Profit after taxation	**392.26**	**120.50**	**873.83**	**-3,168.17**	**-195.55**	**-3,212.40**
Segment asset	6,053.25	319.81	6,373.06	7,679.88	-	7,679.88
Segment liabilities	8,572.94	-	8,572.94	11,143.54	-	11,143.54
Capital expenditure	-	-	-	581.81	-	581.81

B Geographic information:

The geographical information analyses are allocated based on the Company's country of domicile (i.e. India) and other countries. The company operations are geographically spread across India, Middle East region (includes Dubai & Kingdom of Saudi Arabia) and Philippines. In presenting the geographical information, segment revenue has been based on the geographical location of the office that made the sale.

(Amount in INR lakhs, unless stated otherwise)

Revenue	For the year ended March 31, 2021	For the year ended March 31, 2020
India	7,437.56	9,557.24
Middle East	311.96	595.86
Philippines	612.19	730.48
Total	**8,361.72**	**10,883.58**

C Major customer

None of the customers of the Company has revenue which is more than 10 % of the Company's total revenue

Monster.com (India) Private Limited
Notes to the financial statements for the year ended March 31, 2021

45. Assets and liabilities relating to employee benefits

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Net defined benefit liability, gratuity plan	332.06	366.13
Net defined benefit liability, Compensated absences (Vested)	52.21	69.49
Net defined benefit liability, Compensated absences (Unvested)	30.73	27.82
Total employee benefit liability	**415.00**	**463.44**
Current	12.60	16.43
Non-current	402.40	447.01
	415.00	**463.44**

The Company does not have any assets relating to employee benefits. For details relating to employee benefit expenses, see note .

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act,1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ assets and its components:

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity
Reconciliation of present value of defined benefit obligation						
Obligation at the beginning of the year	69.49	27.82	366.14	97.06	30.69	400.69
Current service cost	5.27	10.19	64.45	8.44	12.12	79.61
Interest cost	4.27	1.71	22.48	7.26	2.30	29.97
Past service cost	-	-	-	-	-	-
Benefits settled	(12.63)		(48.24)	(43.37)		(124.01)
Actuarial (gains)/ losses recognised in other comprehensive income						
- Changes in experience adjustments	(13.26)	(8.98)	(66.62)	(11.75)	(17.28)	(80.47)
- Changes in demographic assumptions	-	-	-	(0.15)	-	(1.83)
- Changes in financial assumptions	(0.93)	-	(6.14)	12.00	-	62.17
Obligation at the end of the year	**52.21**	**30.74**	**332.07**	**69.49**	**27.82**	**366.14**

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended					
	March 31, 2021			March 31, 2020		
	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity
B (i) Expense recognised in profit or loss						
Current service cost	5.27	10.19	64.45	8.44	12.12	79.61
Interest cost	4.27	1.71	22.48	7.26	2.30	29.97
Past service cost	-	-	-	-	-	-
Net gratuity cost	**9.54**	**11.91**	**86.93**	**15.70**	**14.42**	**109.58**
(ii) Remeasurement recognised in other comprehensive income						
Actuarial (gains) /losses on defined benefit oblig:	-14.19	-8.98	-72.76	0.10	-17.28	-20.12
	-14.19	**-8.98**	**-72.76**	**0.10**	**-17.28**	**-20.12**

Monster.com India Pvt. Ltd. * Hyderabad *

Monster.com (India) Private Limited
Notes to the financial statements for the year ended March 31, 2021

Particulars	For the year ended					
	March 31, 2021			March 31, 2020		
	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity
C Defined benefit obligation - Benefits paid						
Actual Benefit Payments	12.63	-	48.24	43.37	-	124.01
D Defined benefit obligation - Actuarial Assumptions						
Discount rate	6.27%	6.27%	6.27%	7.48%	7.48%	7.48%
Future salary growth	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
E Defined benefit obligation - bifurcation into current & non current						
Current	1.01	6.22	5.37	1.96	6.05	8.42
Non-current	51.21	24.51	326.69	67.53	21.77	357.72

F Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Amount in INR lakhs, unless stated otherwise)

	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-28.47	31.26	-31.86	35.03
Future salary growth (0.5% movement)	21.71	-19.64	30.07	-27.74

46. Business Continuity reference

The company has accumulated losses amounting to Rs. 21.56 crores as at March 31, 2021. This condition indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, the holding company has agreed to provide continuing financial support, if necessary, to the company to meet its current obligations as and when they become due. Based on the above, the financial statements have been prepared on going concern basis and no adjustments are made to the carrying value of assets and liabilities.

47. Covid-19 Impact

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

48. Previous year figures have been regrouped wherever necessary to correspond to current year classification.

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad, INDIA
Date: May 07, 2021

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

Rajesh Kharidehal
Director
DIN: 08472077

Suraj Krishna Moraje
Director
DIN: 08594844

MSKA
& Associates
Chartered Accountants

1101/B, Manjeera Trinity Corporate,
JNTU-Hitech City Road, Kukatpally,
Telangana State, Hyderabad 500072, INDIA
Tel: +91 40 6814 2999

INDEPENDENT AUDITOR'S REPORT

To the Members of Qdigi Services Limited (formerly known as HCL Computing Products Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Qdigi Services Limited (formerly known as HCL Computing Products Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 opinion.

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Emphasis of Matter

We draw attention to Note 46 to the financial statements which states that management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company does not have any pending litigations which would impact its financial position.

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

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

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 21205226AAAAEE9293

Place: Hyderabad, INDIA

Date: May 03,2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF QDIGI SERVICES LIMITED (FORMERLY KNOWN AS HCL COMPUTING PRODUCTS LIMITED)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 21205226AAAAEE9293

Place: Hyderabad, INDIA
Date: May 03,2021

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF QDIGI SERVICES LIMITED (FORMERLY KNOWN AS HCL COMPUTING PRODUCTS LIMITED) FOR THE YEAR ENDED MARCH 31, 2021

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) Fixed assets (Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There are no immovable properties held in the name of the company.

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

MSKA & ASSOCIATES
Hyderabad
Chartered Accountants

v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2021 and the Company has not accepted any deposits during the year.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

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

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in

MSKA & ASSOCIATES Hyderabad Chartered Accountants

accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

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

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES * Hyderabad * Chartered Accountants

Ananthakrishnan Govindan

Partner
Membership No. 205226
UDIN: 21205226AAAAEE9293

Place: Hyderabad, INDIA
Date: May 03,2021

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF QDIGI SERVICES LIMITED (FORMERLY KNOWN AS HCL COMPUTING PRODUCTS LIMITED)

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to financial statements of **Qdigi Services Limited (formerly known as HCL Computing Products Limited)** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial

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Hyderabad
Chartered Accountants

statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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Chartered Accountants

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 21205226AAAAEE9293

Place: Hyderabad, INDIA
Date: May 03,2021

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Balance Sheet as at March 31, 2021

(Amount in INR)

Balance Sheet	Note	As at 31 Mar 2021	As at 31 Mar 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	12,72,03,053	19,26,78,100
Capital work-in-progress	3	-	3,52,382
Goodwill	4	18,42,35,457	18,42,35,457
Other intangible assets	4	30,56,913	45,88,023
Intangible asset under development	4	2,39,68,964	1,09,51,632
Financial assets			
(i) Non-current loans	5	1,02,18,915	1,57,14,362
Income tax assets (net)	7	86,98,655	1,64,74,566
Other non-current assets	8	15,35,906	29,92,253
Total non-current assets		**35,89,17,863**	**42,79,86,775**
Current assets			
Inventories	9	14,27,47,752	8,23,66,094
Financial assets			
(i) Trade receivables	10	14,19,09,411	16,95,26,219
(ii) Cash and cash equivalents	11	2,70,97,942	7,57,44,604
(iii) Bank balances other than cash and cash equivalents	12	6,85,74,930	1,99,54,930
(iv) Current loans	13	92,70,082	69,96,623
(v) Unbilled revenue	14	5,73,45,797	2,45,71,187
(vi) Other current financial assets	15	37,71,684	17,21,277
Other current assets	16	3,48,39,960	1,43,58,800
Total current assets		**48,55,57,558**	**39,52,39,734**
Total Assets		**84,44,75,421**	**82,32,26,509**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	5,34,96,500	5,34,96,500
Other equity	18	23,33,55,135	24,36,75,318
Total equity		**28,68,51,635**	**29,71,71,818**
Liabilities			
Non-current liabilities			
Financial liabilities			
Non-current Employee benefit obligations	19	99,76,667	83,17,146
Other non-current financial liabilities	20	7,22,18,695	13,26,51,800
Deferred tax liability (net)	6	50,07,063	52,39,525
Total non-current liabilities		**8,72,02,425**	**14,62,08,471**
Current liabilities			
Financial liabilities			
(i) Borrowings	21	4,97,90,273	-
(ii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	22	-	-
b) total outstanding dues of creditors other than micro enterprise and small enterprise		6,19,58,218	7,27,23,268
(iii) Other current financial liabilities	23	16,35,78,125	14,61,85,770
Current Employee benefit obligations	24	36,18,104	37,13,077
Other current liabilities	25	19,14,76,641	15,72,24,106
Total current liabilities		**47,04,21,361**	**37,98,46,221**
Total Liabilities		**55,76,23,786**	**52,60,54,692**
Total Equity and Liabilities		**84,44,75,421**	**82,32,26,509**

Company overview and Significant accounting policies 1 & 2

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

for **MSKA & Associates**
Chartered Accountants
Firm's Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226
Place: Hyderabad, INDIA
Date: May 03, 2021

for and on behalf of the Board of Directors of
Qdigi Services Limited (formerly known as HCL Computing Products
CIN: U52100DL2012PLC238730

QDIGI SERVICES LIMITED

Deven Sharma
Director
DIN: 08987509
Place: Bengaluru, INDIA
Date: May 03, 2021

Srinivasan Guruprasad
Director
DIN: 0007596207
Place: Bengaluru, INDIA
Date: May 03, 2021

Qdigi Services Limited (formerly known as HCL Computing Products Limited)

Statement of Profit and Loss for the year ended March 31, 2021

(Amount in INR, except equity share and per equity share data)

Statement of Profit and Loss	**Note**	**For the year ended 31 Mar 2021**	**For the year ended 31 Mar 2020**
Income			
Revenue from operations	26	1,84,75,23,501	1,88,15,21,164
Other income	27	43,20,273	1,83,90,654
Total income		**1,85,18,43,774**	**1,89,99,11,818**
Expenses			
Cost of material, stores and spare parts consumed	28	1,12,36,56,211	1,09,37,90,915
Employee benefit expenses	29	43,00,65,717	36,09,63,440
Finance costs	30	1,35,08,122	3,32,22,670
Depreciation and amortisation expenses	31	6,73,51,868	5,86,87,506
Other expenses	32	22,79,73,207	37,83,72,724
Total expenses		**1,86,25,55,125**	**1,92,50,37,255**
Profit before share of profit of equity accounted investees and income tax		**(1,07,11,351)**	**(2,51,25,437)**
Profit/(Loss) before tax		**(1,07,11,351)**	**(2,51,25,437)**
Tax expense			
Effect of change in tax rate		-	(5,12,367)
Deferred tax	6	2,68,774	(66,25,541)
Total tax expenses		**2,68,774**	**(71,37,908)**
Profit/(Loss) for the year		**(1,04,42,577)**	**(3,22,63,345)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		1,58,707	(1,88,322)
Income tax relating to items that will not be reclassified to profit or loss	6	(36,312)	43,088
Other comprehensive income for the year, net of tax		**1,22,395**	**(1,45,234)**
Total comprehensive income for the year		**(1,03,20,182)**	**(3,24,08,579)**
Earnings / (Loss) per share			
Basic earnings /(loss) per share (INR)	37	(2.06)	(6.36)
Diluted earnings /(loss) per share (INR)	37	(2.06)	(6.36)

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

for **MSKA & Associates**
Chartered Accountants
Firm's Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad, INDIA
Date: May 03, 2021

for and on behalf of the Board of Directors of
Qdigi Services Limited (formerly known as HCL Computing Products Limited)
CIN: U52100DL2012PLC238730

Deven Sharma
Director
DIN: 08987509

Place: Bengaluru, INDIA
Date: May 03, 2021

QDIGI SERVICES LIMITED

Srinivasan Guruprasad
Director
DIN: 00075[illegible]207

Place: Bengaluru, INDIA
Date: May 03, 2021

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Statement of Cash Flows for the year ended March 31, 2021

(Amount in INR)

Statement of cash flows	31 March 2021	31 March 2020
Cash flows from operating activities		
Profit/(Loss) after tax	(1,04,42,577)	(3,22,63,345)
Adjustments for:		
Depreciation and amortisation	6,73,51,868	5,86,87,506
Finance income on present valuation of financial instruments	(12,39,959)	(9,01,446)
Liabilities no longer required written back	-	1,62,68,429
Impairment loss allowance on financial assets, net	(44,00,723)	45,93,568
Interest income on term deposits	(22,16,682)	(12,20,779)
Tax expense	(2,32,461)	70,94,820
Finance costs	1,35,08,122	3,32,22,670
Operating cash flows before working capital changes	**6,23,27,588**	**8,54,81,424**
Changes in inventories, trade receivables and unbilled revenue	(6,11,38,737)	3,88,29,158
Changes in loans, other financial assets and other assets	(1,66,13,273)	1,03,40,372
Changes in trade payables and other financial liabilities	4,93,71,106	(10,07,14,920)
Cash generated from operations	**3,39,46,683**	**3,39,36,034**
Income taxes paid, net of refund	77,75,912	(65,59,805)
Net cash provided by/ (used in) operating activities (A)	**4,17,22,595**	**2,73,76,229**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(2,88,77,061)	(2,03,29,085)
Bank deposits (having original maturity of more than three months)	(4,86,20,000)	(38,80,000)
Liabilities and provisions reversed	-	(1,62,68,429)
Interest income on term deposits	22,16,682	12,20,780
Net cash used in investing activities (B)	**(7,52,80,379)**	**(3,92,56,734)**
Cash flows from financing activities		
Proceeds from borrowings	4,97,90,273	-
Proceeds from issue of equity shares, net of issue expenses	-	4,99,99,950
Lease liability paid	(5,13,71,029)	(3,64,91,105)
Interest paid	(1,35,08,122)	(3,32,22,670)
Net cash used in financing activities (C)	**(1,50,88,878)**	**(1,97,13,825)**
Net increase in cash and cash equivalents (A+B+C)	(4,86,46,662)	(3,15,94,327)
Cash and cash equivalents at the beginning of the period	7,57,44,604	10,73,38,934
Cash and cash equivalents at the end of the year (refer note 11)	**2,70,97,942**	**7,57,44,604**

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

for **MSKA & Associates**
Chartered Accountants
Firm's Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad, INDIA
Date: May 03, 2021

for and on behalf of the Board of Directors of
Qdigi Services Limited (formerly known as HCL Computing Products Limited)
CIN: U52100DL2012PLC238730

Deven Sharma
Director
DIN: 08987509

Place: Bengaluru, INDIA
Date: May 03, 2021

QDIGI SERVICES LIMITED

Srinivasan Guruprasad
Director
DIN: 0007596207

Place: Bengaluru, INDIA
Date: May 03, 2021

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Statement of Changes in Equity for the year ended 31 March 2021

(Amount in INR)

(A) Equity share capital	31 March 2021	31 March 2020
Opening balance	5,34,96,500	5,00,00,000
Changes in equity share capital	-	34,96,500
Closing balance (refer note 17)	**5,34,96,500**	**5,34,96,500**

(B) Other equity

(Amount in INR)

Particulars	Other equity				Total equity attributable to equity holders of the Company
	Reserves and Surplus		Corporate guarantee	Other items of other Comprehensive Income	
	Securities premium	Retained earnings		Remeasurements of defined benefit liability	
Balance as of 1 April 2019	24,50,00,000	(1,79,20,357)	20,00,000	5,00,804	22,95,80,447
Add: Issue of equity shares	4,65,03,450	-	-		4,65,03,450
Add: Profit/(Loss) for the year	-	(3,22,63,345)	-	-	(3,22,63,345)
Add: Other comprehensive income (net of tax)	-	-	-	(1,45,234)	(1,45,234)
Balance as of 31 March 2020 (refer note 18)	**29,15,03,450**	**(5,01,83,702)**	**20,00,000**	**3,55,570**	**24,36,75,318**
Balance as of 1 April 2020	29,15,03,450	(5,01,83,702)	20,00,000	3,55,570	24,36,75,318
Add: Profit/(Loss) for the year	-	(1,04,42,577)	-	-	(1,04,42,577)
Add: Other comprehensive income (net of tax)	-	-	-	1,22,395	1,22,395
Balance as of 31 March 2021 (refer note 18)	**29,15,03,450**	**(6,06,26,279)**	**20,00,000**	**4,77,965**	**23,33,55,135**

The notes referred to above form an integral part of financial statements.
As per our report of even date

for **MSKA & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad, INDIA
Date: May 03, 2021

for and on behalf of Board of Directors of
Qdigi Services Limited (formerly known as HCL Computing Products Limited)

Deven Sharma
Director
DIN: 08987509

Place: Bengaluru, INDIA
Date: May 03, 2021

Srinivasan Guruprasad
Director
DIN: 00075962[illegible]

Place: Bengaluru, INDIA
Date: May 03, 2021

QDigi Services Limited (formerly known as HCL Computing Products Limited)
Notes to the financial statements for the year ended March 31, 2021

1. Company overview

QDigi Services Limited (formerly known as HCL Computing Products Limited) ("Qdigi" or "the Company"), is a public limited company incorporated and domiciled in India. The registered office of the Company is located at New Delhi, India. Quess Corp Limited acquired Qdigi from HCL Infosystems Limited in April 2018. The Company is in the business of providing after-sales services for consumer products like mobile phones, electronics and durables with an extensive service network across India comprising of its own walk-in-centers and authorised service providers.

2. Basis of preparation

2.1 Statement of compliance

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Company's Ind AS financial statements are approved for issue by the Company's Board of Directors on 3 May 2021.

The Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the functional currency of the Company.

2.2 Basis of measurement and significant accounting policies

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

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO").

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

2.3 Use of estimates and judgement

Preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

i. ***Income taxes:*** Significant judgements are involved in determining provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

ii. ***Measurement of defined benefit obligations:*** The cost of the defined benefit obligations are based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.

iii. ***Impairment of financial assets:*** The Company assesses the expected credit losses associated with financial assets carried at amortised cost based on 12-month expected credit losses (ECL) at each financial year end, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL

iv. ***Intangible asset under development:*** The Company capitalizes intangible asset under development for a project in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

v. ***Property, plant and equipment and Intangible assets:*** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

MSKA & ASSOCIATES Hyderabad Chartered Accountants

QDIGI SERVICES LIMITED

Basis of measurement and significant accounting policies (continued)

vi. ***Business combinations:*** Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets (such as brands, customer contracts and customer relationships). These valuations are conducted by independent valuation experts.

vii. ***Other estimates:*** The impairment of non-financial assets involves key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets.

2.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.5 Functional and presentation currency

Items included in the Ind AS financial statements of Company are measured using the currency of the primary economic environment in which the entities operate (i.e. the "functional currency").

2.6 Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is classified as capital advances under other non-current assets and the cost of the assets not ready for intended use are disclosed under 'Capital work-in-progress'

ii) Depreciation

Depreciation is provided on a Straight Line Method ('SLM') over the estimated useful lives of the property, plant and equipment as estimated by the Management and is generally recognized in the statement of profit and loss. The management believes that the useful lives as given below best represent the period over which the management expects to use these assets based on an internal assessment and technical evaluation where

MSKA & ASSOCIATES Hyderabad Chartered Accountants

QDIGI SERVICES LIMITED

necessary. Hence, the useful lives for some of these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). The Company has estimated the useful lives for property, plant and equipment as follows:

Asset category	Estimated useful life for 31 March 2021
Plant and machinery	5 years
Computer equipment	3 years
Furniture and Fixtures	5 years
Office equipment	5 years

Leasehold improvements are depreciated over the lease term or estimated useful life whichever is lower.

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

2.7 Goodwill and other intangible assets

(i) Goodwill

The excess of the cost of acquisition over the Company's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the excess is negative, it is considered as a bargain purchase gain. Any gain on a bargain purchase is recognized in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase. Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows.

(ii) Other intangible assets

Customer Relationships

Customer relationships acquired as part of acquisitions of businesses are capitalised as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.

These valuations are conducted by independent valuation experts. Brand, customer contracts and customer relationships acquired as part of business combinations are capitalised as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Others

Other intangible assets such as computer software is initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

(a) Recognition and measurement

Internally generated: Research and development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brand, is recognised in the statement of profit and loss as and when incurred.

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Basis of measurement and significant accounting policies (continued)

(iv) Amortisation

Goodwill is not amortised and is tested for impairment annually. Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation expenses in the statement of profit and loss.

The estimated useful lives of intangible assets are as follows:

Asset category	Estimated useful life for 31 March 2021
Software	3 years
Customer relationships	5 years

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted if appropriate.

2.8 Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit ("CGU") to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in net profit in the statement of profit and loss and is not reversed in the subsequent period.

2.9 Leases

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The Company has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The Company's lease asset classes primarily consist of Land and Building. The Company assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimated of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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Basis of measurement and significant accounting policies (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate (As at 1 April 2019 - 9.5%).

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

The Company has elected not to recognize right-of-use assets and liabilities for short-term leases of INR 100,000 that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Practical expedients adopted on initial recognition:

1. The agreements maturing within 12 months from the initial application of Ind AS 116, are not considered.
2. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.

Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

Refer note 40 for disclosure related to leases.

2.10 Inventories

Inventories (stores and spares) which comprise of electronic components are valued at the lower of cost and net realizable value. Cost of inventories comprises purchase price and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell.

Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items. The Company assess the obsolescence of inventory on a periodic basis.

Goods in-transit is valued inclusive of custom duty, where applicable.

2.11 Revenue recognition

The Company adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each product or service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime are recognized as per the terms of the arrangement with the customers.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Refer Note 43 for disclosure related to revenue from contracts with customers.

2.12 Other income

Other income mostly comprises interest income on deposits and income and gain/ (losses) on disposal of financial assets and non-financial assets. Interest income is recognised using the effective interest method.

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Basis of measurement and significant accounting policies (continued)

2.13 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

2.14 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified and measured at

- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
   - the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
   - the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(ii) A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
   - the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
   - the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(iii) On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-to-investment basis.

b) Classification and subsequent measurement (continued)

(iv) All financial assets not classified at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Basis of measurement and significant accounting policies (continued)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

c) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 (i) details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on financial assets, trade receivables. 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 ECLs at each reporting date, right from its initial recognition.

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) is recognised as an income/expense in the Statement of Profit and Loss during the period.

d) **Derecognition of financial assets**

A financial asset is derecognised only when:

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit and loss. Other financial liabilities subsequently measured at

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Basis of measurement and significant accounting policies (continued)

amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit and loss. Any gain or loss is also recognized in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.15 Employee benefits

(a) Short-term benefit plans

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Short term employee benefits are measured on an undiscounted basis as the related service is provided and recognized as expense.

(b) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or encash the leave at the time of leaving the employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as at the reporting date.

(c) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(d) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Further, the Statement of profit and loss does not include an expected return on plan assets. Instead net interest recognised in the Statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to the Statement of profit and loss in subsequent periods.

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Basis of measurement and significant accounting policies (continued)

(e) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.16 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the Statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realised. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Ind AS 12 defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet. Since Company is falling under new tax regime MAT is not applicable to the Company.

2.17 Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with the contract.

2.18 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

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Basis of measurement and significant accounting policies (continued)

2.19 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ 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 Company are segregated.

2.21 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.22 Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments, refer note 42.

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Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Notes to the financial statements for the year ended 31 March 2021

3 Property, plant and equipment and Capital work-in-progress

(Amount in INR)

Particulars	Leasehold improvements	Furniture and fixtures	Office equipment	Plant and machinery	Computer equipment	Right to use asset- Building	Total Property, Plant and Equipment	Capital work-in-progress
Gross carrying amount								
Balance as at 1 April 2019	4,58,00,722	1,63,10,033	1,40,68,111	91,82,350	2,77,68,439	0	2,61,13,397	2,43,750
Recognised on Ind AS 116 applicability	-	-	-	-	-	12,44,81,260	12,44,81,260	
Addition	45,38,399	1,47,754	18,91,611	1,75,842	25,01,814	9,52,07,861	10,44,63,282	42,02,859
Disposals	-	-	-	-	-	(52,27,642)	(52,27,642)	-
Capitalised during the year	-	-	-	-	-		-	(40,94,227)
Balance as at 31 March 2020	**5,03,39,121**	**1,64,57,787**	**1,59,59,722**	**93,58,193**	**3,02,70,254**	**21,44,61,479**	**24,98,30,296**	**3,52,382**
Balance as at 1 April 2020	5,03,39,121	1,64,57,787	1,59,59,722	93,58,193	3,02,70,254	21,44,61,479	19,24,26,232	3,52,382
Addition	1,25,24,767	6,65,095	8,85,895	24,600	21,11,754	4,33,46,372	5,95,58,482	
Disposals	-	-	-	-	-	(8,74,88,506)	(8,74,88,506)	
Capitalised during the year								(3,52,382)
Balance as at 31 March 2021	**6,28,63,888**	**1,71,22,882**	**1,68,45,617**	**93,82,793**	**3,23,82,008**	**17,03,19,345**	**30,89,16,532**	-
Accumulated depreciation and impairment losses								
Balance as at 1 April 2019	3,79,12,097	1,05,07,234	84,68,122	71,46,495	2,29,82,309	-	8,70,16,257	-
Depreciation for the year	45,21,494	24,21,500	12,74,212	5,85,268	25,11,380	4,60,90,211	5,74,04,064	-
Disposals	-	-	-	-	-	(2,51,866)	(2,51,866)	-
Closing accumulated depreciation as at 31 Mar 2020	**4,24,33,591**	**1,29,28,734**	**97,42,334**	**77,31,763**	**2,54,93,689**	**4,58,38,345**	**14,41,68,455**	-
Accumulated depreciation and impairment losses								
Balance as at 1 April 2020	4,24,33,591	1,29,28,734	97,42,334	77,31,763	2,54,93,689	4,58,38,345	14,41,68,455	-
Depreciation for the year	67,47,953	20,71,929	25,39,820	11,60,932	26,98,089	5,06,02,034	6,58,20,758	-
Disposals	-	-	-	-	-	(2,82,75,733)	(2,82,75,733)	-
Closing accumulated depreciation as at 31 Mar 2021	**4,91,81,544**	**1,50,00,663**	**1,22,82,154**	**88,92,695**	**2,81,91,778**	**6,81,64,646**	**18,17,13,480**	-
Net Carrying amount								
As at 31 Mar 2021	**1,36,82,344**	**21,22,219**	**45,63,463**	**4,90,098**	**41,90,230**	**10,21,54,699**	**12,72,03,053**	-
As at 31 Mar 2020	**79,05,530**	**35,29,053**	**62,17,388**	**16,26,430**	**47,76,565**	**16,86,23,134**	**19,26,78,100**	**3,52,382**

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QDIGI SERVICES LIMITED

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Notes to the financial statements for the year ended 31 March 2021

4 **Intangible assets and Intangible assets under development**

(Amount in INR)

Particulars	Goodwill	Customer Relationships	Computer software	Total	Intangible assets under development
Gross carrying amount					
Balance as at 1 April 2019	18,42,35,457	76,37,414	21,80,600	19,40,53,471	-
Addition	-	-	13,400	13,400	1,09,51,632
Deletion	-	-	-	-	-
Balance as at 31 March 2020	**18,42,35,457**	**76,37,414**	**21,94,000**	**19,40,66,871**	**1,09,51,632**
Balance as at 1 April 2020	18,42,35,457	76,37,414	21,94,000	19,40,66,871	1,09,51,632
Addition	-	-	-	-	1,30,17,332
Deletion	-	-	-	-	-
Balance as at 31 March 2021	**18,42,35,457**	**76,37,414**	**21,94,000**	**19,40,66,871**	**2,39,68,964**
Amortisation for the year					
Balance as at 1 April 2019	-	15,27,483	21,80,600	37,08,083	-
Amortisation for the year	-	15,30,830	4,478	15,35,308	-
Balance as at 31 March 2020	**-**	**30,58,313**	**21,85,078**	**52,43,391**	**-**
Balance as at 1 April 2020	-	30,58,313	21,85,078	52,43,391	-
Amortisation for the year	-	15,26,647	4,463	15,31,110	-
Balance as at 31 March 2021	**-**	**45,84,960**	**21,89,540**	**67,74,500**	**-**
Net Carrying amount					
As at 31 Mar 2021	**18,42,35,457**	**30,52,454**	**4,459**	**18,72,92,370**	**2,39,68,964**
As at 31 Mar 2020	**18,42,35,457**	**45,79,101**	**8,922**	**18,88,23,480**	**1,09,51,632**

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5 Non current loans

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	1,02,18,915	1,57,14,362
	1,02,18,915	**1,57,14,362**

6 Deferred tax assets / (liability) (net)

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset:		
Impairment loss allowance on financial assets	11,35,942	22,43,604
Provision on employee benefits - Gratuity	21,39,463	16,95,938
Provision on employee benefits - Compensated absences	12,82,341	13,32,069
Bonus and Commission	28,50,717	36,04,474
Property Plant and Equipment	57,06,735	38,47,622
Other comprehensive income	-	43,088
Lease liability	2,78,71,484	4,47,95,144
Intangibles - Customer Relationship	42,683	-
Deferred tax liability:		
Intangibles - Customer Relationship	-	(71,245)
Intangibles - Goodwill on Business Combination	(2,02,87,778)	(2,02,87,776)
Right to use asset	(2,57,12,338)	(4,24,42,443)
Other comprehensive income	(36,312)	-
Net deferred tax assets/(liabilities)	**(50,07,063)**	**(52,39,525)**

A Amount recognised in statement of profit or loss

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
In respect of the current period	-	-
Excess provision related to prior years	-	-
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	2,68,774	(71,37,908)
Increase/ reduction of tax rate	-	-
Income tax expense reported in the Statement of Profit and Loss	**2,68,774**	**(71,37,908)**

B Income tax recognised in other comprehensive income

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability/ asset		
Before tax	1,58,707	(1,88,322)
Tax (expense)/ benefit	(36,312)	43,088
Net of tax	**1,22,395**	**(1,45,234)**

C There is no amount recognised directly in equity.

D Since the company is making tax losses, there will be no effective tax rate disclosure for the same. However, tax rate used for creating deffered tax is 25.168% as per the new tax regime.

E The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2021 and 31 March 2020

Non-current tax assets (net)

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax assets	86,98,655	1,64,74,566
Income tax liabilities	-	-
Net income tax assets at the end of the year	**86,98,655**	**1,64,74,566**

There is no current tax asset hence not disclosed separately.

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F Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

For the year ended 31 March 2021 *(Amount in INR)*

Particulars	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:				
Impairment loss allowance on financial assets	22,43,604	(11,07,662)	-	11,35,942
Provision for employee benefits	30,71,095	3,50,709	(36,312)	33,85,492
Provision for bonus	36,04,474	(7,53,757)	-	28,50,717
Fixed assets	38,47,623	18,59,112	-	57,06,735
Lease liability	4,47,95,144	(1,69,23,660)	-	2,78,71,484
Customer relationships	-	42,683	-	42,683
	5,75,61,940	**(1,65,32,575)**	**(36,312)**	**4,09,93,053**
Deferred tax liabilities:				
Right to use asset	4,24,42,443	(1,67,30,105)	-	2,57,12,338
Customer relationships	71,245	(71,245)	-	-
Goodwill on Business Combination	2,02,87,776	2	-	2,02,87,778
	6,28,01,463	**(1,68,01,348)**	**-**	**4,60,00,116**
Deferred tax assets/(liabilities)	**(52,39,524)**	**2,68,774**	**(36,312)**	**(50,07,063)**

For the year ended 31 March 2020 *(Amount in INR)*

Particulars	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:				
Impairment loss allowance on financial assets	7,11,280	15,32,324	-	22,43,604
Provision for employee benefits	2,28,161	27,99,846	43,088	30,71,095
Provision for bonus	20,68,771	15,35,703	-	36,04,474
Fixed assets	1,43,50,859	(1,05,03,237)	-	38,47,623
Lease liability		4,47,95,144	-	4,47,95,144
	1,73,59,071	**4,01,59,781**	**43,088**	**5,75,61,940**
Deferred tax liabilities:				
Right to use asset	-	4,24,42,443	-	4,24,42,443
Customer relationships	1,53,76,291	49,11,485	-	2,02,87,776
Goodwill on Business Combination	1,27,484	(56,239)	-	71,245
	1,55,03,775	**4,72,97,688**	**-**	**6,28,01,464**
Net deferred tax assets	**18,55,296**	**(71,37,908)**	**43,088**	**(52,39,524)**
Deferred income tax liabilities:				
Deferred income tax liabilities	-	-	-	-
Deferred tax assets/(liabilities)	**18,55,296**	**(71,37,908)**	**43,088**	**(52,39,524)**

7 Income tax assets (net)

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
TDS Receivable	86,98,655	1,64,74,566
	86,98,655	**1,64,74,566**

8 Other non-current assets

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Prepaid expenses	15,35,906	29,92,253
	15,35,906	**29,92,253**

9 Inventories

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Valued at lower of cost and net realizable value		
Stores and spares	14,27,47,752	8,23,66,094
	14,27,47,752	**8,23,66,094**

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10 Trade receivables

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good#	14,19,09,412	16,95,26,219
Considered doubtful	45,13,079	89,13,802
	14,64,22,491	**17,84,40,021**
Less: Allowance for bad and doubtful debts		
Unsecured, considered good	(26,83,085)	(14,30,661)
Unsecured, considered doubtful	(18,29,995)	(74,83,141)
	(45,13,080)	**(89,13,802)**
Net trade receivables	**14,19,09,411**	**16,95,26,219**
# receivable from related parties (refer note 39)	3,70,052	14,97,201

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

11 Cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash in hand	26,66,786	26,63,363
Balances with banks		
In current accounts	2,44,31,156	7,30,81,241
Cash and cash equivalents	**2,70,97,942**	**7,57,44,604**

12 Bank balances other than cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
In deposit accounts (with maturity for more than 3 months but less than 12 months from balance sheet date)	6,85,74,930	1,99,54,930
	6,85,74,930	**1,99,54,930**

13 Current loans

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	92,45,575	63,55,646
Deposits and other advances	15,87,520	12,87,520
Less: Unsecured, considered doubtful	(15,87,520)	(12,87,520)
	92,45,575	63,55,646
Other loans and advances		
Loans to employees*	24,507	6,40,977
	92,70,082	**69,96,623**

* There is no loss allowance required to be created for loans to employees as these are in the nature of advance given to employees for operating purpose.

14 Unbilled revenue

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Unbilled revenue	5,73,45,797	2,45,71,187
	5,73,45,797	**2,45,71,187**

15 Other current financial assets

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued but not due	37,71,684	17,21,277
	37,71,684	**17,21,277**

16 Other current assets

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Advances to suppliers	7,38,924	1,26,842
Prepaid expenses	1,45,64,340	2,27,726
Balances with government authorities	1,87,24,261	1,39,74,070
Other advances		
Travel advances to employees	8,12,435	30,162
	3,48,39,960	**1,43,58,800**

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17 Equity share capital

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
65,00,000 (31 March 2019: 50,00,000) equity shares of par value of INR 10.00 each	6,50,00,000	6,50,00,000
	6,50,00,000	**6,50,00,000**
Issued, subscribed and paid-up		
53,49,650 (31 March 2019: 50,00,000) equity shares of par value of INR 10.00 each,	5,34,96,500	5,34,96,500
	5,34,96,500	**5,34,96,500**

17.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in INR	Number of shares	Amount in INR
Equity shares				
Outstanding at the beginning of the year	53,49,650	5,34,96,500	50,00,000	5,00,00,000
Add: Issued during the year #	-	-	3,49,650	34,96,500
Outstanding at the end of the year	**53,49,650**	**5,34,96,500**	**53,49,650**	**5,34,96,500**

During the previous year, Quess Corp Limited has allotted 3,49,650 no's of shares to the Company at a face value of Rs.10 per share and premium of Rs.133 each share. The proceeds shall be used towards the business as per the investment agreement entered by the Company with Holding Company and Amazon.Com NV Investment Holdings LLC on 23 June 2019.

17.2 Details of share held by Holding Company and shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	52,99,650	99%	52,99,650	99%

17.3 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Each shareholder is entitled to one vote per share held. 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.

17.4 The Company has not made any buy back of shares or issued any shares for consideration other than cash, during the period of five years immediately preceding the balance

18 Other equity*

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium account (refer note 18.1)	29,15,03,450	29,15,03,450
Other Equity- Corporate Guarantee (refer note 18.2)	20,00,000	20,00,000
Other comprehensive income (refer note 18.3)	4,77,965	3,55,570
Retained earnings	(6,06,26,279)	(5,01,83,702)
	23,33,55,135	**24,36,75,318**

18.1 Securities premium account

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013. It pertains to 49,00,000 shares subscribed by Quess Corp Ltd. for premium of Rs 50 per share in last year and 3,49,650 shared subscribed by Quess Corp Ltd. during the previous year at a premium of Rs.133 per share.

18.2 Corporate guarantee

It pertains to the Corporate guarantee given by Quess Corp Limited for cash credit facility taken from HDFC Bank.

18.3 Other comprehensive income

Remeasurement of defined benefit liability (asset) comprises actuarial gain and losses.
* For detailed movement of reserves refer Statement of Changes in Equity.

19 Non-current Employee benefit obligations

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity (unfunded) (refer note 41)	71,65,473	54,02,795
Provision for compensated absences (unfunded)	28,11,194	29,14,351
	99,76,667	**83,17,146**

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20 Other non-current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Long term maturities of finance lease obligations	7,22,18,695	13,26,51,800
	7,22,18,695	**13,26,51,800**

21 Current borrowings

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities	4,97,90,273	-
	4,97,90,273	-

The Company has utilised cash credit facility taken from HDFC Bank during the year having interest rate of 7% and is repayable on demand with exclusive charge on current and movable fixed asset of the Company both present and future.

22 Trade payables

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payable		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises* #	6,19,58,218	7,27,23,268
	6,19,58,218	**7,27,23,268**
# payable to related party (refer note 39)	52,15,381	43,00,660

* Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 34.

23 Other current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Payable for acquisition of business		
Interest accrued and not due	-	43,364
Amount payable to related parties	7,37,81,374	5,15,68,104
Current maturities of finance lease obligations	3,85,14,257	4,53,18,579
Other Payables		
Accrued salaries and benefits	3,99,56,642	3,49,35,207
Provision for bonus and incentive	1,13,25,852	1,43,20,516
	16,35,78,125	**14,61,85,770**

The Company's exposure to currency and liquidity risk related to other current financial liabilities is disclosed in note 34.

24 Current Employee benefit obligations

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity (unfunded) (refer note 41)	13,34,579	13,35,139
Provision for compensated absences (unfunded)	22,83,525	23,77,938
	36,18,104	**37,13,077**

25 Other current liabilities

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Income received in advance	1,71,22,825	-
Advance received from customers	-	-
Balances payable to government authorities	74,45,661	1,17,90,219
Provision for expenses#	13,73,40,426	11,21,81,225
Security deposits - Received from Vendors	2,95,67,729	3,32,52,662
	19,14,76,641	**15,72,24,106**
# payable to related parties (refer note 39)	12,90,587	16,44,450

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26 Revenue from operations

(Amount in INR)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Sale of services		
Sale of services (refer note 43)	62,44,23,659	66,58,87,306
Sale of goods (refer note 43)	1,22,30,99,842	1,21,56,33,858
	1,84,75,23,501	**1,88,15,21,164**

27 Other income

(Amount in INR)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Interest income on deposits with banks	22,16,682	12,20,779
Interest income under the effective interest method on:		
Interest income on present valuation of financial instruments	12,39,959	9,01,446
Interest on tax refunds due	8,54,280	-
Foreign exchange gain	9,352	-
Liabilities and provisions reversed	-	1,62,68,429
	43,20,273	**1,83,90,654**

28 Cost of material, stores and spare parts consumed

(Amount in INR)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Inventory at the beginning of the year	8,23,66,094	5,39,77,015
Add: Purchases	1,18,40,37,869	1,12,21,79,994
Less: Inventory at the end of the year	14,27,47,752	8,23,66,094
Cost of material, stores and spare parts consumed	**1,12,36,56,211**	**1,09,37,90,915**

29 Employee benefits expense

(Amount in INR)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Salaries, wages, bonus and other allowances	38,74,53,750	32,37,54,547
Contribution to provident and other funds	3,48,69,128	2,64,17,079
Expenses related to post-employment defined benefit plan (refer note 41)	30,11,147	27,00,792
Expenses related to compensated absences	(1,97,570)	20,89,268
Staff welfare expenses	49,29,262	60,01,754
	43,00,65,717	**36,09,63,440**

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30 Finance costs

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on financial liabilities at amortised cost	1,15,76,669	2,85,73,260
Other borrowing costs	19,31,453	46,49,410
	1,35,08,122	**3,32,22,670**

31 Depreciation and amortisation expense

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 3)	6,58,20,758	5,71,52,198
Amortisation of intangible assets (refer note 4)	15,31,110	15,35,308
	6,73,51,868	**5,86,87,506**

32 Other expenses

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sub-contractor charges	11,90,46,465	21,03,12,391
Rent (refer note 40)	2,11,12,482	6,00,86,148
Power and Fuel	1,31,45,821	2,11,09,519
Repairs & maintenance		
- buildings	1,09,52,635	1,38,91,949
- security charges of building	1,33,27,738	1,33,27,738
- plant and machinery	37,166	38,87,590
- others	13,56,026	1,75,206
Auditors' Remuneration (refer note 32.1)	13,00,000	13,00,000
Legal and professional fees	75,54,241	63,48,377
Rates and taxes	24,14,155	9,56,559
Printing and stationery	42,48,654	59,25,234
Freight charges	1,33,17,571	1,03,72,621
Travelling and conveyance	13,19,012	55,46,072
Communication expenses	89,95,232	1,22,10,726
Impairment loss allowance on financial assets, net [refer note 34(i)]	(44,00,723)	45,93,568
Deposits/Advances Written-off	12,02,192	-
Equipment hire charges	9,72,600	23,11,948
Insurance	6,66,842	-
Bank charges	52,17,746	43,81,702
Bad debts written off	53,37,064	-
Business promotion and advertisement expenses	3,82,500	4,20,670
Foreign exchange loss, net	-	59,349
Miscellaneous expenses	4,67,788	11,55,357
	22,79,73,207	**37,83,72,724**

32.1 Remuneration to auditors (exclusive of goods and services tax)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory Audit	11,50,000	11,50,000
Tax Audit	1,50,000	1,50,000
	13,00,000	**13,00,000**

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33 Financial instruments - fair value and risk management

Financial instruments by category

(Amount in INR)

Particulars	Note	31 March 2021			31 March 2020		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets:							
Loans	5 and 13	-	-	1,94,88,997	-	-	2,27,10,985
Trade receivables	10	-	-	14,19,09,411	-	-	16,95,26,219
Cash and cash equivalents including other bank balances	11 and 12	-	-	9,56,72,871	-	-	9,56,99,534
Unbilled revenue	14	-	-	5,73,45,797	-	-	2,45,71,187
Other financial assets	15	-	-	37,71,684	-	-	17,21,277
Total financial assets		-	-	31,81,88,760	-	-	31,42,29,202
Financial liabilities:							
Borrowings	21	-	-	4,97,90,273	-	-	-
Trade payables	22	-	-	6,19,58,218	-	-	7,27,23,268
Other financial liabilities	23	-	-	16,35,78,125	-	-	14,61,85,770
Total financial liabilities		-	-	27,53,26,616	-	-	21,89,09,038

Accounting classification and fair value
The Company has classified its financial assets and liabilities at carrying amount as per the below section.

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

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

Fair value hierarchy
Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

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

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

The Company is disclosing all the financial assets and liabilities at carrying value and the Company does not have any financial instrument like investment in equity shares, preference shares, debenture, convertible loan etc. which needs to fair valued or classified to the level prescribed under the Indian Accounting Standard.

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34 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Credit risk on cash and cash equivalents and other bank balances and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loan represents security deposits given to suppliers, employees and others. The credit risk associated with such deposits is relatively low.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base. The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.
The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 31 March 2021 and 31 March 2020 are as follows:

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are due for more than specific number of days. Loss rates are based on actual credit loss experience over the last six quarters.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

As at 31 March 2021

(Amount in INR)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether trade receivable is credit impaired	Carrying amount of trade receivables
Not due	6,78,01,808	0.00%	836	No	6,78,00,972
1-90 days	6,21,86,650	0.01%	5,668	No	6,21,80,982
91-180 days	1,07,13,804	17.63%	18,88,745	No	88,25,059
181-270 days	34,08,859	23.11%	7,87,835	No	26,21,023
271-360 days	11,49,991	58.14%	6,68,615	No	4,81,376
Above 360 days	11,61,379	100.00%	11,61,379	No	-
	14,64,22,491		**45,13,078**		**14,19,09,412**

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As at 31 March 2020

(Amount in INR)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether trade receivable is credit impaired	Carrying amount of trade receivables
Not due	4,97,96,618	0.04%	20,182	No	4,97,76,436
1-90 days	9,50,40,778	0.21%	2,02,118	No	9,48,38,660
91-180 days	2,23,41,500	5.09%	11,38,247	No	2,12,03,253
181-270 days	12,21,092	5.74%	70,112	No	11,50,980
271-360 days	31,97,650	20.04%	6,40,759	No	25,56,891
Above 360 days	68,42,383	100%	68,42,383	No	-
	17,84,40,021		**89,13,802**		**16,95,26,220**

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(Amount in INR)

Particulars	31 March 2021	31 March 2020
Balance as at the beginning of the year	89,13,802	43,20,234
Impairment loss allowances recognised/(reversed)	(44,00,723)	45,93,568
Balance as at the end of the year	**45,13,078**	**89,13,802**

ii) Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

i) Financing arrangement

The Company maintains the following line of credit:

The Company has taken cash credit facilities having interest rate of 7% (3M repo+4%) quarterly reset. The facilities are repayable on demand and are secured primarily by way of exclusive charge on the entire current assets, both present and future, of the Company. Exclusive collateral charge on the entire movable fixed assets, both present and future, of the Company.

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(Amount in INR)

Particulars	31 March 2021	31 March 2020
Expiring within one year (cash credit)	20,00,00,000	20,00,00,000

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2021

(Amount in INR)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	4,97,90,273	4,97,90,273			
Trade payables	6,19,58,218	6,19,58,218	-	-	-
Other financial liabilities	16,35,78,125	16,35,78,125	-	-	-
Other current liabilities	17,43,53,816	17,43,53,816	-	-	-

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As at 31 March 2020

(Amount in INR)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Trade payables	7,27,23,268	7,27,23,268	-	-	-
Other financial liabilities	14,61,85,770	14,61,85,770	-	-	-
Other current liabilities	15,72,24,106	15,72,24,106	-	-	-

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Company is not exposed to significant currency risk as the revenue and expenses are denominated only in Rupees.

ii) Interest rate risk

The borrowings includes cash credit facilities which carries variable rate of interest.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in Reporting Currency)

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	4,97,90,273	-
Total borrowings	**4,97,90,273**	-

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	1% increase	1% decrease	1% increase	1% decrease
31 March 2021				
Variable rate borrowings	58,997.91	(58,997.91)	44,148.14	(44,148.14)
31 March 2020				
Variable rate borrowings	-	-	-	-

iii) Price risk

(a) Price risk exposure

The Company does not have any investments held in mutual fund units which are classified as fair value through profit or loss in financial statements, hence the Company is not exposed to any price risk.

35 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

The Company's policy is to keep the ratio below 2.50. The Company's adjusted net debt to equity ratio is as follows:

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Gross debt	55,76,23,786	52,60,54,692
Less: Cash and cash equivalents	2,70,97,942	7,57,44,604
Adjusted net debt	**53,05,25,844**	**45,03,10,088**
Total equity	28,68,51,635	29,71,71,818
Equity	**28,68,51,635**	**29,71,71,818**
Net debt to equity ratio	**1.85**	**1.52**

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36 Capital commitments

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	6,13,610	2,64,14,047
	6,13,610	**2,64,14,047**

There are no other contingent liabilities and commitments which is not provided for.

37 Earnings per share

(Amount in INR except number of shares and per share data)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Nominal value of equity shares (amount per share)	10	10
Net profit/(loss) after tax for the purpose of earnings per share	(1,04,42,577)	(3,22,63,345)
Weighted average number of shares used in computing basic earnings per share	50,74,516	50,74,516
Basic earnings per share	**(2.06)**	**(6.36)**
Weighted average number of shares used in computing diluted earnings per share	50,74,516	50,74,516
Diluted earnings per share	**(2.06)**	**(6.36)**

Computation of weighted average number of shares

(Amount in numbers)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Number of equity shares outstanding at beginning of the year	**50,74,516**	**50,00,000**
Add: Weighted average number of equity shares issued during the year		
-Issue of 3,49,650 shares on 13 Jan 2020 for 78 days	-	74,516
Weighted average number of shares outstanding at the end of year for computing basic earnings per share	**50,74,516**	**50,74,516**
Add: Impact of potentially dilutive equity shares	-	-
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	**50,74,516**	**50,74,516**

38 Earnings in foreign currency

There is no earning in foreign currency during the current year and previous year.

39 Related party disclosures

(i) Name of related parties and description of relationship:

- Holding Company	Quess Corp Ltd.
- Entities having significant influence	Fairfax Financial Holdings Limited HWIC Asia Fund (w.e.f. 26 August 2019) Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (upto 6 December 2019) Fairfax (US) Inc. National Collateral Management Services Limited
- Subsidiaries, associates and joint venture	Refer note (ii)
- Entity having common directors	Monster.com (India) Private Limited Terrier Security Services (India) Private Limited
- Entities in which key managerial personnel have significant influence	Careworks Foundation

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Key executive management personnel

Subramanian Ramakrishnan	Director
Srinivasan Guruprasad	Director
Lohit Bhatia	Director
Deven Sharma	Director and Chief Executive Officer
M.S. Kalsi	Chief Operating Officer

(ii) **List of subsidiaries (including step-subsidiaries), associates and joint venture**

Name of the entity	Nature of relation	Country of domicile
Coachieve Solutions Private Limited*	Subsidiary	India
MFX Infotech Private Limited	Subsidiary	India
Aravon Services Private Limited*	Subsidiary	India
Brainhunter Systems Ltd.	Subsidiary	Canada
Mindwire Systems Limited	Subsidiary	Canada
Quess (Philippines) Corp.	Subsidiary	Philippines
Quess Corp (USA) Inc.	Subsidiary	USA
Quesscorp Holdings Pte. Ltd.	Subsidiary	Singapore
Quess Corp Vietnam LLC	Subsidiary	Vietnam
Quessglobal (Malaysia) SDN. BHD.	Subsidiary	Malaysia
Quess Corp Lanka (Private) Limited	Subsidiary	Sri Lanka
Comtel Solutions Pte. Ltd.	Subsidiary	Singapore
MFXchange Holdings, Inc.	Subsidiary	Canada
MFXchange US, Inc.	Subsidiary	USA
MFX Chile SpA	Subsidiary	Chile
Dependo Logistics Solutions Private Limited	Subsidiary	India
CentreQ Business Services Private Limited*	Subsidiary	India
Excelus Learning Solutions Private Limited	Subsidiary	India
Conneqt Business Solutions Limited	Subsidiary	India
Vedang Cellular Services Private Limited	Subsidiary	India
Master Staffing Solutions Private Limited*	Subsidiary	India
Golden Star Facilities and Services Private Limited	Subsidiary	India
Comtelpro Pte. Limited.	Subsidiary	Singapore
Comtelink Sdn. Bhd	Subsidiary	Malaysia
Monster.com (India) Private Limited	Subsidiary	India
Monster.com.SG PTE Limited	Subsidiary	Singapore
Monster.com HK Limited	Subsidiary	Hong Kong
Agensi Pekerjaan Monster Malaysia SDN. BHD.	Subsidiary	Malaysia
Quesscorp Management Consultancies	Subsidiary	Dubai, UAE
Quesscorp Manpower Supply Services LLC	Subsidiary	Dubai, UAE
Brainhunter Company LLC	Subsidiary	Canada
Greenpiece Landscapes India Private Limited	Subsidiary	India
Simpliance Technologies Private Limited	Subsidiary	India
Allsec Technologies Limited	Subsidiary	India
Allsectech Inc., USA	Subsidiary	USA
Allsectech Manila Inc., Philippiness	Subsidiary	Philippines
Retreat Capital Management Inc., USA	Subsidiary	USA
Trimax Smart Infraprojects Private Limited	Subsidiary	India
Quess Corp Services Limited	Subsidiary	Bangladesh
Terrier Security Services (India) Private Limited	Associate	India
Heptagon Technologies Private Limited	Associate	India
Quess East Bengal FC Private Limited	Associate	India
Quess Recruit, Inc.	Associate	Philippines
Agency Pekerjaan Quess Recruit SDN. BHD.	Associate	Malaysia
Stellars Log Technovation Private Limited	Associate	India
Himmer Industrial Services (M) SDN. BHD.	Joint venture	Malaysia

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(iii) Related party transactions

(Amount in INR)

Particulars	Name of the entity	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations			
	Quess Corp Limited	10,93,538	72,65,408
	Monster.com (India) Private Limited	-	41,480
	Allsec Technologies Limited	-	2,00,681
	Master Staffing Solutions Private Limited	-	70,551
	Go Digit General Insurance Limited	-	42,48,695
Employee benefit expenses			
	Quess Corp Limited	-	15,00,000
Intangible asset under development			
	Quess Corp Limited	29,23,858	4,49,601
Other expenses			
	Quess Corp Limited	52,04,181	85,15,862
	Coachieve Solutions Private Limited	-	12,51,65,323
	Terrier Security Services (India) Private Limited	72,56,322	1,32,92,616
	Allsec Technologies Limited	19,41,256	7,96,500
Payment made by related parties on behalf of the Company			
	Quess Corp Limited	7,78,01,658	5,15,68,104

(iv) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in INR)

Particulars	Name of the entity	As at 31 March 2021	As at 31 March 2020
Trade receivables (gross of loss allowance)			
	Quess Corp Limited	3,29,130	6,23,166
	Monster.com (India) Private Limited	40,922	40,922
	Allsec Technologies Limited	-	2,36,804
	Master Staffing Solutions Private Limited	-	41,625
	Go Digit General Insurance Limited	-	5,54,684
Trade payables			
	Quess Corp Limited	50,97,381	27,17,718
	Terrier Security Services (India) Private Limited	-	8,73,647
	Coachieve Solutions Private Limited	-	1,05,333
	Monster.com (India) Private Limited	1,18,000	1,18,000
	Allsec technologies limited	-	4,85,962
Other current financial liabilities			
	Quess Corp Limited	7,37,81,374	5,15,68,104
Provision for expense			
	Quess Corp Limited	4,03,800	5,07,950
	Terrier Security Services (India) Private Limited	4,63,733	11,36,500
	Allsec technologies limited	4,23,054	-
Interest payable			
	Quess Corp Limited	-	43,364
Guarantee taken			
	Quess Corp Limited	40,00,00,000	40,00,00,000

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(v) **Compensation of key managerial personnel**

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and other employee benefits to whole-time directors and executive officers *		
Mangesh Gawande (CEO)	-	39,51,456
Abhijeet Mukherjee	-	88,74,255
Deven Sharma	1,47,00,000	28,45,161
M.S.Kalsi	84,26,996	84,26,996
	2,31,26,996	**2,40,97,868**

*Salary does not include cost of employee benefits such as gratuity and compensated absences and employee share-based payment since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

40 **Lease Liability**

(Amount in INR)

Particulars	As at 31 March 2021
Current lease liability	3,85,14,257
Non-current lease liability	7,22,18,695
Total	**11,07,32,952**

The following is the movement in lease liabilities

(Amount in INR)

Particulars	As at 31 March 2021
Operating lease recognised on adoption of Ind AS 116	17,79,70,378
Add: Additions	4,33,46,372
Less: Deletion	(5,92,12,773)
Add: Finance cost accrued during the period	56,76,878
Less: Payment of lease obligation	(5,70,47,904)
Carrying amount as at 31 March 2021	11,07,32,952

Amount recognised in Profit and loss statement:

(Amount in INR)

Particulars	For the year ended 31 March 2021
Interest expense (included in finance cost)	56,76,878
Expenses relating to short-term lease (included in other expenses)	2,11,12,482
Expenses relating to lease of low value assets that are not included above (included in other expenses)	-
	2,67,89,360

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2021 on an undiscounted basis:

(Amount in INR)

Particulars	For the year ended 31 March 2021
Less than one year	3,63,63,300
One to five years	6,00,23,069
More than five years	-
	9,63,86,369

Rental expense recorded for short-term leases was Rs.21,112,482 for the year ended 31 March 2021 and Rs.60,086,148 for the year ended 31 March 2020.

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41 Assets and liabilities relating to employee benefits

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability, gratuity plan	85,00,052	67,37,934
Liability for compensated absences	50,94,719	52,92,289
Total employee benefit liability	**1,35,94,771**	**1,20,30,223**
Current [refer note 24]	36,18,104	37,13,077
Non-current [refer note 19]	99,76,667	83,17,146
	1,35,94,771	**1,20,30,223**

Management has reviewed and reassessed the presentation of defined benefit obligations. Consequently, an amount of INR 19,023 representing current portion of provision for gratuity for Associate employees as at 31 March 2021, has been classified under "non-current provisions".

The Company operates the following post-employment defined benefit plans.

The Company has a defined benefit gratuity plan in India (Plan A), governed by the Payment of Gratuity Act, 1972. Plan A entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of 15 days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A Reconciliation of net defined benefit liability/ asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its components:

(Amount in INR)

Particulars	31 March 2021		31 March 2020	
	Core employees	Associate employees	Core employees	Associate employees
Reconciliation of present value of defined benefit obligation				
Obligation at the beginning of the year	56,10,680	11,27,253	57,07,089	-
Additions through business combination	-	-	-	-
Current service cost	11,69,034	14,88,070	11,87,505	11,27,253
Interest cost	2,97,157	56,886	3,86,034	-
Past service cost	-	-	-	-
Benefit settled	(10,90,322)	-	(18,58,270)	-
Actuarial (gains)/ losses recognised in other comprehensive income				
- Changes in experience adjustments	(2,66,537)	25,330	(83,117)	-
- Changes in demographic assumptions	-	-	(289)	-
- Changes in financial assumptions	61,019	21,481	2,71,728	-
Obligation at the end of the year	**57,81,031**	**27,19,020**	**56,10,680**	**11,27,253**
Net defined benefit liability	**57,81,031**	**27,19,020**	**56,10,680**	**11,27,253**

B i) Expense recognised in statement of profit or loss

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	26,57,104	23,14,758
Interest cost	3,54,043	3,86,034
Past service cost	-	-
Interest income	-	-
Net gratuity cost	**30,11,147**	**27,00,792**

ii) Re-measurement recognised in other comprehensive income

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability	(1,58,707)	1,88,322
Remeasurement of the net defined benefit asset	-	-
	(1,58,707)	**1,88,322**

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C **Defined benefit obligation - Actuarial Assumptions**

Particulars	**For the year ended 31 March 2021**		**For the year ended 31 March 2020**	
	Core employees	**Associate employees**	**Core employees**	**Associate employees**
Discount rate	5.00%	4.90%	5.30%	5.05%
Future salary growth	6.00%	7.00%	6.00%	7.00%
Attrition rate	30.00%	40.00%	30.00%	40.00%
Average duration of defined benefit obligation (in years)	58	58	58	58

D **Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Amount in INR)

Particulars	**As at 31 March 2021**		**As at 31 March 2020**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	55,82,059	59,93,492	54,20,342	58,13,773
Future salary growth (1% movement)	59,89,389	55,82,059	58,10,440	54,19,815
Attrition rate (50% movement)	51,94,007	66,54,740	50,68,564	64,20,859

Associate employees

(Amount in INR)

Particulars	**As at 31 March 2021**		**As at 31 March 2020**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	25,79,942	28,68,112	10,60,705	11,99,141
Future salary growth (1% movement)	28,63,685	25,81,337	11,97,102	10,61,279
Attrition rate (50% movement)	7,93,388	68,58,731	2,31,796	36,84,956
Dues to micro, small and medium enterprises				

42 **Segment reporting**

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Company is in the business of after sales services i.e. repair and maintenance of handheld phones and consumer electronics under inwarranty and outwarranty which are covered under similar arrangements and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The Company caters to the needs of only the Indian market. Accordingly, there are no reportable secondary geographical segments.

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43 Revenue from Contracts with customers

(i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by geography for the year ended 31 March 2021 and 31 March 2020. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Sale of services

(Amount in INR)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Revenues by Geography		
India	1,84,75,23,501	1,88,15,21,164
Rest of the World	-	-
Total	**1,84,75,23,501**	**1,88,15,21,164**

(ii) Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.
Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR)

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Receivables, which are included in 'Trade and other receivables'	14,19,09,411	16,95,26,219
Contract assets (Unbilled revenue)	5,73,45,797	2,45,71,187
Contract liabilities (Unearned revenue & Advance r'd from customers)	1,71,22,825	-

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2021 and 31 March 2020:

(Amount in INR)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Balance at the beginning	2,45,71,187	3,02,51,773
Add : Revenue recognized during the period	1,84,75,23,501	1,88,15,21,164
Less : Invoiced during the period	1,81,47,48,891	1,88,72,01,750
Balance at the end	**5,73,45,797**	**2,45,71,187**

The following table discloses the movement in unearned revenue (contract liabilities) balances for the year ended 31 March 2021

(Amount in INR)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Balance at the beginning	-	-
Less: Revenue recognized during the period	-	-
Add: Invoiced during the period but not recognized as revenues	1,71,22,825	-
Balance at the end	1,71,22,825	-

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.
However the Company is not required to disclose the value of remaining performance obligations for
(i) contracts with an original expected duration of one year or less and
(ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis),

The company has remaining performance obligation for which transaction price is yet to be recognised.
The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2021, other than those meeting the exclusion criteria mentioned above, is INR 1,18,42,851 (31 March 2020: Rs.Nil). Out of this, the Company expects to recognize 21 % of revenue within the next one year.

MSKA & ASSOCIATES Hyderabad Chartered Accountants

QDIGI SERVICES LIMITED

44 Bank Guarantees Outstanding

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Apple India Private Limited	80,00,000	10,00,000
Mepro Technology (India) Co Private Limited	20,00,000	20,00,000
Samsung India Electronics Private Limited	11,17,14,930	10,85,14,930
Xiaomi Technology India Private Limited	4,00,00,000	5,80,00,000
Mobitech Creations Private Limited	5,00,00,000	1,25,00,000
Harman International India Private Limited	20,00,000	20,00,000
Daikin Airconditioning India Private Limited	10,00,000	10,00,000
Kaerchar Cleaning System Pvt. Ltd.	4,27,262	-
BSH Household Appliances Manufacturing Private Limited	15,00,000	-
Atomberg Technologies Pvt Ltd	4,00,000	-
	21,70,42,192	**18,50,14,930**

45 In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

46 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date.

for **MSKA & Associates**
Chartered Accountants
Firm's Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad, INDIA
Date: May 03, 2021

for and on behalf of the Board of Directors of
Qdigi Services Limited (formerly known as HCL Computing Products Limited)
CIN: U52100DL2012PLC238730

Deven Sharma
Director
DIN: 08987509

Place: Bengaluru, INDIA
Date: May 03, 2021

QDIGI SERVICES LIMITED

Srinivasan Guruprasad
Director
DIN: 00075962[illegible]7

Place: Bengaluru, INDIA
Date: May 03, 2021

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Quess East Bengal FC Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Quess East Bengal FC Private Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2021**, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'standalone Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis For Opinion

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

Emphasis of Matter

We draw attention to Note 36 in the financial statements, which indicates that the Board of Directors had approved the Voluntary Liquidation pursuant to Section 59 of the Insolvency and Bankruptcy Code, 2016 and appointed a Liquidator on 2 September 2020 for carrying out the Voluntary Liquidation process. Accordingly, financials have been prepared assuming that the Company will not continue as a Going Concern. Our opinion is not modified in respect of this matter.

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report.

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

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

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

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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BANGALORE
CHARTERED ACCOUNTANTS

c. The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;

e. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

   i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note 27 in the financial statements.

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

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

For **Vasan & Sampath LLP**
Chartered Accountants
(Firm Registration Number: 004542S/S200070)

Unnikrishnan Menon
Partner
Membership number: 205703
UDIN: 21205703AAAACU9168

VASAN & SAMPATH LLP * CHARTERED ACCOUNTANTS * BANGALORE INDIA

Place: Bangalore
Date: 1st June, 2021

Quess East Bengal FC Private Limited

Annexure A to the Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and regulatory Requirements' section of our report to the members of Quess East Bengal FC Private Limited of even date)

i.

a. The Company does not have any tangible fixed assets and hence reporting under this clause does not arise.

b. The Company does not have any tangible fixed assets and hence reporting under this clause does not arise.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held in the name of the Company.

ii. As explained to us and according to the information and explanation given to us physical verification of the inventories has been conducted by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. As explained to us and according to the information given and explanation given to us, the Company has not granted any loans to related parties. Accordingly, reporting under clause(iii) of Para 3 of CARO 2016 is not applicable to the company.

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans to directors, has not made any investments or provided any guarantee, security in terms of section 185 and 186 of the Companies Act, 2013. Accordingly, reporting under clause (iv) of Para 3 of CARO 2016 is not applicable to the company.

v. The Company has not accepted any deposits from the public during the year. Therefore, the provisions of Clause (v) of Para 3 of CARO 2016 order are not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records as per section 148 of Companies Act, 2013. Therefore, the provisions of Clause (vi) of Para 3 of CARO 2016 order are not applicable to the Company.

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vii.

a) According to the information given and explanation given to us, the company has generally been regular in depositing undisputed statutory dues, including provident fund, employee state insurance, income-tax, cess and other statutory dues, during the year with the appropriate authorities.

As explained to us, the Company did not have any undisputed amounts outstanding as on the last day of the financial year for the period of more than six months.

b) There are no dues of provident fund, employee state insurance, income-tax, cess and other statutory dues which are not deposited on account of any dispute as on March 31, 2021.

viii. The Company has not taken any loans or borrowings from financial institutions, bank and government. Therefore, the provisions of Clause (viii) of Para 3 of CARO 2016 order are not applicable to the Company.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause (ix) of Para 3 of CARO 2016 is not applicable.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. Accordingly, Clause (x) of Para 3 of CARO 2016 is not applicable to the company.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year and accordingly the clause regarding the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, is not applicable;

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Clause (xii) of Para 3 of CARO 2016 is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the

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records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence reporting under Clause (xiv) of Para 3 of CARO 2016.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause (xv) of Para 3 of CARO 2016 is not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703
UDIN: 21205703AAAACU9168

Place: Bangalore
Date: 1st June, 2021

VASAN & SAMPATH LLP * CHARTERED ACCOUNTANTS * BANGALORE INDIA

Quess East Bengal FC Private Limited

Annexure B to the Auditors' Report

(referred to in paragraph 2(f) under 'Report on Other Legal and regulatory Requirements' section of our report to the members of Quess East Bengal FC Private Limited of even date)

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

We have audited the internal financial controls over financial reporting of Quess East Bengal FC Private Limited ('the Company') as of 31 March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note[1] and the Standards on Auditing prescribed under Section 143(10), issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our

[1] Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

VISHAN & SAMPATH CHARTERED ACCOUNTANTS BANGALORE INDIA audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial

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reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703
UDIN: 21205703AAAACU9168

VASAN & SAMPATH LLP * CHARTERED ACCOUNTANTS * BANGALORE INDIA

Place: Bangalore
Date: 1st June, 2021

QUESS EAST BENGAL FC PRIVATE LIMITED
(A Subsidiary of Quess Corp Limited)
Balance Sheet as at 31st March 2021

(Amount in INR)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment			
Capital work-in-progress			
Intangible asset	3	-	4,08,33,977
Intangible assets under development			
Financial assets			
Total non-current assets		**-**	**4,08,33,977**
Current assets			
Inventories	4	-	17,98,672
Financial assets			
(i) Trade receivables	5	-	89,995
(ii) Cash and cash equivalents	6	12,73,607	2,45,91,206
(iii) Other current financial assets	7	12,83,005	4,10,34,573
Total current assets		**25,56,612**	**6,75,14,446**
Total assets		**25,56,612**	**10,83,48,423**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	1,47,85,710	1,47,85,710
Other equity	9	(1,61,41,440)	(20,70,86,121)
Total equity		**(13,55,730)**	**(19,23,00,411)**
Liabilities			
Non-current liabilities			
Provisions	10	-	3,13,129
Total non current liabilities		**-**	**3,13,129**
Current liabilities			
Financial liabilities			
(i) Borrowings	11	-	24,28,52,072
(ii) Trade payables	12	37,87,341	21,93,542
(iii) Other current financial liabilities	13	1,25,000	4,28,97,927
Current provisions	14	-	2,49,539
Other current liabilities	15	-	1,21,42,625
Total current liabilities		**39,12,341**	**30,03,35,705**
Total Liabilities		**39,12,341**	**30,06,48,834**
Total Equity and Liabilities		**25,56,612**	**10,83,48,423**

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 203703

Place: Bengaluru
Date: 1st June 2021

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Quess East Bengal FC Private Limited

Ajit Isaac
Director
DIN:00087168

Kundan Kumar Lal
Director
DIN:06446995

East Bengal FC Private Limited

QUESS EAST BENGAL FC PRIVATE LIMITED
(A Subsidiary of Quess Corp Limited)
Statement of Profit and Loss for the year ended 31st March 2021

(Amount in INR)

Particulars	Note	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Income			
Revenue from operations	16	15,08,715	4,24,21,829
Other income	17	27,85,90,422	-
Total income		**28,00,99,137**	**4,24,21,829**
Expenses			
Cost of material and stores and spare parts consumed	18	-	10,45,453
Employee benefit expenses	19	1,04,037	1,03,06,911
Finance costs	20	-	29,96,293
Other expenses	21	8,90,50,419	21,71,83,797
Total expenses		**8,91,54,456**	**23,15,32,453**
Profit before share of profit of equity accounted investees and income tax to be added before that		**19,09,44,681**	**(18,91,10,624)**
Share of profit of equity accounted investees (net of income tax)		-	
Profit/(loss) for the Period before tax		**19,09,44,681**	**(18,91,10,624)**
Tax expense	22		
Current tax	22	-	-
Adjustments of tax relating to earlier periods	22	-	-
Deferred tax	22	-	-
Income tax expenses		-	
Profit for the period		**19,09,44,681**	**(18,91,10,624)**
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total comprehensive income for the period		**19,09,44,681**	**(18,91,10,624)**
Earnings per equity share (face value of 100 each)			
Basic		129.14	(127.89)
Diluted		129.14	(127.89)

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 1st June 2021

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Quess East Bengal FC Private Limited

Ajit Isaac
Director
DIN:00087168

Kundan Kumar Lal
Director
DIN:06446995

QUESS EAST BENGAL FC PRIVATE LIMITED
(A Subsidiary of Quess Corp Limited)
Statement of Changes in Equity for the year ended 31 March 2021

(Amount in INR)

Particulars	Share Capital	Other Equity				Total Equity attributable to Equity holders of the Company
		Securities Premium	Retained Earnings	Other Reserves	Other Items of Other comprehensive Income	
Balance as of 1 April 2019	1,47,85,710	12,85,71,390	(14,65,46,886)	-	-	**(31,89,786)**
Add: Increase in Share Capital	-	-	-	-	-	-
Add: Premium received on Issue of Shares	-	-	-	-	-	-
Add: Profit for the Period	-	-	(18,91,10,624)	-	-	**(18,91,10,624)**
Add: Fair value of financial guarantee received	-	-	-	-	-	-
Less: Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	-	-
Balance as of 31 March 2020	**1,47,85,710**	**12,85,71,390**	**(33,56,57,511)**	-	-	**(19,23,00,411)**
Balance as of 1 April 2020	**1,47,85,710**	**12,85,71,390**	**(33,56,57,511)**	-	-	**(19,23,00,411)**
Add: Increase in Share Capital	-	-	-	-	-	-
Add: Premium received on Issue of Shares	-	-	-	-	-	-
Add: Profit for the Period	-	-	19,09,44,681	-	-	**19,09,44,681**
Add: Fair value of financial guarantee received	-	-	-	-	-	-
Less: Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	-	-
Balance as of 31 March 2021	**1,47,85,710**	**12,85,71,390**	**(14,47,12,830)**	-	-	**(13,55,730)**

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.004542S/S200070

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 1st June 2021

for and on behalf of Board of Directors of
Quess East Bengal FC Private Limited

Ajit Isaac
Director
DIN:00087168

Kundan Kumar Lal
Director
DIN:06446995

QUESS EAST BENGAL FC PRIVATE LIMITED
(A Subsidiary of Quess Corp Limited)
Statement of Cash Flows for year ended 31st March 2021

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities		
Profit After tax	**19,09,44,681**	**(18,91,10,624)**
Adjustments for non-cash items:		
Write-off of sporting Rights * (Refer Note 35)	4,08,33,977	-
Borrowings written back	(27,85,27,633)	16,59,32,682
Operating cash flows before working capital changes	**(4,67,48,975)**	**(18,91,10,624)**
Changes in operating assets and liabilities		
(Increase) / Decrease in inventories	17,98,672	(16,09,613)
(Increase) / Decrease in trade receivables	89,995	1,43,18,049
(Increase) / Decrease in loans	-	(12,48,200)
(Increase) / Decrease in other current assets	3,97,51,567	(2,44,01,315)
Increase / (Decrease) in trade payables	15,93,800	(2,18,76,691)
Increase / (Decrease) in other current financial liabilities	(4,27,72,927)	3,84,11,359
Increase / (Decrease) in non-current and current provisions	(5,62,668)	3,26,826
Increase / (Decrease) in other current liabilities	(1,21,42,625)	61,03,589
Cash generated from operations	**(5,89,93,162)**	**(17,90,86,620)**
Income taxes paid, net of refund	-	-
Net cash provided by operating activities (A)	**(5,89,93,162)**	**(17,90,86,620)**
Cash flows from investing activities	-	-
Net cash used in investing activities (B)	-	-
Cash flows from financing activities		
Proceeds from/ (repayment of) vehicle loan, net		
Loans received from/ (repayment to) related parties	3,56,75,561	16,59,32,682
Net cash provided by financing activities (C)	**3,56,75,561**	**16,59,32,682**
Net increase in cash and cash equivalents (A+B+C)	(2,33,17,601)	(1,31,53,938)
Cash and cash equivalents at the beginning of the year	2,45,91,206	3,77,45,144
Cash and cash equivalents at the end of the year* (refer Note 6)	**12,73,604**	**2,45,91,206**

As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 1st June 2021

VASAN & SAMPATH LLP * BANGALORE INDIA * CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Quess East Bengal FC Private Limited

Ajit Isaac
Director
DIN:00087168

Kundan Kumar Lal
Director
DIN:06446995

Company overview and Significant accounting policies

1. Company overview

Quess East Bengal FC Private Limited, ('the Company') is a private limited company incorporated on 13 July 2018 and domiciled in India. The registered office of the Company is located in Kolkata, India. The Company is engaged in the business of sports and participating in sports tournaments.

Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2. Basis of preparation

2.1 Statement of compliance

The company being subsidiary company of M/s.Quess Corp Ltd., a company whose equity is listed in both Bombay Stock Exchange (BSE) & National Stock Exchange, (NSE). These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

Financial Statements for Financial Year 2019-20, are not prepared on Going Concern basis as specified in Note no 36. Under this basis of accounting, assets are valued at their net realizable values and liabilities are stated at their estimated settlement amounts. However the conversion from going concern to liquidation basis results may vary from estimates under different assumptions or conditions. The company's operations has been limited to wind down the business affairs, selling remaining assets and discharge known liabilities.

The standalone Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.2 Basis of measurement and significant accounting policies

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

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO") and

iii. Contingent consideration in business combinations are measured at fair value.

2.3 Use of estimates and judgement

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East Bengal FC Private Limited

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about 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 is included in the following notes:

i. ***Income taxes:*** Significant judgements are involved in determining provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. The ultimate realization of deferred income tax assets, including Minimum Alternate Tax (MAT), is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities and the projected future taxable income in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

ii. ***Measurement of defined benefit obligations:*** The cost of the defined benefit obligations is based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.

iii. ***Impairment of financial assets:*** The Company assesses on a forward looking basis the expected credit losses associated with financial assets carried at amortised cost.

iv. ***Property, plant and equipment and Intangible assets;*** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

v. ***Other estimates:*** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

vi. ***Contingent liabilities:*** Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs (except, in the extremely rare circumstances where no reliable estimate can be made).

vii. ***Recognition of deferred tax assets:*** Availability of future taxable profit against which tax losses carried forward can be used.

2.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.5 Functional and presentation currency

Items included in the financial statements of each of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.6 Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the standalone statement of profit and loss.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the standalone statement of profit and loss when incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is classified as capital advances under other non-current assets and the cost of the assets not ready for intended use are disclosed under 'Capital work-in-progress'

ii)Depreciation

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of the items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight Line Method ('SLM'), and is recognized in the statement of profit

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and loss. The Management believes that the useful lives best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary.

The assets residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in progress'.

2.7 Intangible assets

Intangible assets acquired in a business combination (such as brands, customer contracts and customer relationships) are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated and is included in depreciation and amortisation expenses in the statement of profit and loss. The estimated useful life of amortisable intangibles are reviewed and where appropriate are adjusted, annually.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brand, is recognised in the standalone statement of profit and loss as and when incurred.

(iv) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expenses in the standalone statement of profit and loss.

Details regarding useful life of Intangible(Sporting rights) asset in specified in Note 3

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted if appropriate.

2.8 Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the standalone statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

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The carrying amount of the asset/CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.9 Leases

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The company has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The company's lease asset classes primarily consist of Building. The company assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimated of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate (As at 1 April 2019 - 9.5%)..

2.10 Inventories

Inventories (raw materials and stores and spares) which comprise of Merchandise are valued at the lower of cost and net realizable value. Cost of inventories comprises purchase price and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell.

Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items. The Company assess the obsolescence of inventory on a periodic basis.

2.11 Revenue recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective from date of Incorporation

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration it expects to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined

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and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognized as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation. Certain arrangements are on time and material basis and are recognized as the services are performed as per the terms of the arrangement with the customer.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of service delivery costs.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Refer Note **26** for disclosure related to revenue from contracts with customers.

Policy in case of Unbilled revenue and unearned revenue

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Policy in case of Contract modifications

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Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price

Policy in case of variable consideration

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled

Policy in case of warranties

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of service delivery costs.

Policy in case of cost of obtaining a contract

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.

Policy in case of cost of fulfilling a contract

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

Policy in case of significant financing component

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

Policy in case of Principal vs agent

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

a) **Ticket Sales**:- Revenue from sale of match tickets recognized only on completion of matches in respect of which tickets are sold.

b) **Merchandise Sales**:- Revenues from selling merchandise items are recognized at the date of sale. Such revenue is recognized when the risks and rewards associated with the item have been transferred from the seller to the buyer and no significant uncertainty exists as regards the amount of consideration and its collection. The amount recognized as revenue net of returns, trade discounts and quantity discounts.

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c) **Subsidy and Prize Money**:- Revenue from Subsidy and prize money is recognized when there is reasonable assurance of the receipt thereof on the fulfillment of applicable condition stipulated in relevant agreement.

d) **Sponsorship Income :-** Revenue from Sponsorship Income is recognized when there is reasonable assurance of the receipt thereof on the fulfillment of applicable condition stipulated in sponsorship agreement.

2.12 Other income

Other income mostly comprises interest income on deposits, dividend income and gain/(loss) on disposal of financial and non-financial assets. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

2.13 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in standalone statement of profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in the standalone statement profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2.14Financial instruments

a)Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

b)Classification and subsequent measurement

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Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(ii) A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(iii) On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-to-investment basis.

(iv) All financial assets not classified at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the standalone statement of profit and loss.
Financial assets at Amortized Cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Any gain or loss on derecognition is recognised in the standalone statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the standalone statement of profit and loss.

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Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the standalone statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to standalone statement of profit and loss.

c)Impairment of financial assets

The company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on financial assets trade receivables. 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 ECLs at each reporting date, right from its initial recognition.

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

d)Derecognition of financial assets

A financial asset is derecognised only when:
- The Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

Financial liabilities

a)Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss (FVTPL) or amortised cost.

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.

b)Subsequent measurement

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

Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the standalone statement of profit and loss. Other financial liabilities subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the standalone statement of profit and loss. Any gain or loss is also recognized in the standalone statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit

Derecognition

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

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

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Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.15 Employee benefits

(a)Short-term benefit plans

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

(b) Long-term benefit plans

The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972 which entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of 15 days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The company has accordingly estimated the related liability on the same basis and made a Gratuity Provision as at the year end Refer Note 31

2.16 Share based payments

Equity instruments granted to the employees of the Company are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the standalone statement of profit and loss with a corresponding increase to the share-based payment reserve, a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

Amendment to Ind AS 102:

Effective 1 April 2017, Ind AS 102 has been amended which provides specific guidance to measurement of cash-settled awards, modification of cash settled awards and awards that include a net settlement feature in respect of withholding taxes. The amendment did not have any effect on the standalone financial statements. The impact of the above stated amendment to the Company is Nil as the same is not applicable to Company.

2.17Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the Statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

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Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax is not recognised for:

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realised. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Ind AS 12 defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

2.18Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with the contract.

2.19Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably.

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Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.20Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.21Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ 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 Company are segregated.

2.22Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.23Segment reporting

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The company is engaged in the business of Software Support Services and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The company's management is of the opinion that the company does not have secondary segments and hence segment reporting is not applicable.

2.24Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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Quess East Bengal FC Private Limited

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(Amount in INR)

3. Intangible assets and Intangible assets under development

Particulars	Goodwill	Brand	Customer Relationships	Computer software	Computer software leased	Copyright and trademarks	Total
Opening Balance	-	-	-	-	-	4,08,33,977	4,08,33,977
Movement in Opening	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-
Deletion	-	-	-	-	-	-	-
Closing	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-
Closing gross carrying amount at 31st March 2020	-	-	-	-	-	**4,08,33,977**	**4,08,33,977**
Opening Balance	-	-	-	-	-	-	-
Movement in Opening	-	-	-	-	-	-	-
F_Opening	-	-		-	-	-	-
Deletion	-	-	-	-	-	4,08,33,977	4,08,33,977
Addition	-	-	-	-	-	-	-
Closing	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-
Closing gross carrying amount at 31st March 2021	-	-	-	-	-	**4,08,33,977**	**4,08,33,977**
Net Carrying amount							
As at 31 Mar 2021*	-	-	-	-	-	-	-

** Refer note no.35*

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4 **Inventories**

Particulars	As at 31 March 2021	As at 31 March 2020
Valued at lower of cost and net realizable value	-	
Raw material and consumables	-	-
Sports merchandise	-	17,98,672
	-	**17,98,672**

5 **Trade receivables**

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good	-	89,995
	-	**89,995**

6 **Cash and cash equivalents**

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
In current accounts	12,73,607	2,45,91,206
Cash and cash equivalents in balance sheet	**12,73,607**	**2,45,91,206**

7 **Other current assets**

Particulars	As at 31 March 2021	As at 31 March 2020
Advances other than capital advances		
Balances with government authorities	4,07,20,011	3,28,64,897
Advances to suppliers	-	38,67,211
Income Tax refund	12,65,027	12,65,027
Prepaid expenses	-	5,19,737
Security deposits	2,95,000	25,17,701
Less: Provisions	(4,09,97,033)	-
	12,83,005	**4,10,34,573**

8 **Share capital**

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
20,000,000 equity shares of par value of Rs 10 each	2,00,00,000	2,00,00,000
	2,00,00,000	**2,00,00,000**
Issued, subscribed and paid-up		
14,78,571 equity shares of par value of Rs 10 each, fully paid up	1,47,85,710	1,47,85,710
	1,47,85,710	**1,47,85,710**

8.1 **Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in INR	Number of shares	Amount in INR
Equity shares				
At the commencement of the year	14,78,571	1,47,85,710	14,78,571	1,47,85,710
Shares issued during the Period	-	-		
At the end of the year	**14,78,571**	**1,47,85,710**	**14,78,571**	**1,47,85,710**

8.2 **Details of shareholders holding more than 5% shares in the Company**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Ltd	**14,76,071**	**99.83%**	**10,35,000**	**70.00%**
East Bengal Club(Represented by following Nominee Shareholders)	-	**0.00%**	**4,28,571**	**28.99%**
Pronob Dasgupta	-	0.00%	1,42,857	9.66%
Debabrata Sarkar	-	0.00%	1,42,857	9.66%
Kalyan Majumdar	-	0.00%	71,429	4.83%
Saikat Ganguly	-	0.00%	71,428	4.83%
	14,76,071	**99.83%**	**14,63,571**	**98.99%**

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9 Other equity*

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium account	12,85,71,390	12,85,71,390
Retained earnings	(14,47,12,830)	(33,56,57,511)
	(1,61,41,440)	**(20,70,86,121)**

*For detailed movement of reserves refer Statement of changes in Equity

10 Non-current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for gratuity	-	3,13,129
	-	**3,13,129**

11 Current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Loan from related parties, unsecured		-
Quess Corp Ltd *	-	24,28,52,072
	-	**24,28,52,072**

** Refer note no.34*

12 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Dues to micro, small and medium enterprises *(Refer note 31)*		
Trade payables*	37,87,341	21,93,542
	37,87,341	**21,93,542**

As on 31 March 2021 there are no outstanding amounts due to micro and small enterprises. There are no interests due or outstanding on the same.
**Includes Trade Payables to Related parties(Refer Note 29)*

13 Other current financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for expenses	1,25,000	4,24,47,307
Accrued salaries and benefits	-	4,50,621
	1,25,000	**4,28,97,927**

14 Current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for compensated absences	-	2,49,539
	-	**2,49,539**

15 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advance received from customers	-	85,32,254
Balances payable to government authorities	-	36,10,371
	-	**1,21,42,625**

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16 Revenue from operations

Particulars	For the year ended 31 March 2021	31 March 2020
Sale of services	15,08,715	4,05,77,529
Sale of Goods	-	18,44,300
Total	**15,08,715**	**4,24,21,829**

17 Other income

Particulars	For the Year ended 31 March 2021	31 March 2020
Borrowings no longer payable	27,85,27,633	-
Miscellaneous income	62,789	-
	27,85,90,422	-

18 Cost of material and stores and spare parts consumed

Particulars	For the Year ended 31 March 2021	31 March 2020
Inventory at the beginning of the year	17,98,672	1,89,059
Add: Purchases/(Returns)	(13,04,702)	26,55,065
Less: Inventory written off	(4,93,969)	-
Less: Inventory at the end of the year	-	(17,98,672)
Cost of materials and stores and spare parts consumed	-	**10,45,453**

19 Employee benefits expense

Particulars	For the Year ended 31 March 2021	31 March 2020
Salaries and wages	6,73,436	95,24,971
Contribution to provident and other funds	28,696	3,72,035
Expenses related to post-employment defined benefit plan	(3,23,067)	-
Staff welfare expenses	(7,174)	2,64,960
Expenses related to compensated absences	(2,67,854)	1,44,945
	1,04,037	**1,03,06,911**

20 Finance costs

Particulars	For the Year ended 31 March 2021	31 March 2020
Interest expense *	-	29,96,293
	-	**29,96,293**

* *Refer note no.34*

21 Other expenses

Particulars	For the Year ended 31 March 2021	31 March 2020
Player and Coach fees	9,89,125	12,22,28,901
Club Operating Expenses	(6,46,161)	3,17,32,925
Legal and professional fees	26,22,850	2,78,46,378
Travelling and conveyance	14,50,346	1,53,42,632
Rent	27,94,328	80,29,977
Transfer Fee & Commission	-	51,85,301
Write off of Inventory	4,93,969	-
Impairment loss on financial assets	-	41,70,596
Miscellaneous expenses	(4,87,173)	15,04,570
Write-off of sporting Rights * (Refer Note 35)	4,08,33,977	-
Insurance	2,26,846	4,41,590
Business promotion and advertisement expenses	12,210	3,71,560
Provision on receivable from Govt	4,07,02,033	-
Rates and taxes	58,070	3,29,366
	8,90,50,419.1	**21,71,83,797**

*Auditors' remuneration (net of GST; included in legal and professional fees)		
Statutory audit	**75,000**	**75,000**
Tax audit	50,000	50,000
	1,25,000	**1,25,000**

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(Amount in INR)

22A Income tax

Income Tax Assets/Liabilities in the Balance Sheet are as follows :-

Particulars	As at 31 March 2021	As at 31 March 2020
Income Tax Refund	12,65,027	12,65,027
	12,65,027	**12,65,027**

A Amount recognized in Profit or Loss

Particulars	As at 31 March 2021	As at 31 March 2020
Current income tax:		
In respect of the current period	-	-
Short provision of tax relating to earlier years		
*Deferred tax**	-	-
Origination & reversal of temporary differences		
Increase/Reduction of Tax rate		
In respect of the current period		
Income tax expense reported in the statement of profit and loss	-	-

B **Income tax recognized in Other comprehensive Income**

Remeasurement of the net defined benefit Liability/Asset		
Before tax		
Tax (expense)/Benefit		
Net of Tax	-	-

The Company has not recognised deferred tax asset as per Note D as at 31st March 2021 due to absence of reasonable certainty of set-off of Unabsorbed losses against taxable Profits in foreseeable future

C. **Reconciliation of effective tax rate**

Particulars	Tax Rate %	As at 31 March 2021	As at 31 March 2020
Profit before tax		19,09,44,681	(18,91,10,624)
Tax using company's domestic tax rate	27.82%	5,31,20,810	(5,26,10,576)
Effect of:			
Deffered tax created and set-off	0.00%	-	5,26,10,576
B/f losses set-off	-27.82%	(5,31,20,810)	-
Effective tax rate	**0.00%**	**(5,31,20,810)**	**5,26,10,576**
Total income tax expense	**0.00%**	-	-

The tax rates under Indian Income Tax Act, for the year ended March 31, 2021 27.82%

D **The Company has not created deferred tax assets on the following**

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Compensated absences	-	40,324
Provision for Gratuity	-	50,599
Losses available for offsetting against future Taxable Income	1,84,04,732	5,25,19,653
	1,84,04,732	**5,26,10,576**

The Company has not recognised deferred tax asset as at 31st March 2021 due to absence of reasonable certainty of set-off of Unabsorbed losses against taxable Profits in foreseeable future

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Notes to the financial statements for the year ended 31st March 2021

22B Financial instruments - fair value and risk management

Financial instruments by category

Particulars	Note	31 March 2021			31 March 2020		
		FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets:							
Non-current investments				-			-
Loans				-			-
Current investments				-			-
Trade receivables				-			-
Cash and cash equivalents including other bank balances				12,73,607			2,45,91,206
Unbilled revenue				-			-
Other financial assets				-			-
Total financial assets		-	-	**12,73,607**	-	-	**2,45,91,206**
Financial Liabilities:							
Non-convertible debentures				-			-
Lease liability				-			
Borrowings other than above*				-			24,28,52,072
Trade payables				37,87,341			21,93,542
Other financial liabilities				1,25,000			4,28,97,927
Total financial liabilities		-	-	**39,12,341**	-	-	**28,79,43,540.76**

*Current maturities of long-term borrowings forms part of other financial liabilities

Accounting classification and fair value
The following table shows the carrying amount and fair value of financial assets and financial liabilities:

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

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(Amount in INR)

Particulars	Carrying amount		Fair value		
	31-Mar-21	31-Mar-20	Level 1	Level 2	Level 3
Financial assets					
Amortised cost					
Trade receivable	-	89,995	-	-	-
Cash and cash equivalents	12,73,607	2,45,91,206	-	-	-
Loans	-	25,17,701	-	-	-
Total financial assets	**12,73,607**	**2,71,98,902**	-	-	-

Particulars	Carrying amount		Fair value		
	31-Mar-21	31-Mar-20	Level 1	Level 2	Level 3
Financial liabilities					
Amortised cost					
Loans and borrowings	-	24,28,52,072	-	-	-
Trade payables	37,87,341	21,93,542	-	-	-
Other liabilities	1,25,000	4,28,97,927	-	-	-
Total financial liabilities	**39,12,341**	**28,79,43,541**	-	-	-

Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference shares included in level 3.

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Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

A Financial Assets:

1) Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B Financial Liabilities:

1) **Borrowings**: It includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

2) **Finance lease obligations:** The fair value of obligations under finance leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

3) **Trade payables and other liabilities:** Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

4) **Financial liability:** The fair value of financial liability has been determined by discounting consideration payable on commitment to sell. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of this put option.

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Notes to the financial statements for the year ended 31st March 2021

23 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Board of Directors of QUESS East Bengal FC Pvt Ltd has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customer. However, the management also considers the factors that may influence the credit risk of its customer base.
The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.
The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Liquidity risk

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

As at 31 March 2021

Particulars	Carrying amount	Contractual cash flows	
		Less than 1 year	1-2 years
Borrowings	-	-	-
Trade payables	37,87,341	37,87,341	-
Other financial liabilities	1,25,000	1,25,000	-

Market risk

Market risk is the risk that changes in market prices ,will affect company's income or value of its holding of instruments. Market risk is attributable to all market risk sensitive financial instruments including payables and long term debt. Since the major Customer is primarily based in India, Company's exposure to market risk is significantly lower.

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 borrowing as at 31st March 2021 comprises only of Loan from entity having Interest which is at a Fixed Interest rate.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:-

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	-	-

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QUESS EAST BENGAL FC PRIVATE LIMITED
(A Subsidiary of Quess Corp Limited)
Notes to the financial statements for the year ended 31st March 2021

24 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

The capital structure is as follows :-

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Gross debt	-	24,28,52,072
Less: Cash and cash equivalents	12,73,607	2,45,91,206
Adjusted net debt	(12,73,607)	21,82,60,865
Total equity	(13,55,730)	(19,23,00,411)
Less: Effective portion of cash flow hedges and cost of hedging	-	-
Total equity	(13,55,730)	(19,23,00,411)
Net debt to equity ratio	**0.94**	**(1.13)**

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QUESS EAST BENGAL FC PRIVATE LIMITED
(A Subsidiary of Quess Corp Limited)
Notes to the financial statements for the year ended 31st March 2021

25 Revenue from Contracts with customers

(i) Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Invoicing in excess of earnings if any are classified as unearned revenue. The company does have not have any Unbilled /unearned revenue as at the reporting date.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR)

Particulars	As at 31 March 2021	As at 1 April 2020
Receivables, which are included in 'Trade and other receivables'	-	89,995
Contract assets (Unbilled revenue)	-	-
Contract liabilities (Unearned revenue & Advance r'd from customers)	-	-

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the company has not disclosed the value of remaining performance obligations for
(i) contracts with an original expected duration of one year or less and
(ii) contracts for which the company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2021, other than those meeting the exclusion criteria mentioned above, is NIL.

VASAN & SAMPATH LLP * CHARTERED ACCOUNTANTS * BANGALORE INDIA

QUESS EAST BENGAL FC PRIVATE LIMITED
(A Subsidiary of Quess Corp Limited)
Notes to the financial statements for the year ended 31st March 2021

26 Capital commitments

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
	-	-

27 Contingent liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Claims against the company not acknowledged as Debts	-	39,86,276

i) Pending resolution of the respective proceeding, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/ authorities. The Company is contesting the demand and the Management believes that the outcome of this proceedings will not have material adverse effect on the Company's financial position and results of operations.

ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements.

28 Earnings per share

Particulars	As at 31 March 2021	As at 31 March 2020
Nominal value of equity shares (amount per share)	10	10
Net profit after tax for the purpose of earnings per share	19,09,44,681	(18,91,10,624)
Weighted average number of shares used in computing basic earnings per share	14,78,571	14,78,571
Basic earnings per share	**129.14**	**(127.90)**
Weighted average number of shares used in computing diluted earnings per share	14,78,571	14,78,571
Diluted earnings per share	**129.14**	**(127.90)**

Computation of weighted average number of shares

Particulars	As at 31 March 2021	As at 31 March 2020
Number of equity shares outstanding at beginning of the year	**14,78,571**	**14,78,571**
Add: Weighted average number of	-	-
Weighted average number of shares outstanding at the end of year for computing basic earnings per share	**14,78,571**	**14,78,571**
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	**14,78,571**	**14,78,571**

VASAN & SAMPATH LLP * CHARTERED ACCOUNTANTS * BANGALORE INDIA

29 Related party disclosures

(i) Name of related parties and description of relationship:

- Entity having Interest in the Company	Quess Corp Ltd
- Entities having significant influence	Fairfax Financial Holdings Limited Fairfax (US) Inc. HWIC Asia Fund Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (up to 6 December 2019) Fairfax (US) Inc. National Collateral Management Services Limited
- Subsidiaries, associates and joint venture	Refer note (ii)
- Entities having common directors	Net Resources Investments Private Limited Isaac Enterprises Private limited Go Digit Infoworks Service Private Limited Go Digit General Insurance Limited

Key management personnel:
The Company has also entered into transactions with the key management personnel. The Key management personnel are

- Entity in which key managerial personnel have significant influence	Careworks foundation

(ii) **List of subsidiaries (including step-subsidiaries), associates and joint venture**

Name of the entity	Nature of relation	Country of domicile
Coachieve Solutions Private Limited[1]	Subsidiary	India
MFX Infotech Private Limited	Subsidiary	India
Aravon Services Private Limited[1]	Subsidiary	India
Brainhunter Systems Ltd.	Subsidiary	Canada
Mindwire Systems Limited	Subsidiary	Canada
Quess (Philippines) Corp.	Subsidiary	Philippines
Quess Corp (USA) Inc.	Subsidiary	USA
Quesscorp Holdings Pte. Ltd.	Subsidiary	Singapore
Quess Corp Vietnam LLC	Subsidiary	Vietnam
Quessglobal (Malaysia) SDN. BHD.	Subsidiary	Malaysia
Quess Corp Lanka (Private) Limited	Subsidiary	Sri Lanka
Comtel Solutions Pte. Ltd.	Subsidiary	Singapore
MFXchange Holdings, Inc.	Subsidiary	Canada
MFXchange US, Inc.	Subsidiary	USA
MFX Chile SpA	Subsidiary	Chile
Dependo Logistics Solutions Private Limited	Subsidiary	India
CentreQ Business Services Private Limited[1]	Subsidiary	India
Excelus Learning Solutions Private Limited	Subsidiary	India
Conneqt Business Solution Limited	Subsidiary	India
Vedang Cellular Services Private Limited	Subsidiary	India
Master Staffing Solutions Private Limited[1]	Subsidiary	India
Golden Star Facilities and Services Private Limited	Subsidiary	India
Comtelpro Pte. Limited.	Subsidiary	Singapore
Comtelink Sdn. Bhd	Subsidiary	Malaysia
Monster.com (India) Private Limited	Subsidiary	India
Monster.com.SG PTE Limited	Subsidiary	Singapore
Monster.com HK Limited	Subsidiary	Hong Kong
Agensi Pekerjaan Monster Malaysia SDN. BHD.	Subsidiary	Malaysia
Quesscorp Management Consultancies	Subsidiary	Dubai, UAE
Quesscorp Manpower Supply Services LLC	Subsidiary	Dubai, UAE
Qdigi Services Limited	Subsidiary	India
Greenpiece Landscapes India Private Limited	Subsidiary	India
Simpliance Technologies Private Limited	Subsidiary	India
Allsec Technologies Limited	Subsidiary	India
Allsectech Inc., USA	Subsidiary	USA
Allsectech Manila Inc., Philippiness	Subsidiary	Philippines
Retreat Capital Management Inc., USA	Subsidiary	USA
Trimax Smart Infraprojects Private Limited	Subsidiary	India
Quess Corp Services Limited	Subsidiary	Bangladesh
Terrier Security Services (India) Private Limited	Subsidiary	India
Heptagon Technologies Private Limited	Associate	India
Quess Recruit, Inc.	Associate	Philippines
Agency Pekerjaan Quess Recruit SDN. BHD.	Associate	Malaysia
Stellars Log Technovation Private Limited	Associate	India
Himmer Industrial Services (M) SDN. BHD.	Joint venture	Malaysia

VASAN & SAMPATH LLP
BANGALORE INDIA
CHARTERED ACCOUNTANTS

QUESS EAST BENGAL FC PRIVATE LIMITED
(A Subsidiary of Quess Corp Limited)
Notes to the financial statements for the year ended 31st March 2021

Key Managerial Personnel of the reporting entity

Sanjit Sen	Chief Executive officer (till 30th June 2020)
Subrata Nag	Executive Director (till 28th July 2020)
Marcel Raymond Parker	Director (till 28th July 2020)
Debabrata Sarkar	Director (till 16th July 2020)
Kalyan Majumdar	Director (till 16th July 2020)
Pronab Dasgupta	Director (till 16th July 2020)
Saikat Ganguly	Director (till 16th July 2020)
Subramanian Ramakrishnan	Chief Financial Officer
Ajit Abraham Isaac	Director
Kundan Kumar Lal	Director

1. Merged with Quess Corp Limited w.e.f 1 April 2019 pursuant to approval from the Regional Director, South East Region, MCA.

(ii) Related party transactions

(Amount in INR)

Particulars		**As at 31 March 2021**	**As at 31 March 2020**
Finance costs			
- Interest expense	Quess Corp Limited	-	29,96,293
Payments made by related parties on behalf of the company	Quess Corp Limited	4,62,15,186	16,29,36,389
Payments received by related parties on behalf company	Quess Corp Limited	79,44,795	-
Loan Received	Quess Corp Limited	61,38,749	-
Loan Repaid	Quess Corp Limited	2,46,23,169	-
Loan written back (Refer note no.35)	Quess Corp Limited	27,85,27,633	-
Professional Fee	Quess Corp Limited	-	2,00,00,000
Reimbursement of Expenses	East bengal club	8,34,889	22,73,188
Sponsorship income	Comtel PTE ltd	-	2,01,49,500

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars		**As at 31 March 2021**	**As at 31 March 2020**
Current borrowings*	Quess Corp Ltd	-	24,28,52,072
** Refer note no.35*			
Trade Payable	Quess Corp Ltd	36,00,000	-
Reimbursement of Expenses	East Bengal Club	-	1,33,000
		-	-

(iv) Compensation of key managerial personnel

Particulars		**As at 31 March 2021**	**As at 31 March 2020**
Professional fee paid to whole-time directors and executive officers:-			
Sanjit Sen	Chief Executive Officer	14,46,060	49,34,725
		14,46,060	**49,34,725**

Terms and conditions
All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

VASAN & SAMPATH LLP
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INDIA
CHARTERED ACCOUNTANTS

QUESS EAST BENGAL FC PRIVATE LIMITED

(A Subsidiary of Quess Corp Limited)

Notes to the financial statements for the year ended 31st March 2021

30 Post Employment benefit

The Company operates the following post-employment defined benefit plan.
The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972 which entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of 15 days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The company has accordingly estimated the related liability on the same basis the company has reversed the liability amounting to INR 3,23,067.

31 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2021 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

32 Segment Reporting

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The company is a Professional football club based in Kolkata and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The company's management is of the opinion that the company does not have secondary segments and hence segment reporting is not applicable.

33 Impact on COVID

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

34 Note on Loan written back payable to parent company

The company had availed loan from its holding company amounting to INR 2785 lakhs. Given the circumstances and the position of the company, the holding company has decided not the pursue the repayment of this loan. Accordingly, during the year the company has written back this loan and the interest there on.

35 Transfer of sporting rights to EBFC

During the year, the Company entered into a Termination agreement ("Agreement") with Quess Corp Limited and the East Bengal Football Club ("Club") for terminating the shareholders agreement ("SHA") dated 5 July 2018 between the Company, Quess Corp Ltd and the Club on mutual consent. As per the agreement, the sporting rights has been surrendered to the Club with effect from 16 July 2020 and Quess Corp limited has acquired the balance 30.00% equity stake in the Company for a nominal value of INR 1,000 pursuant to which the previous carrying value of sporting rights amounting to INR 408 lakhs has been expensed.

36 Note on company under liquidation

On 1st Sept 2020 the Board of Directors had approved the Voluntary Liquidation pursuant to Section 59 of the Insolvency and Bankruptcy Code, 2016 and appointed a Liquidator on 2 September 2020 for carrying out the Voluntary Liquidation process. The effective datc of commencement of liquidation is 2 September 2020. Accordingly financials have been prepared assuming that company will not continue as Going Concern. The company's activities will be limited to wind down the business affairs, liquidating other assets and settle liabilities. As at year end, all assets carried at net realisable values and liabilities at their estimated settlement amounts.

37 Comparability with previous period

Previous year figures are reclassified/ regrouped wherever necessary.

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration
No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 1st June 2021

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Quess East Bengal FC Private Limited

Quess East Bengal FC Private Limited

Ajit Isaac
Director
DIN:00087168

Kundan Kumar Lal
Director
DIN:06446995

QUESSCORP HOLDINGS PTE. LTD.

Company Reg. No.: 201526129N

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Joe Tan & Associates PAC
Chartered Accountants

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QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

CONTENTS

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The directors are pleased to present the statement to the members together with the audited financial statements of Quesscorp Holdings Pte. Ltd. (the "Company") for the financial year ended 31 March 2021.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the Company in office at the date of this statement are:

Abhinandan Raghuthaman	(Appointed on 1 April 2021)
Krishna Suraj Moraje	(Appointed on 1 April 2021)
Keckeis Roman Werner	
Sandro Lang	

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE OF SHARES OR DEBENTURES

Neither at the end nor at any time during the financial year was the Company a party to any arrangement whose object are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

The directors of the company holding office at the end of the financial year had no interest of the share capital or debentures of the company or of related corporations either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year as recorded in the register of directors' shareholdings kept by the company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), except as follows:

	Direct interest	
Name of directors	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company		
The Holding Company		
Krishna Suraj Moraje	-	5,000

5. SHARES OPTIONS

There were no shares options granted during the financial year to subscribe for unissued shares of the Company or any corporation in the group.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the group.

There were no unissued shares of the Company or any corporation in the group under shares option at the end of the financial year.

6. AUDITORS

JOE TAN & ASSOCIATES PAC, Public Accountants and Chartered Accountants, has expressed its willingness to accept appointment as Auditors.

On behalf of the Board of Directors

Abhinandan R

....

Abhinandan Raghuthaman
Director

SURAJ
KRISHNA
MORAJE .....

Digitally signed by SURAJ KRISHNA MORAJE
DN: c=IN, o=Personal, postalCode=560001,
st=Karnataka,
2.5.4.20=[illegible]
pseudonym=[illegible]
serialNumber=[illegible]
cn=SURAJ KRISHNA MORAJE
Date: 2021.05.21 07:39:07 +05'30'

Krishna Suraj Moraje
Director

Singapore
10 MAY 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

QUESSCORP HOLDINGS PTE. LTD.

Report on the Financial Statements

Opinion

We have audited the financial statements of Quesscorp Holdings Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the 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 assurance, but is not a guarantee that an audit conducts in accordance with SSAs 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 financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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.

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- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Joe Tan & Associates Pac

JOE TAN & ASSOCIATES PAC
Public Accountants and
Chartered Accountants

Singapore

10 MAY 2021

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QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 S$	2020 S$
ASSETS			
Non-current assets			
Investment in subsidiaries	4	69,095,969	65,645,680
Investment in joint venture	5	15,868	15,868
Other investment	6	280,496	280,496
Property, plant and equipment	7	-	-
Total non-current assets		69,392,333	65,942,044
Current assets			
Trade and other receivables	8	9,001,308	14,863,208
Cash and cash equivalents	9	1,255,317	1,407,850
Total current assets		10,256,625	16,271,058
TOTAL ASSETS		79,648,958	82,213,102
EQUITY AND LIABILITIES			
Equity			
Share capital	10	45,269,610	45,269,610
Retained earnings		20,618,283	10,644,035
Capital reserve		86,327	86,327
Translation reserve		(6,800)	(1,845)
Total Equity attributable to owners of the Company		65,967,420	55,998,127
Non-current liabilities			
Trade and other payables	11	32,851	26,983
Bank borrowings	12	3,333,335	12,915,865
Total non-current liabilities		3,366,186	12,942,848
Current liabilities			
Trade and other payables	11	731,129	760,098
Bank borrowings	12	9,584,223	12,501,780
Provision for income taxes		-	10,249
Total current liabilities		10,315,352	13,272,127
TOTAL LIABILITIES		13,681,538	26,214,975
TOTAL EQUITY AND LIABILITIES		79,648,958	82,213,102

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S$	2020 S$
Revenue	13	379,186	253,910
Cost of services		(363,162)	(123,170)
Gross Profit		16,024	130,740
Add:			
Other income	14	10,923,981	10,114,512
Less :			
Administrative costs		(504,499)	(1,092,807)
Finance costs	15	(293,587)	(739,230)
Profit before income tax	16	10,141,919	8,413,215
Income tax expense	17	(167,671)	-
Profit for the year		9,974,248	8,413,215
Other comprehensive income after tax:-			
Item that will be recognised subsequently to profit/ (loss)			
- Currency translation differences		(4,955)	5,277
Other comprehensive income for the year, net of tax		(4,955)	5,277
Total comprehensive income for the year		9,969,293	8,418,492

The accompanying notes form an integral part of these financial statements

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	Share Capital S$	Retained Earnings S$	Capital Reserve S$	Translation Reserve S$	Total S$
Balance as at 1 April 2019		41,270,076	2,230,820	86,327	(7,122)	43,580,101
Issues of shares during the year	10	3,999,534	-	-	-	3,999,534
Other comprehensive income		-	-	-	5,277	5,277
Profit for the year, representing		-	8,413,215	-	-	8,413,215
total comprehensive income for the year		-	8,413,215	-	5,277	8,418,492
Balance as at 31 March 2020		**45,269,610**	**10,644,035**	**86,327**	**(1,845)**	**55,998,127**
Other comprehensive income		-	-	-	(4,955)	(4,955)
Profit for the year, representing		-	9,974,248	-	-	9,974,248
total comprehensive income for the year		-	9,974,248	-	(4,955)	9,969,293
Balance as at 31 March 2021		**45,269,610**	**20,618,283**	**86,327**	**(6,800)**	**65,967,420**

The accompanying notes form an integral part of these financial statements

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S$	2020 S$
Cash flows from operating activities			
Profit before income tax		10,141,919	8,413,215
Adjustments for :			
Foreign translation reserve		(4,955)	5,277
Unrealised foreign exchange gain		-	(396,465)
Interest expense		293,587	739,230
Interest income		(321,168)	(348,125)
Operating cash flows before working capital changes		10,109,383	8,413,132
Working capital changes:			
Trade and other receivables		5,861,900	85,252
Trade and other payables		(23,101)	(23,094,020)
Cash generated from / (used in) operations		15,948,182	(14,595,636)
Income tax paid		(177,920)	-
Net cash generated from / (used in) operating activities		15,770,262	(14,595,636)
Cash flows from investing activities			
Acquisition of subsidiaries		(3,450,289)	-
Interest received		321,168	348,125
Net cash (used in) / generated from investing activities		(3,129,121)	348,125
Cash flows from financing activities			
Loan Interests paid		(293,587)	(739,230)
Decrease/(Increase) in pledged of bank balances		-	576,826
Drawndown of bank borrowing	A	-	16,587,785
Repayment of bank borrowings	A	(12,500,087)	(4,821,080)
Proceeds from issuance of shares		-	3,999,534
Net cash (used in) / generated from financing activities		(12,793,674)	15,603,835
Net (decrease) / increase in cash and cash equivalents		(152,533)	1,356,324
Cash and cash equivalents at beginning of the year		1,407,850	51,526
Cash and cash equivalents at end of the year	9	1,255,317	1,407,850

Note A: Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activites.

	At beginning of year S$	Financing cash flows S$	Non-cash changes S$	At end of year S$
2021				
Bank borrowings	25,417,645	(12,500,087)	-	12,917,558
	25,417,645	(12,500,087)	-	12,917,558
2020				
Bank borrowings	14,047,405	11,766,705	(396,465)	25,417,645
	14,047,405	11,766,705	(396,465)	25,417,645

1. General

The Company is a private company limited by shares and incorporated and domiciled in the Republic of Singapore.

The registered office address of the Company is 8 Temasek Boulevard, #32-01 Suntec Tower Three, Singapore 038988.

The principal activities of the Company are those of investment holding and providing other information service activities and IT support service and trading. The principal activities of the subsidiaries are disclosed in Notes 4 to the financial statements. During the financial year, the Company also operates a branch in Dubai.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements are presented in the Singapore dollar and are prepared in accordance with the provisions of the Singapore Companies Act. Cap. 50 and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S$), which is the Company's functional currency. All financial information presented in Singapore Dollar, unless otherwise indicated.

Impact of Covid-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Company's significant operations are in Singapore, and India, all of which have been affected by the spread of COVID-19 during the financial year.

Set out below is the impact of COVID-19 on the Company's financial performance reflected in this set of financial statements for the year ended 31 March 2021:

i. The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

ii. During the financial year, border closures, production stoppages and workplace closures have resulted in periods where the Company's operations were temporarily suspended to adhere to the respective governments' movement control measures. There is no significant negative impact on the Company's financial performance for 2021.

iii. The Company has considered the market conditions (including the impact of COVID-19) as at the date of statement of financial position, in making estimates and judgements on the recoverability of assets and provisions for onerous contracts as at 31 March 2021. The significant estimates and judgement applied on impairment of trade receivable is disclosed in Note 3b (i).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

Impact of Covid-19 (Continued)

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Company cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 March 2021. If the situation persists beyond management's current expectations, the Company's assets may be subject to further write downs in the subsequent financial periods.

2.2 ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 109 *Financial Instruments*, FRS 39 *Financial Instruments: Recognition and Measurement*, FRS 107 *Financial Instruments: Disclosures*, FRS 104 *Insurance Contracts*, FRS 116 *Leases*: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 16 *Property, Plant and Equipment:* Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 *Provisions, Contingent Liabilities and Contingent Assets:* Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 *Presentation of Financial Statements:* Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 *Consolidated Financial Statements and* FRS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 BASIS OF CONSOLIDATION

The company did not consolidate the accounts of its subsidiary due to the exemption under FRS110 Consolidated Financial Statements as follows:

a) it is wholly owned subsidiary of another entity:
b) its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the counter market, including local and regional markets):
c) it did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market: and
d) its ultimate parent produces consolidated financial statements that are available for public use.

2.5 FINANCIAL INSTRUMENTS

a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

Initial recognition and measurement

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, Fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 FINANCIAL INSTRUMENTS (CONTINUED)

a) Financial assets (Continued)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.6 IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 -months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 CASH AND CASH EQUIVALENTS

Cash and bank balances in the statement of financial position comprise cash on hand, cash at bank and demand deposits which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash at bank and fixed deposits.

2.8 INVESTMENT IN SUBSIDIARY

The investment in subsidiary is carried at cost less any accumulated allowance for impairment. On disposal of investment in subsidiary, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.9 JOINT VENTURE

The Company is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Company and at least one other party. The Company classifies its interests in joint arrangements as either:

- Joint ventures: where the Company has rights to only the net assets of the joint arrangement; or

- Joint operations: where the Company has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Company considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 JOINT VENTURE (CONTINUED)

The Company accounts for its interest in joint venture in the manner described below:-

Joint venture

Joint venture is initially recognised in the statement of financial position at cost, and subsequently accounted for using the equity method less any impairment losses. Any premium paid for a joint venture above the fair value of the Company's share of the identifiable assets, liabilities and contingent liabilities acquired is included in the carrying amount of the investment in joint venture.

Under the equity method, the Company's share of post-acquisition profits and losses and other comprehensive income is recognised in the statement of comprehensive income. Post-acquisition changes in the Company's share of net assets of joint ventures and distributions received are adjusted against the carrying amount of the investments.

Losses of a joint venture in excess of the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment) are not recognised, unless the Company has incurred legal or constructive obligations to make good those losses or made payments on behalf of the associate or joint venture.

Where the Company transacts with a joint venture, unrealised profits are eliminated to the extent of the Company's interest in the joint venture. Unrealised losses are also eliminated, but only to the extent that there is no impairment.

2.10 BORROWING

Interest-bearing bank loans and overdrafts are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs (see above).

2.11 BORROWING COSTS

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 PLANT AND EQUIPMENT

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Furniture and fittings	3 years
Office equipment	3 years

Fully depreciated assets still in use are retained in the financial statements.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.13 RELATED PARTIES

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Company if that person:
   (i) Has control or joint control over the Company;
   (ii) Has significant influence over the Company; or
   (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions apply:
   (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) Both entities are joint venture of the same third party.
   (iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 RELATED PARTIES (CONTINUED)

(b) An entity is related to the Company if any of the following conditions apply:
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii)The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.14 PROVISIONS

General

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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where 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.

2.15 SHARE CAPITAL

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.16 REVENUE RECOGNITION

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation is satisfied at a point in time.

(a) Rendering of services

Revenue from rendering of services is recognised when services are rendered and upon customers' acceptance.

(b) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.18 CONTRACT ASSETS, CONTRACT LIABILITIES AND TRADE RECEIVABLES

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Section Financial instruments – initial recognition and subsequent measurement.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.19 TAXES

(a) **Current Income Tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 TAXES (CONTINUED)

(b) Deferred Tax

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

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

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

(c) Goods and Service Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

(i) Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.20 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

(a) Judgments made in applying accounting policies

(i) Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

(ii) De-facto control

De-facto control exists when the size of an entity's own voting rights relative to the size and dispersion of other vote holders, give the entity the practical ability unilaterally to direct the relevant activities of the investee.

The Company holds 49% of voting rights in Monster Malaysia Sdn. Bhd. with the remaining 51% of voting rights being held by an unrelated individual shareholder.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(i) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade and other receivables is disclosed in Note 19. The carrying amount of the Company's trade receivables as at 31 March 2021 was S$214,029 (2020: S$1,009,390).

(ii) Provision for income taxes

The Company has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Company's income tax payable as at 31 March 2021 was NIL (2020: S$ 10,249).

(iii) Estimated impairment of subsidiaries

When a subsidiary is in net equity deficit and has suffered operating losses, a test is made whether the investment in the investee has suffered any impairment in accordance with the stated accounting policy. This determination requires significant judgement. An estimate is made of the future probability of the investee, including factors such as industry and sector performance, and operational and financial cash flow.

4. INVESTMENT IN SUBSIDIARIES

	2021 S$	2020 S$
Unquoted equity shares, at cost	65,645,680	65,645,680
Add: Additional investment during the year	3,450,289	-
	69,095,969	65,645,680

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation/ Place of business	Percentage of equity held 2021 %	Percentage of equity held 2020 %	Cost of investment 2021 S$	Cost of investment 2020 S$	Principal activities
Comtel Solutions Pte. Ltd. (1)	Singapore	100	100	53,233,505	53,233,505	Staffing
Comtelpro Pte. Limited (2)	Singapore	100	100	602,000	602,000	Staffing
MFXchange Holdings, Inc. (3)	Canada	56	51	3,978,142	527,853	Information Technology
Quessglobal Malaysia Sdn. Bhd.(4)	Malaysia	100	100	180,086	180,086	Staffing
Quess Corp Lanka (Private) Limited (5)	Sri Lanka	100	100	785,857	785,857	IT Staffing
Monster.Com. HK Limited (6)	Hong Kong	100	100	353,690	353,690	web-based career services agency
Monster. Com. Sg Pte Limited (7)	Singapore	100	100	7,493,092	7,493,092	web-based career services agency
Monster Malaysia Sdn. Bhd. (8)	Malaysia	49	49	2,469,597	2,469,597	web-based career services agency
				69,095,969	65,645,680	

(1) Audited by Joe Tan & Associates PAC, Chartered Accountants of Singapore. Shares in this subsidiary is pledged to a bank for bank loan. (Note 12)

(2) Audited by Joe Tan & Associates PAC, Chartered Accountants of Singapore.

4. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(3) Audited by Liggett & Webb P.A. Certified Public Accountants of New York. 49% equity interest in subsidiary is held by a related company.
(4) Audited by Hals & Associates, Chartered Accountant of Malaysia.
(5) Audited by PricewaterhouseCoopers, Sri Lanka.
(6) Audited by H.F. Leung & Co., Certified Public Accountants of Hong Kong.
(7) Audited by Joe Tan & Associates PAC, Chartered Accountants of Singapore.
(8) Audited by Hals & Associates, Chartered Accountant of Malaysia.

The holding company has undertaken the responsibility to provide financial support to all the above subsidiaries in the event that the investments in these subsidiaries are impaired. As a result, no impairment allowance is made for the following subsidiaries whose total equities are lower than that of the company's cost of investments in the subsidiaries and that the management's forecasted recoverable value is higher than carrying value based on the assumption used and market condition.

In line with Singapore Companies Act Cap 50 section 201(1) (2) (11) and FRS 110 the Company is exempt from presenting consolidated accounts. The Company satisfies all the conditions of FRS 110 paragraph 4(a) from presenting consolidated financial statements for the year;

i) it is wholly-owned subsidiary or is a partially-owned subsidiary of another entity and all its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent presenting consolidated financial statements;
ii) its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);
iii) it did not file, nor it is in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market; and
iv) its ultimate or any intermediate parent produces consolidated financial statements that are available for public use.

5. INVESTMENT IN JOINT VENTURE

	2021 S$	2020 S$
Unquoted equity shares, at cost	15,868	15,868
	15,868	15,868

Details of the joint venture are as follows:

Name of joint venture	Country of incorporation/ Place of business	Percentage of equity held		Cost of investment		Principal activities
		2021 %	2020 %	2021 S$	2020 S$	
Himmer Industrial (Malaysia) Sdn. Bhd. (1)	Malaysia	49	49	15,868	15,868	IT Engineering

(1) Audited by Hafiz & Associates, Chartered Accountant of Malaysia

6. OTHER INVESTMENTS

	2021 S$	2020 S$
Investment in sole establishments	280,496	280,496
	280,496	280,496

This relates to an interest in sole establishment incorporated in Dubai which is held in trust by an individual director.

Other investments are stated at cost less accumulated impairment loss, if any.

7. PLANT AND EQUIPMENT

	Furniture and fittings S$	Office equipment S$	Total S$
Cost:			
At 31.03.2020/ 31.03.2021	98,967	27,778	126,745
Accumulated depreciation:			
At 31.03.2020/ 31.03.2021	98,967	27,778	126,745
Net carrying value:			
At 31.03.2020/ 31.03.2021	-	-	-

8. TRADE AND OTHER RECEIVABLES

	2021 S$	2020 S$
Trade receivables		
- Third parties	-	426,684
- Contract assets - unbilled revenue	214,029	582,706
	214,029	1,009,390
Loan receivables from subsidiaries	3,001,834	5,317,628
Loan receivables from related companies	2,129,062	5,271,721
Loan receivables from third party	2,961,076	2,820,073
Amount due from related companies	-	64,551
Amount due from joint venture	1,373	1,373
Interest receivables	7,100	7,100
Deposits	47,353	25,175
Prepayments	79,866	184,103
Other receivables	193,294	152,873
GST receivables	9,838	9,221
Advances to suppliers	356,483	-
	9,001,308	14,863,208

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables are non-interest bearing and are generally on 30 to 60 (2020: 30 to 60) days' term.

Trade receivable are recognized at their original invoice amounts which represents their fair values on initial recognition.

Contract assets are unbilled revenue for services rendered but not yet billed to customers.

Related companies comprise of companies which are controlled or significantly influenced by the Company's directors.

Loan receivable from third party is non-trade in nature, unsecured, bear interest at 5% per annum and is repayable on demand.

Loan receivables from subsidiaries and related companies are unsecured, bear interest at 2.25% (2020: 2.25%) per annum and are repayable on demand.

Amount due from related companies, amount due from joint venture and other receivables are non-trade in nature, unsecured, interest free and has no fixed term of repayment.

There are no receivables that are not past due and not impaired.

The carrying amounts of trade and other receivables approximate their fair values.

9. CASH AND CASH EQUIVALENTS

	2021 S$	2020 S$
Cash at banks	1,255,317	1,407,850
	1,255,317	1,407,850

The carrying amounts of cash and cash equivalents approximate their fair values.

10. SHARE CAPITAL

	2021		2020	
	No. of shares	S$	No. of shares	S$
Issued and fully paid ordinary shares				
At beginning of financial year	45,269,610	45,269,610	41,270,076	41,270,076
Issue of shares during the year	-	-	3,999,534	3,999,534
At end of financial year	45,269,610	45,269,610	45,269,610	45,269,610

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

11. TRADE AND OTHER PAYABLES

	2021 S$	2020 S$
Current Liabilities		
Trade payables – Related Company	-	9,605
Accruals	11,218	12,000
Bank interest payables	16,813	70,610
Loan payable to subsidiary	312,976	648,273
Loan payable to holding company	359,837	-
Other payables	30,285	19,610
	731,129	760,098
Non-Current Liabilities		
Other payables	32,851	26,983
	32,851	26,983
Total	763,980	787,081

Trade payables are unsecured, non-interest bearing and are generally settled on 30 (2020:30) days' term.

Other payables are non-trade in nature, unsecured, interest free and have no fixed term of repayment.

Loan payable to subsidiary and holding company are non-trade in nature, unsecured, interest-free and has no fixed term of repayment.

The carrying amounts of trade and other payables approximate their fair values.

12. BANK BORROWINGS

	2021 S$	2020 S$
Bank borrowings	12,917,558	25,417,645

The present value of bank loans is analysed as follows:

	2021 S$	2020 S$
Current liabilities		
- Repayable within one year	9,584,223	12,501,780
Non-current liabilities		
- Repayable more than one year	3,333,335	12,915,865
	12,917,558	25,417,645

12. BANK BORROWINGS (CONTINUED)

The present value of bank loans are analysed as follows:

Bank borrowings bear interest at 3 months Singapore swap rate plus 2% per annum and is repayable by 28 May 2022 and 13 August 2021 respectively. The bank borrowings are secured by:

(i) Corporate guarantee from its holding company, Quess Corp Limited and its subsidiary, Comtel Solutions Pte. Ltd.
(ii) Charge over shares of Comtel Solutions Pte. Ltd. (Note 4)
(iii) Charge over the existing accounts and debentures of the Company.

13. REVENUE

	2021 S$	2020 S$
Rendering of services	379,186	253,910

14. OTHER INCOME

	2021 S$	2020 S$
Dividend income	10,550,000	9,100,000
Unrealised foreign exchange gain	52,813	396,465
Interest income from subsidiaries	180,165	128,129
Interest income from related companies	-	118,066
Interest income from third party	141,003	101,930
Forward liabilities written back (non-trade)	-	269,922
	10,923,981	10,114,512

15. FINANCE COSTS

	2021 S$	2020 S$
Bank loan interest	293,587	739,230

16. PROFIT BEFORE INCOME TAX

	2021 S$	2020 S$
Profit before taxation has been arrived after charging:		
Legal and professional fees	26,465	165,563
Loan interest charged by holding company (Note 18)	-	233,625
Loan processing fees	114,143	71,986
Unrealised foreign exchange loss	335,011	589,791

There are no staff costs, directors' remuneration or key management personnel remuneration for the financial year ended 31 March 2021 and 31 March 2020.

17. INCOME TAX EXPENSE

The major components of income tax expense recognised in profit for the financial years ended 31 March 2021 and 31 March 2020 were:

	2021 S$	2020 S$
Current income tax		
- Under provision in respect of prior years	(167,671)	10,249

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 March 2021 and 31 March 2020 were as follows

	2021 S$	2020 S$
Profit before income tax	10,141,919	8,413,215
Income tax using the statutory tax rate of 17% (2020: 17%)	1,724,126	1,430,247
Adjustments:		
Non-deductible expenses	70,180	180,247
Non-taxable income	(1,797,972)	(1,619,203)
Deferred tax assets not recognised	3,666	8,709
Under provision in respect of prior years	167,671	-
	(167,671)	-

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Company with related parties as follows:

	2021 S$	2020 S$
With holding company		
Loan interest charged by holding company	-	233,265
With subsidiaries		
Expenses paid on behalf of a subsidiary		41,879
Interest income from loans to subsidiaries	180,165	58,583
Loan interest charged by a subsidiary	-	6,393
With related companies		
Interest income from loans to related companies	-	187,612

There are no staff costs, directors' remuneration or key management personnel remuneration for the financial year ended 31 March 2021 and 31 March 2020.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables and loan to the immediate holding company. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

a) Credit risk (Continued)

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- There is a disappearance of an active market for that financial asset because of financial difficulty;

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

a) Credit risk (Continued)

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk
The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

(b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand- by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2021			
	Carrying amount S$	Contractual cash flows S$	One year or less S$	Two to five years S$
Financial assets				
Trade and other receivables [a]	8,911,604	8,911,604	8,911,604	-
Cash and cash equivalents	1,255,317	1,255,317	1,255,317	-
Total undiscounted financial assets	10,166,921	10,166,921	10,166,921	-
Financial liabilities				
Trade and other payables [b]	763,980	763,980	731,129	32,851
Bank borrowings - secured	12,917,558	12,997,719	9,664,386	3,333,333
Total undiscounted financial liabilities	13,681,538	13,761,699	10,395,515	3,366,184
Total net undiscounted financial liabilities	(3,514,617)	(3,594,778)	(228,594)	(3,366,184)

	2020			
	Carrying amount S$	Contractual cash flows S$	One year or less S$	Two to five years S$
Financial assets				
Trade and other receivables [a]	14,669,884	14,669,884	14,669,884	-
Cash and cash equivalents	1,407,850	1,407,850	1,407,850	-
Total undiscounted financial assets	16,077,734	16,077,734	16,077,734	-
Financial liabilities				
Trade and other payables [b]	787,081	787,081	787,081	-
Bank borrowings - secured	25,417,645	25,998,636	12,862,249	13,136,387
Total undiscounted financial liabilities	26,204,726	26,785,717	13,649,330	13,136,387
Total net undiscounted financial (liabilities)/assets	(10,126,992)	(10,707,983)	2,428,404	(13,136,387)

[a] This amount excludes prepayment and GST receivables.
[b] This amount excludes GST payable.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their loan to holding company, cash and cash equivalents and bank borrowings.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

At the reporting date, if the interest rates had been 100 (2020: 100) basis points higher/ lower with all other variables held constant, the Company's loss before tax would have been S$75,973 (2020: S$137,460) higher/ lower, arising mainly as a result of higher/ lower interest income/ expenses on floating rate cash at bank and floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2021 S$	2020 S$
Fixed rate instruments		
Financial assets		
Loan receivables from subsidiaries	3,001,834	5,317,628
Loan receivables from related parties	2,129,062	5,271,721
Loan receivables from third party	2,961,076	2,820,073
	8,091,972	13,409,422

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) Interest rate risk (Continued)

	2021 S$	2020 S$
Variable rate instruments		
Financial liabilities		
Within one year		
Loan payable to holding company		-
Bank loan	9,584,223	12,501,780
Two to five years		
Bank loan	3,333,335	12,915,865
	12,917,558	25,417,645

Interest on financial instruments subject to floating interest rates is repriced regularly. Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Company that are not included in the above table are not subject to interest rate risk.

(ii) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily United States Dollar (USD), Malaysia ringgit (RM), Arab Emirates Dirhams (AED) and Vietnamese Dong (DONG).

The Company's currency exposures to the USD, RM and LKR at the reporting date were as follows:

	2021			
	USD S$	RM S$	AED S$	DONG S$
Financial assets				
Trade and other receivables	2,961,076	1,587,526	182,428	22,869
Cash and cash equivalents	849,648	-	-	-
	3,810,724	1,587,526	182,428	22,869
Financial liabilities				
Trade and other payables	700,843	-	63,137	-
	700,843	-	63,137	-
Foreign currency exposure	3,109,881	1,587,526	119,291	22,869

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Foreign currency risk (Continued)

	2020			
	USD S$	RM S$	AED S$	DONG S$
Financial assets				
Trade and other receivables	3,616,193	2,267,300	219,730	22,869
Cash and cash equivalents	343,125	-	-	-
	3,959,318	2,267,300	219,730	22,869
Financial liabilities				
Trade and other payables	-	-	46,594	-
	-	-	46,594	-
Foreign currency exposure	3,959,318	2,267,300	173,136	22,869

A 10% strengthening of Singapore dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit after income tax	
	2021 S$	2020 S$
United States Dollar	258,120	328,623
Malaysia Ringgit	131,765	188,186
Arab Emirates Dirhams	9,901	14,370
Vietnamese Dong	1,898	1,898

A 10% weakening of Singapore Dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

20. FAIR VALUES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair value due to the short-term nature of their balances.

20. FAIR VALUES (CONTINUED)

Trade receivables and trade payables

The carrying amounts of these receivables and payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

Bank borrowings, loan receivables from third party and subsidiaries

The carrying amounts of bank borrowings, loan receivables from third party and subsidiaries approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

21. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2021 S$	2020 S$
Financial assets measured at amortised cost		
Trade and other receivables (Note 8) [(a)]	8,911,604	14,669,884
Cash and cash equivalents (Note 9)	1,255,317	1,407,850
Total financial assets measured at amortised cost	10,166,921	16,077,734
Financial liabilities measured at amortised cost		
Trade and other payables (Note 11) [(a)]	763,980	787,081
Bank borrowings (Note 12)	12,917,558	25,417,645
Total financial liabilities measured at amortised cost	13,681,538	26,204,726

[(a)] This amount excludes the prepayment and GST receivables.
[(b)] This amount excludes the GST payables.

22. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2021 and 31 March 2020.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2020.

23. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 10 MAY 2021

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

THE ACCOMPANYING SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY

AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	2021	2020
	S$	S$
Revenue		
Service income	379,186	253,910
Less: Cost of services	(363,162)	(123,170)
Gross profit	16,024	130,740
Add:Other income		
Dividend income	10,550,000	9,100,000
Interest income from subsidiaries	180,165	128,129
Interest income from related companies	-	118,066
Interest income from third party	141,003	101,930
Liabilities written back	-	269,922
Unrealised foreign exchange gain	52,813	396,465
	10,923,981	10,114,512
Less:		
Administrative costs		
Bank charges	18,729	10,013
Duties and taxes	200	-
Loan interest charged by holding company	-	233,265
Loan interest charged by a subsidiary	-	6,393
License and governmental fee	-	1,226
Loan processing fees	114,143	71,986
Legal and professional fees	26,465	165,563
Rental	6,231	6,813
Sponsorship fees	3,720	7,757
Unrealised forex exchange loss	335,011	589,791
	504,499	1,092,807
Finance costs		
Bank loan interest	293,587	739,230
Total Expenses	798,086	1,832,037
Profit before income tax	10,141,919	8,413,215
Income tax expense	(167,671)	-
Profit after income tax	9,974,248	8,413,215

Financial Statements

QUESS CORP (USA), INC.

For The Years Ended March 31, 2021 and 2020

QUESS CORP (USA), INC.

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LIGGETT, MELZER & JOSHI CPAs P.C.
307 7th Avenue, Suite 1601
New York, NY 10001
(212) 481-3490

Independent Auditor's Report

To the Board of Directors and Stockholders'
Of Quess Corp (USA), Inc.

Report on the Financial Statements
We have audited the accompanying balance sheet of Quess Corp (USA), Inc. ("the Company"), a wholly-owned subsidiary of Quess Corp Limited India), as of March 31, 2021, and the related statements of operations and comprehensive loss, stockholder's deficit and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Quess Corp (USA), Inc. as of March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Going Concern
The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company is a holding company with limited operations and is dependent upon shareholder funding to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty

Other Matter

The financial statements of Quess Corp (USA), Inc. for the year ended March 31, 2020, were audited by another auditor, who expressed an unmodified opinion on those statements on May 18, 2020.

Liggett, Melzer & Joshi, CPA's P.C.

New York, New York
May 21, 2021

QUESS CORP (USA), INC.
BALANCE SHEETS
AS OF MARCH 31, 2021 AND 2020

ASSETS		2021		2020
Current assets:				
Cash and cash equivalents	$	3,574	$	954
Prepaid expense		2,441		2,441
Total current assets		6,015		3,395
Investment in unconsolidated subsidiaries		3,316,974		3,062,318
Due from affiliates		-		52,804
Total assets	$	3,322,989	$	3,118,517

LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)				
Current liabilities:				
Accrued expenses		41,115		4,999
Due to affiliates		-		4,324,548
Total current liabilities		41,115		4,329,547
Commitments and Contingencies		-		-
Stockholder's equity (deficit):				
Common stock, 200 shares authorized, 1 share issued and outstanding, no par value		100,000		100,000
Accumulated other comprehensive income		115,363		133,056
Additional paid-in capital		5,339,022		584,022
Accumulated deficit		(2,272,511)		(2,028,108)
Total stockholder's equity (deficit)		3,281,874		(1,211,030)
Total liabilities and stockholder's equity (deficit)	$	3,322,989	$	3,118,517

See the accompanying notes to the financial statements.

QUESS CORP (USA), INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

	2021	2020
Revenue	$ -	$ -
Operating expenses:		
Salaries	-	150,201
General and administrative	2,565	12,919
Professional fees	179,356	973,431
Total operating expenses	181,921	1,136,551
Loss from operations	(181,921)	(1,136,551)
Other (expense) income:		
Interest income	2,549	3,335
Financing expenses	(65,031)	(102,370)
Net other (expense) income	(62,482)	(99,035)
Loss before provision for income taxes	(244,403)	(1,235,586)
Income taxes	-	-
Net loss	$ (244,403)	$ (1,235,586)
Comprehensive Loss:		
Net loss	$ (244,403)	$ (1,235,586)
Foreign currency translation adjustment	(17,693)	76,836
Total comprehensive loss attributable to stockholder	$ (262,096)	$ (1,158,750)

See the accompanying notes to the financial statements.

QUESS CORP (USA), INC.
STATEMENT OF STOCKHOLDER'S EQUITY (DEFICIT)
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance, as of March 31, 2019	$ 100,000	$ -	$ (792,522)	$ 56,220	$ (636,302)
Related party gain on sale of investment in Brainhunter Systems Ltd to MFXchange Holdings, Inc.	-	584,022	-	-	584,022
Foreign currency translation	-	-	-	76,836	76,836
Net loss for the year ended March 31, 2020	-	-	(1,235,586)	-	(1,235,586)
Balance, as of March 31, 2020	$ 100,000	$ 584,022	$ (2,028,108)	$ 133,056	$ (1,211,030)
Capital contribution from parent	-	4,755,000	-	-	4,755,000
Foreign currency translation	-	-	-	(17,693)	(17,693)
Net loss for the year ended March 31, 2021	-	-	(244,403)	-	(244,403)
Balance, as of March 31, 2021	$ 100,000	$ 5,339,022	$ (2,272,511)	$ 115,363	$ 3,281,874

See the accompanying notes to the financial statements.

QUESS CORP (USA), INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (244,403)	$ (1,235,586)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in Assets and Liabilities:		
Increase (Decrease) in:		
Accrued expenses	36,116	(17,502)
Accrued interest on due to affiliates	-	(3,335)
NET CASH USED IN OPERATING ACTIVITIES	(208,287)	(1,256,423)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in unconsolidated subsidiary	(254,656)	-
Repayment of advances to affiliates, net	52,804	-
NET CASH USED IN INVESTING ACTIVITIES	(201,852)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital contribution from parent	4,755,000	-
Repayment of advances from affiliates, net	(4,324,548)	1,127,984
NET CASH PROVIDED BY FINANCING ACTIVITIES	430,452	1,127,984
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	20,313	(128,439)
EFFECT OF EXCHANGE RATE CHANGES	(17,693)	76,836
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	954	52,557
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3,574	$ 954
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -
NON-CASH INVESTING TRANSACTION		
Additional paid-in capital recorded from gain on fair value of investment in Brainhunter Systems Ltd upon sale of investment to MFXchange Holdings, Inc. for one share of MFXchange Holdings, Inc. preferred stock	$ -	$ 584,022

See the accompanying notes to the financial statements.

QUESS CORP (USA), INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Business and organization

Quess Corp (USA) Inc., formerly known as Magna InfoTech Inc.,("the Company"), a Delaware corporation and wholly owned subsidiary of Quess Corp Limited (India), was incorporated on November 19, 2013. On March 23, 2015, the Company changed its name to Quess Corp (USA), Inc.

Investments in Unconsolidated Subsidiary

The Company held a fifty-one percent (51%) interest in Brainhunter Systems Limited with a carrying value of $87,828 until March 31, 2019 at which time an additional thirty percent (30%) interest was acquired at a cost of $2,018,251. On April 1, 2019, the Company sold its investment in Brainhunter Systems Ltd to MFXchange Holdings, Inc., a related party, in exchange for one (1) share of Series B preferred stock valued at $2,690,101. A gain of $584,022 was realized on the related party transaction and was credited to additional paid-in capital.

On April 1, 2019, the Company acquired one (1) share of Series B preferred stock in MFXchange Holdings, Inc., valued at $2,690,101, in exchange for the sale of the eighty-one percent (81%) interest the Company held in Brainhunter Systems Ltd. As of March 31, 2020, the carrying value of this investment was $2,690,101.

The Company previously owned a forty-nine percent (49%) interest in MFX Holdings, Inc. During the year ended March 31, 2021 the Company's ownership decreased to forty-four percent (44%) due to shares issued by MFX Holdings, Inc. The acquisition price was $49 plus earn out payments based upon forty percent (40%) of the Company's net income during a five year earn out period beginning January 1, 2015. In April 2017, the Company made an earn out payment of $269,849 based on MFXchange Holdings, Inc.'s net income for the twelve months ended December 31, 2016. In April 2018, the Company made an earnout payment of $102,368 based on MFXchange Holdings, Inc.'s net income for the twelve months ended December 31, 2017. During the year ended March 31, 2021 the Company made an earn out payment of $254,646 based MFXchange Holdings, Inc.'s net income for the twelve months ended December 31, 2019. As of March 31, 2021 and 2020, the carrying value of this investment was $626,873 and $372,217, respectively.

Use of estimates

The preparation of the accompanying financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events that affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. These estimates and assumptions are based on management's best estimates and judgment. Management regularly evaluates its estimates and assumptions using historical experience and other factors; however, actual results could differ significantly from these estimates.

Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification 606, Revenue Recognition ("ASC 606"). A five step analysis must be met as outlined in Topic 606 before revenue can be recognized: (1) identify the contract with the customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations, and (5) recognize revenue when (or as) performance obligations are satisfied. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required.

Income Taxes

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes ("ASC 740-10") for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods.

Reclassifications
Certain reclassifications have been made to conform prior period data to the current presentation.

NOTE 2 –LIQUIDTIY AND GOING CONCERN

Cash flows are reported using the indirect method, whereby profit 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 Company are segregated.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is a holding company with limited operations and is dependent upon shareholder funding to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company is primarily a holding company that does not have any significant operating activities. Accordingly, the Company has incurred numerous transactions with related parties.

During the year ended March 31, 2021, the Company charged interest in the amount of $2,549 on the amounts advanced to Brainhunter Systems Ltd. All amounts due from Brainhunter Systems Ltd. were collected during the year ended December 31, 2021.

During the year ended March 31, 2021, Quess Corp Holdings Pte Ltd charged the Company interest in the amount of $30,918 on the amounts advanced to the Company. During the year ended March 31, 2021 the Company paid off all advances owed to Quess Corp Holdings Pte Ltd. No further advances were due to Quess Corp Ltd as of March 31, 2021.

During the year ended March 31, 2021, Quess Corp Ltd India charged the Company interest in the amount of $34,113 on the amounts advanced to the Company. During the year ended March 31, 2021 the Company paid off all advances owed to Quess Corp Ltd. No further advances were due to Quess Corp Ltd as of March 31, 2021.

During the year ended March 31, 2021 the Company paid off all advances owed to MFXchange US, Inc. No further advances were due to MFXchange US, Inc. as of March 31, 2021.

Professional Services Agreement

The Company entered into a Professional Services Agreement with MFXchange US, Inc. ("MFX") for services to be provided as per the terms of the agreement. During the year ended March 31, 2020 the Company was provided management services for a monthly fee of $37,500. A total outstanding balance of $450,000 is included in the related party payable of $755,271 to MFX as of March 31, 2020. The agreement was not renewed for the year ended March 31, 2021.

The Company entered into a Professional Services Agreement with Brainhuner Systems Ltd. ("BHS") for services to be provided as per the terms of the agreement. During the year ended March 31, 2020 the Company was provided management services for a monthly fee of $20,850. A total outstanding balance of $250,200 is included in the related party payable of $503,829 to BHS as of March 31, 2020. The agreement was not renewed for the year ended March 31, 2021.

As of March 31, 2020 the balances due from/to affiliates were as follows:

	2020
Due from affiliates:	
Brainhunter Systems Limited, Canada	$ 52,804
Total	$ 52,804
Due to affiliates:	
Quess Corp Holdings Pte Ltd.	$ 2,235,165
Quess Corp Ltd. India	830,283
Brainhunter Systems Limited, Canada	503,829
MFXchange US, Inc.	755,271
Total	$ 4,324,548

NOTE 4 – STOCKHOLDER'S EQUITY

The Company has 200 shares of common stock authorized to be issued at no par value. As of March 31, 2021 and 2020, the Company has one share of common stock issued and outstanding.

During the year ended March 31, 2021 the Company received $4,755,000 in contributed capital from its parent Quess Corp. Ltd.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

COVID-19

On March 11, 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus (COVID-19) outbreak, which has led to a global health emergency. The extent of the public-health impact of the outbreak is still ongoing and evolving, and the continued health crisis could adversely affect the global economy, resulting in an economic downturn. At this time, there is still significant uncertainty relating to the potential effect of the novel coronavirus on the Company's business.

NOTE 6 – SUBSEQUENT EVENTS

The Company has evaluated events and transactions for potential recognition or disclosure through May 21, 2021, which is the date the financial statements were available to be issued. No subsequent events were noted.

QUESS CORP VIETNAM LLC

AUDITED FINANCIAL STATEMENT
for the fiscal year from April 01, 2020 to March 31, 2021

Audited by:

SAI GON CONSULTING TAX AUDITING COMPANY LIMITED

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QUESS CORP VIETNAM LLC

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of QUESS CORP VIETNAM LLC (hereinafter called "the Company") presents its report and the Company's financial statements for the fiscal year was begin April 01, 2020 and ended on March 31, 2021 ("the fiscal year ended on March 31, 2021").

CHAIRMAN OF COMPANY, DIRECTOR AND LEGAL REPRESENTATIVE

Chairman of Company and Director of the Company who managed the company during the fiscal year ended on March 31st, 2020 and up to the date of the owner's capital investments report, are as follows:

Mr. Subrata Kumar Nag	Chairman of Company and Legal representative, Nationality: Indian
Mr. Vijay Sivaram	Director and Legal representative, Nationality: Indian

AUDITOR

Saigon Consulting Tax Auditing Company Limited has been appointed to perform the audit of the Company's financial statements for the fiscal year ended on March 31, 2021.

STATEMENT OF THE BOARD OF DIRECTORS'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Board of Directors is responsible for the financial statements of each financial year which give a true and fair view of the state of affairs of the Company and of its results and cash flows for the fiscal year end on March 31, 2021. In preparing those financial statements, Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the basis of compliance with accounting standards and system and other related regulations;
- Prepare the financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

Board of Directors is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company, and to ensure that the accounting records comply with Vietnamese Accounting Standard, the Vietnamese Accounting System for enterprises, and relevant statutory requirements applicable to financial reports. It is responsible for safeguarding the assets the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

QUESS CORP VIETNAM LLC

REPORT OF THE BOARD OF DIRECTORS

APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors, confirm that the financial statements prepared by us, give a true and fair view of the financial position as at March 31, 2021, its operation results and cash flows in the fiscal year from April 01, 2020 to March 31, 2021 in accordance with the Vietnamese Accounting System and comply with relevant statutory requirements for preparation and presentation of financial statements.

For and on behalf of Company,

M.S.D.N:0314944... C.T.T.N.H.H
CÔNG TY
TNHH
QUESS CORP
VIỆT NAM
QUẬN 1 - T.P. HỒ CHÍ MINH

VIJAY SIVARAM

Director

Ho Chi Minh City, May 26, 2021

SGA
Audit - Tax - Consulting

Saigon Consulting Tax Auditing Company Limited
Office: 2nd floor, 5-7 Hoang Viet street
Tan Binh district, Ho Chi Minh city
www.saigonauditing.com
Tel : 84 - 6293 5468 Fax: 84 - 6293 5455

Ref: 21274/BCKT-SGA

INDEPENDENT AUDITORS' REPORT

Financial statement of QUESS CORP VIETNAM LLC
for the year ended March 31, 2021

To: **CHAIRMAN**
DIRECTOR
QUESS CORP VIETNAM LLC

We have audited the financial statements of QUESS CORP VIETNAM LLC (hereinafter called "the Company") including balance sheet as of March 31, 2021, income statement and statement of cash flows, together with the notes to the financial statements for the year ended at the same day, prepared on May 26, 2021 as set out on pages from 5 to 19.

Director's Responsibility for the Financial Statements

Director is responsible for the preparation of these financial statements in accordance with Vietnam Accounting Standard and Vietnam Accounting Regime, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; select and apply suitable accounting policies; and make accounting estimate reasonably for each case.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnam Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, in all material aspects, the enclosed financial statements give a true and fair view of the financial position of QUESS CORP VIETNAM LLC as at March 31, 2021, together with its operation results and cash flows for the year ended at the same date in accordance with Vietnamese accounting standards and system and comply with relevant statutory requirements.

CÔNG TY TNHH KIỂM TOÁN THUẾ TƯ VẤN SÀI GÒN

BUI TRUNG HIEU

Director

Practicing auditor registration certificate

No.1341-2018-207-1

HOANG THI TRUC HUONG

Auditor

Practicing auditor registration certificate

No.1809-2018-207-1

For and on behalf of

SAI GON CONSULTING TAX AUDITING COMPANY LIMITED

Ho Chi Minh City, May 26, 2021

QUESS CORP VIETNAM LLC

BALANCE SHEET

As at March 31, 2021

Form B01-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Items	Code	Note	Mar 31, 2021 VND	Apr 01, 2020 VND
ASSETS				
A. CURRENT ASSETS (100 = 110 + 120 + 130 + 140 + 150)	**100**		**7,699,736,544**	**10,316,594,994**
I. Cash and cash equivalents	**110**		**6,227,604,207**	**7,380,201,097**
1. Cash	111	IV.1	6,227,604,207	7,380,201,097
II. Short-term investments	**120**		-	-
III. Accounts receivable	**130**		**1,368,611,224**	**2,892,393,897**
1. Trade receivables	131	IV.2	2,517,068,046	2,573,371,683
2. Advances to suppliers	132	IV.3	74,697,861	59,814,954
3. Other receivables	136	IV.4	148,174,828	259,207,260
4. Provision for bad debts	137		(1,562,542,319)	-
5. Assets in shortage awaiting resolution	139		191,212,808	-
IV. Inventories	**140**		-	-
V. Other current assets	**150**		**103,521,113**	**44,000,000**
1. Prepaid expenses	151	IV.5a	103,521,113	44,000,000
B. NON-CURRENT ASSETS (200 = 210 + 220 + 230 + 240 + 250 + 260)	**200**		**48,044,437**	**123,244,504**
I. Long – term receivables	**210**		-	-
II. Fixed assets	**220**		-	-
III. Investment properties	**230**		-	-
IV. Long-term asset in progress	**240**		-	-
V. Long-term investments	**250**		-	-
VI. Other long-term assets	**260**		**48,044,437**	**123,244,504**
1. Long-term prepaid expenses	261	IV.5b	48,044,437	123,244,504
TOTAL ASSETS (270 = 100 + 200)	**270**		**7,747,780,981**	**10,439,839,498**

QUESS CORP VIETNAM LLC

BALANCE SHEET

As at March 31, 2021

Form B01-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Items	Code	Note	Mar 31, 2021 VND	Apr 01, 2020 VND
RESOURCES				
C . LIABILITIES (300 = 310 + 330)	**300**		**6,085,728,547**	**5,651,574,312**
I. Current liabilities	**310**		**6,085,728,547**	**5,651,574,312**
1. Accounts payable to suppliers	311	IV.7	68,328,445	185,857,291
2. Advances from customers	312		164,070,888	68,742,900
3. Taxes payables and statutory obligations	313	IV.8	391,263,995	412,534,008
4. Payables to employees	314		116,322,738	-
5. Accrued expenses	315	IV.9	17,900,000	35,700,000
6. Other payables	319	IV.10	1,409,119,180	1,103,359,142
7. Loans and finance lease liabilities	320	IV.6	3,918,723,301	3,845,380,971
II. Long-term liabilities	**330**		**-**	**-**
D . OWNER'S EQUITY (400 = 410 + 430)	**400**		**1,662,052,434**	**4,788,265,186**
I. Equity	**410**	**IV.11**	**1,662,052,434**	**4,788,265,186**
1. Contributed capital	411		4,333,783,580	4,333,783,580
2. Retained profits	421		(2,671,731,146)	454,481,606
- Retained profits brought forward	421a		454,481,606	354,591,178
- Retained profits for the current year	421b		(3,126,212,752)	99,890,428
II. Others capital and funds	**430**		**-**	**-**
TOTAL RESOURCES (440 = 300 + 400)	**440**		**7,747,780,981**	**10,439,839,498**

M.S.D.N:0314944513-C.T.T.N.H.H. CÔNG TY TNHH QUESS CORP VIỆT NAM QUẬN 1-T.P HỒ CHÍ MINH

Prepared by

VIJAY SIVARAM
Director
Ho Chi Minh City, May 26, 2021

QUESS CORP VIETNAM LLC

INCOME STATEMENT

for the fiscal year ended March 31, 2021

Form B02-DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Items	Code	Notes	Current year VND	Previous year VND
1. Revenues from sales of goods and rendering of services	01	V.1	7,410,299,179	13,370,670,949
2. Revenue deductions	02		-	-
3. Net revenue from sales of goods and rendering of services (10=01-02)	10		7,410,299,179	13,370,670,949
4. Cost of sales	11	V.2	6,309,993,354	10,189,699,418
5. Gross profit form sales of goods and rendering of services (20=10-11)	**20**		**1,100,305,825**	**3,180,971,531**
6. Income from financial activities	21	V.3	1,630,449	190,057,541
7. Expenses from financial activities	22	V.4	367,017,584	193,793,005
In which: interest expenses	*23*		*171,699,886*	*170,804,279*
8. Selling expenses	25		-	-
9. General & administration expenses	26	V.5	3,858,617,266	3,245,080,394
10. Net operating profit/(loss) (30=20+(21-22)-(25+26))	**30**		**(3,123,698,576)**	**(67,844,327)**
11. Other income	31	V.6	2,275,354	250,000,000
12. Other expenses	32	V.7	4,789,530	421,097
13. Other profit (40=31 - 32)	40		(2,514,176)	249,578,903
14. Accounting profit before tax (50=30+40)	**50**		**(3,126,212,752)**	**181,734,576**
15. Current corporate income tax expenses	51	V.8	-	81,844,148
16. Deferred corporate income tax (income) expenses	52		-	-
17. Net profit/(loss) after tax (60=50-51-52)	**60**		**(3,126,212,752)**	**99,890,428**

M.S.D.N:0314944513-C.T.T.N.H.H CÔNG TY TNHH QUESS CORP VIỆT NAM QUẬN 1-TP.

Prepared by

VIJAY SIVARAM
Director
Ho Chi Minh City, May 26, 2021

QUESS CORP VIETNAM LLC

CASH FLOWS STATEMENT

(Indirect method)

for the fiscal year ended March 31, 2021

Form B03-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Items	Code	Notes	Current year VND	Previous year VND
I. Cash Flows from Operating Activities				
1. Profit before tax	***01***		***(3,126,212,752)***	***181,734,576***
2. Adjustments				
- Provisions	03		1,562,542,319	-
- Unrealized foreign exchange gains, losses	04		120,416,023	(187,706,221)
- Interest expenses	06		171,699,886	170,804,279
3. Operating profit before changes in working capital	***08***		***(1,271,554,524)***	***164,832,634***
- Increase, decrease in trade receivable	09		(38,759,646)	3,225,573,086
- Increase, decrease in payables (not including other interest, incomes tax)	11		194,774,841	(1,843,299,085)
- Increase, decrease in prepaid expenses	12		15,678,954	130,057,981
- Income tax paid	15		(81,844,148)	(174,219,303)
Net cash flow from operating activities	***20***		***(1,181,704,523)***	***1,502,945,313***
II. Cash Flows from Investing Activities				
III. Cash Flows from Financing Activities				
Net cash flows in the period (50=20+30+40)	**50**		**(1,181,704,523)**	**1,502,945,313**
Cash and cash equivalent at beginning of year	**60**		**7,380,201,097**	**5,782,970,230**
Impacts of exchange rate fluctuations	61		29,107,633	94,285,554
Cash and cash equivalent at the end of year (70=50+60+61)	**70**		**6,227,604,207**	**7,380,201,097**

CÔNG TY TNHH QUESS CORP VIỆT NAM

VIJAY SIVARAM

Director

Prepared by

Ho Chi Minh City, May 26, 2021

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2021

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

I. Reporting entity

1. Structure of ownership

Quess Corp Vietnam LLC is a one member limited liability company owned by Quess Corp Limited which located in India and operates in accordance with the Law on Enterprise of Vietnam.

The company operates under the Investment Registration Certificate No. 8762150491 issued by the People's Commitee of Ho Chi Minh city for the first time on March 1st, 2018; and Business Registration Certificate No. 0314944513 issued by the Department of Planning and Investment of Ho Chi Minh city for the first time on March 26th, 2018, the second amendment on May 2nd, 2019.

The Company is located at 7th - 8th Floor, Me Linh Point Tower, No.2 Ngo Duc Ke Street, Ben Nghe Ward, District 1, HCMC, Vietnam.

Charter capital is VND 4,300,000,000 equivalent to USD 188,762.00.

2. Business areas

Services.

3. Principal activities

- Computers and computer system administration consulting;

- Data processing, leasing and related activities;

- Activities of centers, agents for employment consultancy, introduction and brokerage;

- Supply and management of labor resources.

4. Normal operating cycle

Normal operating cycle of the Company is generally within 12 months.

II. Basis of preparation

1. Statement of compliance

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

2. Basis of measurement

The financial statements are prepared on the accrual basis using the historical cost concept, and going concern basis.

3. Annual accounting period

The annual accounting period of the Company is from January 1 to December 31.

4. Accounting and presentation currency

The Company maintains its accounting records in Vietnam dong (VND), and monetary unit was presented on the financial statements in Vietnam dong (VND).

III. Summary of significant accounting policies

1. Foreign currency transactions

Exchange rate in transaction of contributed capital: the foreign currency buying rate at the reporting date quoted by the commercial bank, which receive money from investors;

Exchange rate in transaction of recognition and revaluation receivables: the foreign currency buying rate at the reporting date quoted by the commercial bank;

Exchange rate in transaction of recognition and revaluation payables: the foreign currency selling rate at the reporting date quoted by the commercial bank;

2. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposit, cash in transit and short-term investment (original term was less than 3 months) that are readily to convertible to knows amounts of cash and which are subject to an insignificant risk of changes in value.

3. Receivables

The receivables is presented in estimated collectable value. The value is estimated in subtraction of book value of receivable to provision for bad debts which are estimated for overdue debts, the debts with inability payment.

4. Prepaid expenses

Prepaid expenses include short term's and long term's which are presented at net book value. These expenditures have been capitalized and are located to the income statement of the fiscal year, by using the straight-line method.
The expenditures, are expected to provide future economic benefits to the Company for more than one year, are recognized as long term prepaid.

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2021

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

5. Payable expenses and accrued expenses

Payable expenses and accrued expenses are record for amount will paid in the future related goods and services, it not depend on whether the Company receive tax invoice from suppliers.

Expenses not yet occurred may be charged in advance into production and operating costs in order to ensure when these expenses arise, they do not make material influence on production and operating costs on the basis of suitability between revenue and cost. When these expenses arise, if there is any difference with the amount charged, accountants additionally record or make decrease to cost equivalent to the difference.

6. Revenue

Revenue of a transaction involving the rendering of services is recognized when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognized in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

(a) the amount of revenue can be measured reliably;

(b) it is probable that the economic benefits associated with the transaction will flow to the Company;

(c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and

(d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

7. Expenses

Production, operating and other expenses are recorded in Income statement when they decreased future economic benefits related to decreasing assets or increasing payable and value of the expenses should be determined reliable.

The expenses are recorded in matching of income and expenses.

8. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

The Company's corporate income tax expense is calculated using tax rate that have been affected at the date of preparing the balance sheet.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

9. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Detail of related parties of the Company as

Related parties	Relationship
Quess Corp Ltd	Parent Company
Quess (Philipines) Corp	Fellow company
Quess (Singapore) Corp	Fellow company

NOTES TO THE FINANCIAL STATEMENTS
for the fiscal year ended March 31, 2021

Form B09-DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

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IV. Additional information to items in Balance Sheet

Unit: Vietnam dong

1. Cash and cash equivalents		Mar 31, 2021	Apr 01, 2020
Cash in bank		6,227,604,207	7,380,201,097
- Cash in bank VND		*4,391,616,991*	*2,350,890,097*
- Cash in bank USD		*611,147,673*	*3,774,597,322*
	#	*$ 26,617.93*	*$ 160,484.58*
	and	*1,224,839,543*	*1,254,713,678*
	#	*$ 53,346.67*	*$ 53,346.67*
		6,227,604,207	**7,380,201,097**

2. Short term accounts receivable from customers	Mar 31, 2021	Apr 01, 2020
VPBank Finance Company Limited	1,430,542,319	1,430,542,319
Decathlon Vietnam., Ltd	134,012,118	26,995,705
Zebra Technologies Asia Pacific Pte. Ltd	-	172,770,484
Zuzu Hospitality Solutions Limited Company	875,820,671	819,139,798
Bollore Logistics Vietnam Co.,Ltd	47,707,938	28,448,877
Other customers	28,985,000	95,474,500
	2,517,068,046	**2,573,371,683**

3. Short term advance to suppliers	Mar 31, 2021	Apr 01, 2020
Vietnam International Law firm	46,146,900	46,146,900
Other suppliers	28,550,961	13,668,054
	74,697,861	**59,814,954**

4. Other short-term receivables	Mar 31, 2021	Apr 01, 2020
Mortgage, collateral	139,134,900	139,134,900
Lending	-	117,966,703
Advance of employee	7,220,953	-
Other receivables	1,818,975	2,105,657
	148,174,828	**259,207,260**

		Mar 31, 2021	Apr 01, 2020
5.	**Prepaid expenses**		
a.	***Short-term prepaid expenses***		
	Insurance expenses	51,673,995	-
	Prepaid office rental expenses	51,847,118	44,000,000
		103,521,113	**44,000,000**
b.	***Long-term prepaid expenses***		
	Office survey costs	48,044,437	123,244,504
		48,044,437	**123,244,504**

6. Loans and finance lease liabilities - short term	Mar 31, 2021		Apr 01, 2020	
	Carrying amount	Repayable amount	Carrying amount	Repayable amount
Short term loans with related parties				
- Quess Corp Ltd (**)	2,286,283,440	2,286,283,440	2,274,359,640	2,274,359,640
#	*INR 7,014,000.00*	*INR 7,014,000.00*	*INR 7,014,000.00*	*INR 7,014,000.00*
- Quess (Philippines) Corp (***)	1,632,439,861	1,632,439,861	1,571,021,331	1,571,021,331
#	*PHP 3,232,554.18*	*PHP 3,232,554.18*	*PHP 3,232,554.18*	*PHP 3,232,554.18*
	3,918,723,301	**3,918,723,301**	**3,845,380,971**	**3,845,380,971**

Detail of short term loans

(**) This is short-term loan of Quess Corp Ltd with loan contract signed on April 1, 2018;

- Amount : 7,014,000.00 INR;
- Loan term : 01 year from December 27, 2018 to December 26, 2019; loan payment term is overdue, but there are no renewal contracts.
- Interest rate : 7.51%/year, payment quarterly;
- Loan purpose : payment for operating expenses;
- Collateral : None

(***) This is short-term loan of Quess (Philippines) Corp with loan contract signed on September 14, 2018;

- Amount : 3,232,554.18 PHP;
- Loan term : 01 year from September 24, 2018 to September 23, 2019; loan payment term is overdue, but there are no renewal contracts.
- Interest rate : 0%/year;
- Loan purpose : payment for operating expenses;
- Collateral : None

NOTES TO THE FINANCIAL STATEMENTS
for the fiscal year ended March 31, 2021

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

7. Short term accounts payable to other suppliers	Mar 31, 2021		Apr 01, 2020	
	Carrying amount	Repayable amount	Carrying amount	Repayable amount
Manpower Co.,Ltd	-	-	-	-
Talent Trader Vietnam Co.,Ltd	3,319,875	3,319,875	3,319,875	3,319,875
Khai Anh Co.,Ltd	17,638,320	17,638,320	17,638,320	17,638,320
Thai Anh International Co.,Ltd - HCMC Branch	-	-	78,143,042	78,143,042
Other suppliers	47,370,250	47,370,250	86,756,054	86,756,054
	68,328,445	**68,328,445**	**185,857,291**	**185,857,291**

8. Taxes payables and statutory obligations	Apr 01, 2020	Incurred	Paid	Mar 31, 2021
- Value added tax	217,494,659	741,029,924	(688,066,188)	270,458,395
- Corporate income tax	81,844,148	-	(81,844,148)	-
- Personal income tax	113,195,201	496,883,617	(489,273,218)	120,805,600
- Other taxes	-	2,000,000	(2,000,000)	-
Taxes payables and statutory obligations	**412,534,008**	**1,239,913,541**	**(1,261,183,554)**	**391,263,995**
Tax and receivables from state budget	**-**			**-**

9. Short term accrued expenses	Mar 31, 2021	Apr 01, 2020
Audit fee	11,000,000	15,000,000
Professional service fee	6,900,000	20,700,000
Others	-	-
	17,900,000	**35,700,000**

10. Short term other payables

		Mar 31, 2021	Apr 01, 2020
Short term other payables		-	-
Surplus of assets awaiting resolution		46,504,604	-
Union fee		51,556,881	16,228,231
Social insurance, Health insurance, unemployment insuarance		71,172,347	111,488,458
Employee payables (Ms.Nguyen Thi Thanh Trang)		-	14,001,084
Others		138,507,431	49,929,399
Loan interest - Quess Corp Ltd - Related party		405,964,258	233,042,597
	#	*INR 1,245,441.95*	*INR 233,042,597.00*
Paid on behalf - Quess (Philippines) Corp - Related party		303,035,764	291,634,419
	#	*PHP 600,070.82*	*PHP 600,070.82*
Paid on behalf - Quess (Singapore) Corp - Related party		392,377,895	387,034,955
	#	*SGD 22,868.51*	*SGD 22,868.51*
		1,409,119,180	**1,103,359,142**

11. Owner's equity

a. *Changes in owners' equity*

	Items of owner's equity		
	Contributed charter capital	Retained earning	Total
Opening balance of previous year	**4,333,783,580**	**354,591,178**	**4,688,374,758**
Net profit for previous year	-	99,890,428	99,890,428
Opening balance of the year	**4,333,783,580**	**454,481,606**	**4,788,265,186**
Net loss for the year	-	(3,126,212,752)	(3,126,212,752)
Closing balance	**4,333,783,580**	**(2,671,731,146)**	**1,662,052,434**

b. *Details of owner's equity*

Investor/share holders	**Registered Charter capital**		**Contributed Charter capital**	
	Amount (USD)	**# Amount (VND)**	**Amount (USD)**	**# Amount (VND)**
Quess Corp Ltd	188,762.00	4,300,000,000	188,762.00	4,333,783,580
	188,762.00	**4,300,000,000**	**188,762.00**	**4,333,783,580**

Form B09-DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

V. Additional information to items in income statement

1. Revenue from sale of goods and rendering of service

	Current year	Previous year
Gross revenue		
Revenue from rendering of service	7,410,299,179	13,370,670,949
	7,410,299,179	**13,370,670,949**

2. Cost of sales

	Current year	Previous year
Cost of goods sold from render of services	6,309,993,354	10,189,699,418
	6,309,993,354	**10,189,699,418**

3. Financial income

	Current year	Previous year
Gain of difference from exchange rate	1,630,449	2,351,320
Gain of difference from revaluation exchange rate	-	187,706,221
	1,630,449	**190,057,541**

4. Financial expenses

	Current year	Previous year
Loan interest	171,699,886	170,804,279
Loss of difference from exchange rate	74,901,675	22,988,726
Loss of difference from revaluation exchange rate	120,416,023	-
	367,017,584	**193,793,005**

5. Other income

	Current year	Previous year
Others	2,275,354	250,000,000
	2,275,354	**250,000,000**

6. Other expense

	Current year	Previous year
Fine fee	4,789,467	-
Others	63	421,097
	4,789,530	**421,097**

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2021

Form B09-DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

7. General & administration expenses

	Current year	Previous year
Expense of employees	1,628,216,096	1,739,558,052
Office equipment expenses	75,200,004	107,356,999
Outsourced services expenses	333,224,415	819,566,560
Other expenses	259,434,431	578,598,783
Provision for bad debts	1,562,542,319	-
	3,858,617,266	**3,245,080,394**

8. Operating cost by nature

	Current year	Previous year
Labor cost	7,938,209,450	11,929,257,470
Tools and instruments expenses	75,200,004	107,356,999
Outsourced services expenses	333,224,415	819,566,560
Other expenses	259,434,431	578,598,783
Provision for bad debts	1,562,542,319	-
	10,168,610,620	**13,434,779,812**

9. Current corporate income tax ("CIT") expenses

The determination of the tax currently payable and deferred tax is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2021

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

VI. Other information

1. Subsequent events since the balance sheet date

There has been no significant financial event occurring after the balance sheet date, which would require adjustments or disclosures to be made in the financial statements.

2. Significant transactions related parties

Significant transactions with related parties in the year were as follows:

Related parties	Transaction		Current year	Previous year
Quess Corp Ltd	Loan interest		171,699,886	170,804,279
		#	*INR 526,751.40*	*INR 526,751.00*

At fiscal year end, accounts receivable and payable with related parties were as follows:

Related parties	Transaction		Balance	
			31/03/2021	01/04/2020
Quess Corp Ltd	Short term loan payable		2,286,283,440	2,274,359,640
		#	*INR 7,014,000.00*	*INR 7,014,000.00*
	Loan interest payable		405,964,258	233,042,597
		#	*INR 1,245,441.95*	*INR 718,690.55*
Quess (Philipines) Corp	Short term loan payable		1,632,439,861	1,571,021,331
		#	*PHP 3,232,554.18*	*PHP 3,232,554.18*
	Paid on behalf (payable)		303,035,764	291,634,419
		#	*PHP 600,070.82*	*PHP 600,070.82*
Quess (Singapore) Corp	Paid on behalf (payable)		392,377,895	387,034,955
		#	*SGD 22,868.51*	*SGD 22,868.51*

3. Going concern information

Director confirm that the Company have no intend to dissolve or narrow the scope of business within next 12 months from the closing date. Therefore, the financial statement were prepared and present on going concern.

M.S.D.N:0314944513-C.T.T.N.H.H
CÔNG TY TNHH QUESS CORP VIỆT NAM
QUẬN 1-T.P HỒ CHÍ MINH

Prepared by

VIJAY SIVARAM
Director
Ho Chi Minh City, May 26, 2021

DINESH KAKARLA & ASSOCIATES
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To,
The Members Of
Stellarslog Technovation Private Limited
Bengaluru.

Report on the Audit of the Financial Statements

1. Opinion

I have audited the accompanying Financial Statements of **Stellarslog Technovation Private Limited** ("the Company"), which comprises the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss and notes to the Financial Statements including a summary of Significant Accounting Policies and other explanatory information.

In my opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2021, its **Loss** for the year ended on that date.

2. Basis for Opinion

I conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 opinion.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under Section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate

DINESH KAKARLA & ASSOCIATES FRN No. HYDERABAD CHARTERED ACCOUNTANTS

6-2-193, Vivek Nagar Colony, Kukatpally, Hyderabad. Telangana-500072.
Phone No: 9703276900, Ph : 040-40151987, E-mail : kakarladineshca@gmail.com

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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

4. Auditor's Responsibilities for the Audit of the Financial Statements

The objectives are to obtain reasonable assurance about whether the 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 Financial Statements.

A further description of the auditor's responsibilities for the audit of the Financial Statements is given in Annexure-"A" which is attached to this audit report.

5. Report on Other Legal and Regulatory Requirements

I. Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to this Company.

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

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

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

   c. the balance sheet, the statement of profit and loss and the statement of cash flow dealt with by this report are in agreement with the books of account;

   d. in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. on the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act;

DINESH KAKARLA & ASSOCIATES
FRN No: 016508S
HYDERABAD
CHARTERED ACCOUNTANTS

f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. There are no pending litigations against or by the Company.
   ii. The Company has no material foreseeable losses.
   iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund by the Company.

Dinesh Kakarla & Associates,
Chartered Accountants
Firm Reg No. 016508S

DINESH KAKARLA & ASSOCIATES
FRN No: 016508S
HYDERABAD
CHARTERED ACCOUNTANTS

K. Dinesh kumar

Dinesh Kumar Kakarla
Proprietor
Membership No. 238745

Place: Hyderabad
Date: 14/06/2021

UDIN: 21238745AAAADL4829

Annexure- "A" TO THE INDEPENDENT AUDITORS' REPORT
Referred to in paragraph 4 of our report of even date

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Financial Statements, including the disclosures, and whether the 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.

Dinesh Kakarla & Associates,
Chartered Accountants
Firm Reg No. 016508S

DINESH KAKARLA & ASSOCIATES
FRN No: 016508S
HYDERABAD
CHARTERED ACCOUNTANTS

K. Dinesh Kumar

Dinesh Kumar Kakarla
Proprietor
Membership No. 238745

Place: Hyderabad
Date: 14/06/2021

UDIN: 21238745AAAADL4829

STELLARSLOG TECHNOVATION PVT LTD

CIN - U72200KA2015PTC084539

Balance sheet as at 31st March, 2021

(Amount in Rs.)

	Note No.	Amount as at 31-Mar-21	Amount as at 31-Mar-20
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	3	23,84,310	20,00,000
(b) Reserves and surplus	4	84,59,745	(16,41,101)
(2) Non-current liabilities			
(a) Long-term borrowings	5	39,98,906	46,54,789
(3) Current liabilities			
(a) Short-term borrowings	6	39,67,789	77,59,035
(b) Other current liabilities	7	59,15,282	28,04,159
TOTAL		**2,47,26,032**	**1,55,76,882**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	6,15,306	8,40,208
(b) Deffered Tax Asset		1,38,674	3,82,916
(c) Other Non-Current Assets	9	12,00,000	3,50,000
(2) Current assets			
(a) Trade Receivables	10	85,92,750	31,43,933
(b) Cash and cash equivalents	11	1,26,90,568	94,58,791
(c) Short Term Loans & Advances	12	4,00,000	-
(d) Other current assets	13	10,88,734	14,01,034
TOTAL		**2,47,26,032**	**1,55,76,882**

Summary of significant Accounting Policies	1
Additional information to the financial statements	2

Notes to the financial statements form an integral part of the financial statements.

As per our report of even date
for Dinesh Kakarla & Associates
Chartered Accountants
Firm Reg No. 016508S

DINESH KAKARLA & ASSOCIATES * FRN No: 016508S HYDERABAD * CHARTERED ACCOUNTANTS

K. Dinesh kumar

Dinesh Kakarla & Associates
Proprietor
Membership No. 028115
Date: 14/06/2021
Place : Hyderabad

for and on behalf of the Board

Stellarslog Technovation Pvt. Ltd. * Bangalore *

Naveen R
Director
DIN No. 07081719
Date: 14/06/2021
Place: Bengaluru

Stellarslog Technovation Pvt. Ltd. * Bangalore *

Prashant
Director
DIN No. 07534421

UDIN: 21238745AAAADL4829

STELLARSLOG TECHNOVATION PVT LTD

CIN - U72200KA2015PTC084539

Statement of Profit and loss for the year ended 31st March, 2021

		Note No.	(Amount in Rs.)	
			31-Mar-21	31-Mar-20
I.	Revenue from operations	14	1,21,79,921	1,61,08,968
II.	Other income	15	3,57,743	4,42,953
III.	Total revenue (I+II)		**1,25,37,664**	**1,65,51,921**
IV.	Expenses:			
	Employee benefits expenses	16	79,83,959	57,32,504
	Finance costs	17	8,12,757	5,74,570
	Depreciation and amortization expenses	8	5,44,089	4,16,953
	Other expenses	18	1,24,67,338	1,14,85,057
	Total expenses		2,18,08,143	1,82,09,084
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(92,70,479)	(16,57,163)
VI.	Exceptional items		-	-
VII.	Profit before extraordinary itmes and tax (VII - VIII)		(92,70,479)	(16,57,163)
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII - VIII)		(92,70,479)	(16,57,163)
X.	Tax expenses:			
	(1) Current tax		-	-
	(2) Tax pertaining to previous year		-	1,84,569
	(3) Deferred tax		2,44,242	(3,69,411)
XI.	Profit/(loss) for the period from continuing operations		(95,14,721)	(14,72,321)
XII.	Profit/(loss) from discountiuing operations		-	-
XIII.	Tax expense of discountiuing operations		-	-
XIV.	Profit/(loss) from Discountinuing operations (after tax) (XII - XIII)		-	-
XV.	Profit/(Loss) for the period (XI + XIV)		(95,14,721)	(14,72,321)
XVI.	Earnings per equity shares:			
	(1) Basic		(46)	(9)
	(2) Diluted		(46)	(9)

Summary of significant Accounting Policies 1

Additional information to the financial statements 2

Notes to the financial statements form an integral part of the financial statements.

As per our report of even date
for Dinesh Kakarla & Associates
Chartered Accountants
Firm Reg No. 016508S

DINESH KAKARLA & ASSOCIATES FRN No: 016508S HYDERABAD CHARTERED ACCOUNTANTS

K. Dinesh Ka

Dinesh Kakarla & Associates
Proprietor
Membership No. 028115
Date: 14/06/2021
Place : Hyderabad

for and on behalf of the Board

Stellarslog Technovation Pvt. Ltd. Bangalore

Naveen R
Director
DIN No. 07081719
Date: 14/06/2021
Place: Bengaluru

Stellarslog Technovation Pvt. Ltd. Bangalore

Prashant
Director
DIN No. 07534421

UDIN: 21238745AAAADL4829

STELLARSLOG TECHNOVATION PVT LTD
CIN - U72200KA2015PTC084539
Cash Flow Statement for the year ending March 31st, 2021

Particulars	Amount	Amount
Net profit/(Loss) before Tax and extra ordinary Items		(92,70,479)
Cash flow from Operating activities		
Add: Non-cash and non-operating Items which have already been debited to profit and Loss Account;		
Depreciation	5,44,089	
Interest and Finance costs on Term loan & Bank Overdrafts	8,12,757	
Provision for tax	-	13,56,846
Less: Non-cash and Non-operating Items which have already been credited to Profit and Loss Account;		
Profit on the sale of Fixed assets	-	
Interest on bank deposits	(3,12,415)	(3,12,415)
Operating profit before working Capital changes (A)		(82,26,048)
Changes in working capital:		
Add: Increase in current liabilities	31,41,576	
Less: Increase in current assets	(57,32,782)	
Net increase / decrease in working capital (B)		(25,91,205)
Cash generated from operations (C) = (A+B)		(1,08,17,253)
Less: Income tax paid (Net tax refund received) (D)		-
Cash flow from before extraordinary items (C-D) = (E)		(1,08,17,253)
Adjusted extraordinary items (+/) (F)		-
Net cash flow from operating activities (E+F) = (G)		(1,08,17,253)
Cash flow from Investing activities		
Purchase of fixed assets	(3,19,186)	
Fixed deposits with Bank	87,58,394	
Interest earned on deposits with bank	5,08,679	
Payment of security Deposit	(8,50,000)	
Net cash from investing activities (H)		80,97,887
Cash flow from Financing activities		
Proceeds from issue of shares	1,99,99,877	
Partial Loan repayment to Related parties	(6,64,899)	
Repayment of Term Loan principal principal during the year	(21,438)	
Interest and Finance costs on Term loan & Bank Overdrafts	(8,12,757)	
Net cash flow from financing activities (I)		1,85,00,782
Net increase in cash and cash equivalents (G+H+I) = (J)		**1,57,81,416**
Cash and cash equivalents and the beginning of the period (K)		(70,58,638)
Cash and cash equivalents and the end of the period (J+K) **		**87,22,778**

Cash and cash equivalents - Reference to Financial Statements	**31.03.2021**	**31.03.2020**
Cash and cash equivalents		
Balances with banks	1,25,58,444	6,35,834
Cash on hand	1,32,123	64,563
Short Term Borrowigs		
(A) from banks		
i) Secured		
Bank Overdraft		
- Secured against Bank deposit	-	(56,43,849)
- hypothecated on Accounts receivables	(33,02,327)	(20,11,039)
i) Un-Secured		
Bank Overdraft	(5,66,349)	-
Corporate credit cards	(99,114)	(1,04,147)
Cash & Cash equivalents for Cash Flow	**87,22,778**	**(70,58,638)**

Stellarslog Technovation Pvt. Ltd. * Bangalore *

DINESH KAKARLA & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN No: 016508S HYDERABAD

STELLARSLOG TECHNOVATION PVT LTD

Notes forming part of the financial statements for the year ending 31st March, 2021

Share Capital **Note No.3(a)**

Particulars	**31-Mar-21**		**31-Mar-20**	
	No of Shares	**Amount in Rs.**	**No of Shares**	**Amount in Rs.**
Equity Share Capital				
Authorised Share Capital (Equity Shares of Rs. 10 par value)	3,00,000	30,00,000	2,00,000	20,00,000
Issued,Subscribed & Fully paid-up (Equity Shares of Rs. 10 par value)	2,38,431	23,84,310	2,00,000	20,00,000
	2,38,431	**23,84,310**	**2,00,000**	**20,00,000**

Right, Preferences and Restriction attached to shares **Note No.3(b)**

Equity shares:

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

Share Capital - Reconciliation of the number of share **Note No.3(c)**

Particulars	**31-Mar-21**		**31-Mar-20**	
	No of Shares	**Amount in Rs.**	**No of Shares**	**Amount in Rs.**
Equity Share Capital				
Shares at the beginning of the year	2,00,000	20,00,000	2,00,000	20,00,000
Changes during the year	38,431	3,84,310	-	-
Closing Balance	**2,38,431**	**23,84,310**	**2,00,000**	**20,00,000**

Share Capital : **Note No.3(d)**

Details of each shareholder holding more that 5% of the aggregate shares in the Company

Particulars	**Amount in Rs as at**			
	31-Mar-21		**31-Mar-20**	
	No. Shares	**% of Holding**	**No. Shares**	**% of Holding**
Naveen Ramachandra	1,00,000	41.94%	1,00,000	50.00%
Prashant Janadri	1,00,000	41.94%	1,00,000	50.00%
Quess Corp Limited	38,431	16.12%	-	0.00%

Stellarslog Technovation Pvt. Ltd. * Bangalore *

DINESH KAKARLA & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN No: 016508S HYDERABAD

STELLARSLOG TECHNOVATION PVT LTD

Notes forming part of the financial statements for the year ending 31st March 2021

Reserves and surplus **Note No.4**

Particulars	**Amount in Rs as at**	
	31-Mar-21	**31-Mar-20**
Reserves and Surplus		
(a) Securities Premium Reserve	1,96,15,567	-
(b) Profit and Loss Account		
As per last Balance Sheet	(16,41,101)	(1,68,780)
Add: Profit for the year	(95,14,721)	(14,72,321)
Closing balance for the year	**(1,11,55,822)**	**(16,41,101)**
Total	**84,59,745**	**(16,41,101)**

Long-Term Borrowigs **Note No.5**

Particulars	**Amount in Rs as at**	
	31-Mar-21	**31-Mar-20**
a) Loans and advances from related parties		
i) Unsecured		
Loans & Advances from Directors	32,88,257	39,53,156
b) Long term maturities of finance lease obligations		
i) Secured		
Term Loan from Bank- hypothecated on laptops	7,10,649	7,01,633
Total	**39,98,906**	**46,54,789**

Short Term Borrowigs **Note No.6**

Particulars	**Amount in Rs as at**	
	31-Mar-21	**31-Mar-20**
a) Loans repayable on demand:		
(A) from banks		
i) Secured		
Bank Overdraft		
- Secured against Bank deposit	-	56,43,849
- hypothecated on Accounts receivables	33,02,327	20,11,039
i) Un-Secured		
Bank Overdraft	5,66,349	-
Corporate credit cards	99,114	1,04,147
Total	**39,67,789**	**77,59,035**

Other current liabilities **Note No.7**

Particulars	**Amount in Rs as at**	
	31-Mar-21	**31-Mar-20**
a) Current maturities of long-term debt	2,30,484	2,60,938
b) Other Payables:		
Audit & Professional fee payable	25,000	35,000
Advances from Customers	30,664	-
Employee Benefits Payable	16,27,124	4,43,188
Accounts Payable	3,20,949	30,463
Accrued expenses	19,42,997	-
Other Current Payables	48,664	-
Duties & Taxes		
Service Tax, SBC & KKC Payable	98,074	1,36,748
GST Payable net of input credits	13,03,867	17,55,275
TDS Payable	2,80,259	1,39,548
Professional Tax	7,200	3,000
Total	**59,15,282**	**28,04,159**

Stellarslog Technovation Pvt. Ltd.

DINESH KAKARLA & ASSOCIATES
FRN No. 016508S
HYDERABAD
CHARTERED ACCOUNTANTS

STELLARSLOG TECHNOVATION PVT LTD

Other Non-Current Assets — Note No.9

Particulars	Amount in Rs as at 31-Mar-21	Amount in Rs as at 31-Mar-20
Unsecured, considered good;		
Security Deposits	12,00,000	3,50,000
Total	**12,00,000**	**3,50,000**

Trade Receivables — Note No.10

Particulars	Amount in Rs as at 31-Mar-21	Amount in Rs as at 31-Mar-20
(i) Ourstanding for a period not exceeding Six months from the date they are due for payment		
(a) Unsecured, considered good;	82,15,875	28,92,708
(ii)Ourstanding for a period exceeding Six months from the date they are due for payment		
(a) Unsecured, considered good;	3,76,874	2,51,225
(b) Doubtful	3,20,987	-
(c) Allowance for bad and doubtful debts	(3,20,987)	-
Total	**85,92,750**	**31,43,933**

Cash and cash equivalents — Note No.11

Particulars	Amount in Rs as at 31-Mar-21	Amount in Rs as at 31-Mar-20
Balances with banks	1,25,58,444	6,35,834
Cash on hand	1,32,123	64,563
Deposits with bank held as security for bank overdraft	-	87,58,394
Total	**1,26,90,568**	**94,58,791**

Short Term Loans & Advances — Note No.12

Particulars	Amount in Rs as at 31-Mar-21	Amount in Rs as at 31-Mar-20
(a) Loans and advances to related parties	-	-
(b) Others		
(i) Unsecured, considered good	4,00,000	-
Total	**4,00,000**	**-**

Other current assets — Note No.13

Particulars	Amount in Rs as at 31-Mar-21	Amount in Rs as at 31-Mar-20
TDS Receivable	1,37,483	7,07,674
Prepaid Expenses	-	21,296
Interest earned but not due	-	1,96,264
Unbilled revenue	-	4,75,800
Income tax refund due	8,00,780	-
Other Current Assets	1,50,471	-
Total	**10,88,734**	**14,01,034**

Stellarslog Technovation Pvt. Ltd. Bangalore

DINESH KAKARLA & ASSOCIATES CHARTERED ACCOUNTANTS FRN No: 016508S HYDERABAD

STELLARSLOG TECHNOVATION PVT LTD

Revenue from operations — **Note No.14**

Particulars	**Amount in Rs as at 31-Mar-21**	**Amount in Rs as at 31-Mar-20**
Revenue from services	1,21,79,921	1,61,08,968
Total	**1,21,79,921**	**1,61,08,968**

Other Income — **Note No.15**

Particulars	**Amount in Rs as at 31-Mar-21**	**Amount in Rs as at 31-Mar-20**
Interest on bank deposits	3,12,415	4,42,953
Interest on IT refund	45,328	-
Total	**3,57,743**	**4,42,953**

Employee Benefits Expenses — **Note No.16**

Particulars	**Amount in Rs as at 31-Mar-21**	**Amount in Rs as at 31-Mar-20**
Salaries	73,89,213	56,23,978
Stipend to Interns	2,76,692	-
Retirement Benefits	95,117	-
Employee Insurance	16,044	-
Staff Welfare Expenses	2,06,893	1,08,526
Total	**79,83,959**	**57,32,504**

Finance Costs — **Note No.16**

Particulars	**Amount in Rs as at 31-Mar-21**	**Amount in Rs as at 31-Mar-20**
Interest on overdraft	5,90,636	4,04,342
Interest on Term Loan	89,801	26,349
Other Finance costs	1,32,320	1,43,879
Total	**8,12,757**	**5,74,570**

Other expenses — **Note No.18**

Particulars	**Amount in Rs as at 31-Mar-21**	**Amount in Rs as at 31-Mar-20**
Audit Fees	25,000	35,000
Advertising & Business Promotion	5,74,235	2,88,477
Bad Debts & Allowance for bad/doubtful debts	5,97,298	45,630
Commission Exp	13,932	5,581
Computer Rentals & Internet exp	1,20,743	2,10,462
Electricity Charges	1,03,552	88,960
Membership & Subscriptions	10,12,604	4,35,086
Office supplies, repairs & maintenance	7,18,365	84,754
Office Rent	11,65,900	2,30,000
Travel Expenses	19,322	2,19,389
Printing & Stationery	2,09,110	94,308
Professional charges	2,70,415	1,29,600
Payout Expenses	73,98,967	95,13,733
Rates & Taxes	1,21,596	11,251
Telephone & Mobile charges	84,838	76,982
Water Charges	31,461	15,844
	1,24,67,338	**1,14,85,057**

Stellarslog Technovation Pvt. Ltd. Bengaluru

DINESH KAKARLA & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN No: 016508S HYDERABAD

STELLARSLOG TECHNOVATION PVT LTD

Note No:8

Notes forming part of the financial statements for the year ending 31st March 2021

Particulars	Gross Block				Depreciation				Net Block	
	01-Apr-20	Additions	Deletions	31-Mar-21	01-Apr-20	For the Year	Reversals	31-Mar-21	31-Mar-21	31-Mar-20
I. Tangible Assets										
(a) Furniture and Fixtures.	82,081	2,11,500	-	2,93,581	55,716	10,100	-	65,816	2,27,765	26,365
(b) Office equipment.	79,049	-	-	79,049	37,562	18,697	-	56,259	22,790	41,487
(c) Computers	13,96,907	1,07,686	-	15,04,594	6,24,551	5,15,292	-	11,39,843	3,64,751	7,72,356
Total	**15,58,037**	**3,19,186**	-	**18,77,224**	**7,17,829**	**5,44,089**	-	**12,61,918**	**6,15,306**	**8,40,208**

Stellarslog Technovation Pvt. Ltd. * Bangalore *

DINESH KAKARLA & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN No: 016508S HYDERABAD

1.Significant Accounting Policies and Notes to Financial statements:

1.1 Corporate Information

The company is carrying on business under the brand name of Taskmo. Taskmo is a B2B gig marketplace that uses a digital-first approach in screening, training, deploying, and managing workers. Being a Task fulfilment platform Taskmo connects businesses with vetted gig workers. It helps companies outsource on-ground, operational tasks to distributed gig workers in 'pay-based-task' modules and hire gig workers in hourly, monthly, and full-time roles in 'pay-per-hire' modules.

1.2 Basis of preparation of Financial Statements

The financial statements of the Company is prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention using the accrual method of accounting and comprises with the mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and with the relevant provisions of the Companies Act 1956 and 2013 (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Use of Estimates

The preparation of financial statements are in conformity with the Generally Accepted Accounting Principles in India ("GAAP") requires, that the management of the Company to make estimates and assumptions in respect of certain items like provision for doubtful debts, provision for product claims, provision for employee benefits, etc., that affect the reported amounts of income and expenses of the year and the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.4 Fixed Assets

Fixed assets are stated at cost net of recoverable taxes, trade discounts and rebates and including amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working conditions for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

DINESH KAKARLA & ASSOCIATES
FRN No: 016508S
HYDERABAD
CHARTERED ACCOUNTANTS

1.5 Depreciation, Amortization and Depletion

Depreciation is provided to the extent of depreciable amount on the Written down Value. Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.

1.6 Revenue Recognition:

Revenue from operations primarily includes rendering of Services and revenue is recognized only when service is substantially completed or completed, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations primarily includes rendering of Services.

Interest income is recognized on a time proportion basis into account the amount outstanding and the interest rate applicable.

1.7 Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer

Stellarslog Technovation Pvt. Ltd. * Bangalore *

DINESH KAKARLA & ASSOCIATES * FRN No: 016508S HYDERABAD * CHARTERED ACCOUNTANTS * reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

1.8 Provisions, Contingent Liability and Contingent Assets

A Provision is recognised if, as a result of a past event, the company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Liabilities are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end, till the finalization of accounts and have material effect on the position stated in the Balance Sheet.

Stellarslog Technovation Pvt. Ltd. * Bangalore *

DINESH KAKARLA & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN No: 016508S HYDERABAD

2. Additional Information to the financial Statements

2.1 RELATED PARTY TRANSACTIONS

i): List of Related Parties:

Naveen R	Director
Prashant Janadri	Director
Chandra Sekhar Reddy Garisa	Director
Srinivasan Guruprasad	Director

ii) Transactions with Related Parties:

Name of Related Party	Nature of transaction	Transaction Amount	Balance Outstanding as of 31.03.2021
Naveen R	Salary	17,00,000	2,47,784
Prashant Janadri	Salary	11,00,000	3,03,474
Naveen R	Loan Repaid	6,64,899	32,88,257

Stellarslog Technovation Pvt. Ltd. * Bangalore

DINESH KAKARLA & ASSOCIATES * FRN No: 016508S HYDERABAD * CHARTERED ACCOUNTANTS *

2.2 PAYMENT TO THE AUDITOR

Audit Fee –`25,000/-

2.3 FOREIGN EXCHANGE OUTFLOW & INFLOW

Earnings in foreign exchange	- NIL
Expenditure in foreign exchange	-NIL

As per report of even date
for Dinesh Kakarla & Associates
Chartered Accountants
Firm Reg. No. 016508S

K. Dinesh Kumar

DINESH KAKARLA & ASSOCIATES FRN No: 016508S HYDERABAD CHARTERED ACCOUNTANTS

K. Dinesh Kumar
Proprietor
Membership No.238745

Place : Hyderabad
Date : 14/06/2021

UDIN: 21238745AAAADL4829

for Stellarslog Technovation Pvt Ltd

Stellarslog Technovation Pvt. Ltd. Bangalore

Naveen R
Director
DIN No. 07081719

Place : Bengaluru
Date: 14/06/2021

Stellarslog Technovation Pvt. Ltd. Bangalore

Prashant
Director
DIN No. 07534421

Place : Bengaluru
Date: 14/06/2021

Deloitte Haskins & Sells

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru - 560 001
Karnataka, India

Tel: +91 80 6188 6000
Fax: +91 80 6188 6011

INDEPENDENT AUDITOR'S REPORT

To The Members of Terrier Security Services (India) Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Terrier Security Services (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, including annexures to the Director's Report included in the management report but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income , cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

g. In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Anand Subramanian
(Partner)
(Membership No. 110815)
(UDIN: 21110815AAAABZ3606)

Place: Bengaluru
Date : June 03, 2021

Deloitte
Haskins & Sells

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Terrier Security Services (India) Private Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Anand Subramanian
(Partner)
(Membership No. 110815)
(UDIN: 21110815AAAABZ3606)

Place: Bengaluru
Date : June 03, 2021

Deloitte
Haskins & Sells

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Terrier Security Services (India) Private Limited ("the Company")

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

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees which are covered under the provisions of Sections 185 and 186 of the Act, and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2021 and hence, the provisions of clause (v) of the Order are not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of CARO 2016 is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax and other applicable material statutory dues with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax and other applicable material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable except for the following:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates
The Provident Funds Act, 1925	Provident Fund	198,718	April 2020 to September 2020
Employees' State Insurance Act, 1948	ESI dues	583,387	April 2020 to September 2020
Professional Tax Act, 1987	Professional Tax	20,192	April 2020 to September 2020

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Service Tax as on March 31, 2021 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. There are no loans and borrowings from government, financial institution and the Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company, hence reporting under Clause (xi) of the Order is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

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(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Anand Subramanian
(Partner)
(Membership No. 110815)
(UDIN: 21110815AAAABZ3606)

Place: Bengaluru
Date : June 03, 2021

Terrier Security Services (India) Private Limited

(Amount in Rs)

Balance Sheet	Note	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	16,992,930	28,407,494
Right of use assets	4	17,482,436	35,609,869
Intangible assets	5	56,865	632,465
Financial assets			
Non-current loans	6	6,120,306	6,226,168
Deferred tax assets (net)	7	61,776,733	162,803,794
Income tax assets (net)	8	133,222,716	215,169,887
Total non-current assets		**235,651,986**	**448,849,677**
Current Assets			
Inventories	9	4,943,547	6,105,477
Financial assets			
Trade receivables	10	517,970,672	849,144,658
Cash and cash equivalents	11	59,462,817	47,374,662
Other bank balances	12	28,844,266	23,310,136
Current loans	13	8,487,185	14,074,109
Unbilled Revenue	14	235,837,191	272,989,016
Other current financial assets	15	3,021,477	1,633,789
Other current assets	16	23,040,453	29,788,328
Total current assets		**881,607,608**	**1,244,420,175**
Total Assets		**1,117,259,594**	**1,693,269,852**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	5,000,000	5,000,000
Other equity	18	203,006,483	190,106,678
Equity attributable to owners of the Company		**208,006,483**	**195,106,678**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	19	4,090,331	19,100,535
Non-current provisions	20	136,977,279	105,620,620
Total non current liabilities		**141,067,610**	**124,721,155**
Current liabilities			
Financial liabilities			
Lease liabilities	19	15,010,202	18,072,604
Current borrowings	21	151,777,962	544,856,784
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	22	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprise	22	32,902,651	75,878,774
Other current financial liabilities	23	385,665,237	532,518,939
Current provisions	24	72,306,192	93,249,028
Other current liabilities	25	110,523,257	108,865,890
Total current liabilities		**768,185,501**	**1,373,442,019**
Total liabilities		**909,253,111**	**1,498,163,174**
Total Equity and Liabilities		**1,117,259,594**	**1,693,269,852**

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

As per our report of even date attached

for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

Anand Subramanian
Partner
Membership No. 110815

Place: Bengaluru
Date: 3 June 2021

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

for and on behalf of Board of Directors of
Terrier Security Services (India) Private Limited

Raghuthaman Abhinandai
Director
DIN : 07675547

Guruprasad Srinivasan
Director
DIN : 07596207

Date: 10 May 2021

Terrier Security Services (India) Private Limited

(Amount in Rs)

Statement of Profit and loss	**Note**	**For the Year ended 31 March 2021**	**For the Year ended 31 March 2020**
Income			
Revenue from operations	26	4,067,816,871	5,114,253,689
Other income	27	13,473,747	11,370,242
Total Income		**4,081,290,618**	**5,125,623,931**
Expenses			
Cost of materials, stores and spare parts consumed	28	37,921,317	49,835,088
Employee benefits expense	29	3,741,794,561	4,701,516,139
Finance costs	30	28,876,272	60,412,499
Depreciation and amortisation expense	31	32,047,532	34,668,011
Other expenses	32	129,800,319	467,567,390
Total expenses		**3,970,440,001**	**5,313,999,127**
Profit/(Loss) for the year		**110,850,617**	**(188,375,196)**
Tax expense			
Current tax	33	-	-
Deferred tax (Charge)/Credit	33	(100,252,830)	39,778,824
Total tax expense		**(100,252,830)**	**39,778,824**
Profit/(Loss) for the year		**10,597,787**	**(148,596,372)**
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(losses) on defined benefit plans		3,076,248	(42,485,899)
Income tax relating to items that will not be reclassed to profit or loss		(774,230)	-
Other comprehensive Income/(loss) for the year, net of income tax		**2,302,018**	**(42,485,899)**
Total comprehensive Income/ (loss) for the year		**12,899,805**	**(191,082,271)**
Earnings/(Loss) per equity share (face value of Rs 10 each)	38		
Basic		21.20	(297.19)
Diluted		21.20	(297.19)

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

As per our report of even date attached

for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

Anand Subramanian
Partner
Membership No. 110815

Place: Bengaluru
Date: 3 June 2021

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

for and on behalf of Board of Directors of
Terrier Security Services (India) Private Limited

Raghuthaman Abhinandan
Director
DIN : 07675547

Guruprasad Srinivas
Director
DIN:07596207

Date: 10 May 2021

Terrier Security Services (India) Private Limited

Statement of Cash Flows	For the Year ended 31 March 2021	(Amount in Rs) 31 March 2020
Cash flow from operating activities		
Profit/(Loss) before tax	110,850,617	(188,375,196)
Adjustments for:		
Depreciation and amortisation of fixed assets	13,344,493	16,773,464
Deposits written off	772,301	4,093,461
Depreciation of right of use of leased assets	18,127,433	17,894,547
Bad debts written off	84,252,138	3,192,399
Loss allowance on financial assets	(86,437,355)	243,674,703
Interest income on term deposits	(1,622,165)	(1,332,757)
Finance costs	26,140,437	56,246,229
Finance costs on right of use assets	2,735,835	4,166,270
Operating cash flows before working capital changes	**168,163,734**	**156,333,120**
Working capital adjustments:		
Changes in:		
Inventories	1,161,929	(3,773,525)
Trade receivables	333,359,203	(31,221,601)
Unbilled revenue	37,151,824	(96,017,627)
Other financial assets	(1,387,688)	133,277
Other assets	6,747,875	1,061,527
Loans	4,920,485	(6,450,566)
Trade payables	(42,976,123)	(265,288,741)
Other financial liabilities	(146,853,701)	123,832,812
Other liabilities	1,657,367	(46,528,213)
Provisions	13,490,071	28,819,223
Cash generated from operations	**375,434,976**	**(139,100,314)**
Income taxes paid, net of refund	81,947,171	(39,140,279)
Net cash used in operating activities (A)	**457,382,147**	**(178,240,593)**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles	(1,354,329)	(11,360,783)
Bank deposits (having original maturity of more than three months)	(3,911,965)	(7,747,499)
Net cash used in investing activities (B)	**(5,266,294)**	**(19,108,282)**
Cash flows from financing activities		
Proceeds from borrowings, net	(393,078,822)	243,128,164
Lease Payments	(20,808,437)	(20,497,547)
Finance cost paid	(26,140,437)	(15,126,171)
Net cash from financing activities (C)	**(440,027,696)**	**207,504,446**
Net increase in cash and cash equivalents (A+B+C)	12,088,157	10,155,571
Cash and cash equivalents at the beginning of the year	47,374,662	37,219,091
Cash and cash equivalents at the end of the year	**59,462,819**	**47,374,662**

Components of cash and cash equivalents

Particulars	For the year ended 31 March 2021	31 March 2020
Cash and cash equivalents		
Cash on hand	2,553	22,004
In current accounts	59,460,266	47,352,658
Cash and cash equivalents as per note balance sheet	**59,462,819**	**47,374,662**

The accompanying notes form an integral part of thefinancial statements.
As per my report of even date attached

for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Anand Subramanian
Partner
Membership No 110815

Place: Bengaluru
Date: 3 June 2021

for and on behalf of Board of Directors of
Terrier Security Services (India) Private Limited

Raghuthaman Abhinandan
Director
DIN : 07675547

Guruprasad Srinivasan
Director
DIN:07596207

Date: 10 May 2021

Terrier Security Services (India) Private Limited
Statement of Changes in Equity

(Amount in Rs)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Equity attributable to Equity holders of the Company
	Retained Earnings	Other Reserve	Other Items of Other comprehensive Income	
Balance as of 31 March 2019	**378,003,893**	**2,200,000**	**985,056**	**381,188,949**
Add: Loss for the year	(148,596,372)	-	-	(148,596,372)
Add: Remeasurement of the net defined benefit Liability/Asset, net of tax effect	-	-	(42,485,899)	(42,485,899)
Balance as of 31 March 2020	**229,407,521**	**2,200,000**	**(41,500,843)**	**190,106,678**
Add: Profit for the year	10,597,787	-	-	10,597,787
Add: Remeasurement of the net defined benefit Liability/Asset, net of tax effect	-	-	2,302,018	2,302,018
Balance as of 31 March 2021	**240,005,308**	**2,200,000**	**(39,198,825)**	**203,006,483**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached
for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

Anand Subramanian
Partner
Membership No. 110815

Place: Bengaluru
Date: 3 June 2021

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

for and on behalf of Board of Directors of
Terrier Security Services (India) Private Limited

Raghuthaman Abhinandan
Director
DIN : 07675547

Guruprasad Srinivasan
Director
DIN:07596207

Place: Bengaluru
Date: 10 May 2021

Terrier Security Services (India) Private Limited
Notes to the financial statements for the year ended 31 March 2021

1. Company overview

Terrier Security Services (India) Pvt. Ltd., ('the Company') is a private limited company incorporated and domiciled in India. The registered office of the Company is located at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru-560103, Karnataka state, India. The Company is engaged in the business of Security (Manned guarding) Services, Electronic Surveillance Solutions, Background Verification Services & Training and other services.

The company became subsidiary of M/s Quess Corp Ltd., wef 27 May 2020, , a company whose equity is listed in both Bombay Stock Exchange (BSE) & National Stock Exchange, (NSE).

Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use Financial statement have been approved and adopted by the Company on 3 June 2021.

2. Basis of preparation

2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.2 Basis of preparation

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

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO") and

iii. Contingent consideration in business combinations are measured at fair value.

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

Operating cycle for the business activities of the Company covers the duration of the specific project or contract and extends up to the realisation of receivables within the agreed credit period normally applicable to the respective lines of business. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months except for Training and skill development business. For Training and skill development business the duration of operating cycle has been concluded as 15 - 18 months, depending on the projects, considering the time from mobilization of candidates till funds are released by relevant government authorities.

2.3 Use of estimates and judgement

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of assets including receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as on date of approval of these financial statements has used internal and external sources of information to the extent available and has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets to be recovered. The Company will continue to monitor future economic conditions for any significant change.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical

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judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

i. ***Contingent liabilities:*** Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs (except, in the extremely rare circumstances where no reliable estimate can be made).

ii. ***Income taxes:*** Significant judgments are involved in determining provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities and the projected future taxable income in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

iii. ***Measurement of defined benefit obligations:*** The cost of the defined benefit obligations is based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.

iv. ***Impairment of financial assets: :*** The Company recognizes loss allowances using the Expected credit loss (ECL) model for the financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues 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 are measured at lifetime ECL. The loss rates for the trade receivables considers the credit risk of the customers and have been adjusted to reflect the Management's view of economic conditions over the expected collection period of the receivables.

v. ***Property, plant and equipment and Intangible assets:*** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

vi. ***Other estimates:*** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of Trade receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

2.4 Measurement of fair values

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In determining the fair value of an asset or a liability, the Company uses different methods and assumptions based on observable market inputs. All methods of assessing fair value result in general approximation of value, and such value may not actually be realized.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.5 Property, plant and equipment

i) Recognition and measurement

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Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

The cost and related accumulated depreciation are derecognized from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is classified as capital advances under other non-current assets and the cost of the assets not ready for intended use are disclosed under 'Capital work-in-progress'.

ii) Depreciation methods, estimated useful lives and residual value

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Asset category	Estimated useful life
Furniture and fixtures	5 years
Vehicles	3 years
Office equipment	5 years
Plant and machinery	3 - 8 years
Computer equipment	3 years

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Leasehold improvements are depreciated over lease term or estimated useful life whichever is lower.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed periodically, including at each financial year end.

2.6 Intangible assets

(i) Intangible assets

Intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brand, is recognised in the statement of profit and loss as and when incurred.

(iii) Amortisation

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. 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), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The estimated useful lives of intangible assets are as follows:

Asset category	Estimated useful life for 31 March 2021
Software (owned)	3 years

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted if appropriate.

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2.7 Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss. Intangible assets that do not have definite useful life are not amortised and are tested at least annually for impairment. If events or changes in circumstances indicate that they might be impaired, they are tested for impairment more frequently.

2.8 **Leases**
The Company as a lessee:

The Company's lease asset classes primarily consist of leases for buildings. 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 of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 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.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU 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.

ROU 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. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application

3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

2.9 Inventories

Inventories (raw materials and stores and spares) are valued at lower of cost and net realisable value. Cost of inventories comprises purchase price and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

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Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell.

2.10 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over goods or service to a customer. The method for recognizing revenues and costs depends on the nature of the services rendered.

Revenue on time-and-material contracts are recognized as the related services are rendered and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as income received in advance).

Policy in case of Contract modifications

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Policy in case of variable consideration

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Policy in case of Principal vs agent

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Refer Note 26 for disclosure related to revenue from contracts with customers

(a)Manned guarding services:

Revenue from the Manned guarding services are primarily earned on a fixed fee basis and are recognized ratably over the period of the contract with the customers. All arrangements are on time basis and are recognized as the services are performed as per the terms of arrangement with the customers.

(b)Electronic Surveillance Solutions :

Revenue from Electronic surveillance Solutions services are earned and recognized on transfer of risk and reward/ successful implementation of every project undertaken. The annual maintenance service contracts, both comprehensive and non-comprehensive, are accepted after the expiry of warranty period given by the OEMs (original equipment manufacturers), the revenue is measured in the case of comprehensive AMCs based on the size of the project value and in the case of non-comprehensive AMCs the same is measured on case to case basis.

(c)Training & Other Services

Revenue from Training services are earned on a fixed fee basis depending on the nature of training imparted such as firefighting, basic first aid, evacuation drill, fire mock drill, material management training, men management, key management, visitor management, discipline, communication, behavioral structure training etc. he revenue is recognized only after the completion of the training of the participants.

2.11 Other income

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Other income mostly comprises interest income on deposits, dividend income and gain/ (losses) on disposal of financial assets and non-financial assets. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

2.12 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the respective transactions. Foreign-currency denominated monetary assets and liabilities are translated into the functional currency at exchange rates in effect at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and such translation of monetary assets and liabilities denominated in foreign currencies are generally recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

2.13 Financial instruments
a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Financial assets

(i) Classification and subsequent measurement

For the purpose of subsequent measurement, a financial asset is classified and measured at

- ➢ amortised cost;
- ➢ fair value through other comprehensive income (FVTOCI) - debt investment;
- ➢ fair value through other comprehensive income (FVTOCI) - equity investment; or
- ➢ fair value through profit and loss (FVTPL).

1. A financial asset is measured at amortised cost if both the following conditions are met:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

2. A debt investment is measured at FVTOCI if both of the following conditions are met:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets ; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

3. On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the fair value in OCI (designated as FVTOCI-equity investment). This election is made on an investment-to-investment basis.

4. All financial assets not classified as amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in OCI. On

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	derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.
Equity investments at FVOCI recognized	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of profit and loss.

(ii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and unbilled revenues. 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 ECLs at each reporting date, right from its initial recognition.

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable and contract assets. Depending on the diversity of its customer base, the company has considered to group its customers into two types: government customers and non-government customers.

The provision matrix for non-government customers is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. The provision matrix for government customers is primarily based on the time based movement within the life cycle of customer receivable further adjusted for forward-looking estimates

ECL impairment loss allowance (or reversal) is recognised as an income/expense in the statement of profit and loss during the period.

(iii) Derecognition of financial assets

A financial asset is derecognised only when the Company:
- has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

c) Financial liabilities

(i) Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(ii) Financial guarantee contracts

Financial guarantee contracts are those contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because the specified party fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts are initially recognised at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amortisation.

(iii) Derecognition

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A financial liability is derecognised when the Company's obligations are discharged or cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.14 Employee benefits

a) Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Short-term employee benefits are measured on an undiscounted basis as the related service is provided.

b) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method and recognized as Current Provision.

c) Defined contribution plan

Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The Company makes specified monthly contributions towards Employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The expenditure for defined contribution plan is recognized as expense during the period when the employee provides service.

d) Defined benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's gratuity fund is managed by Life Insurance Corporation of India (LIC). The present value of gratuity obligation under such defined benefit plan is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an Non-Current asset or liability.

Actuarial gains or losses are recognised in other comprehensive income. Further, the statement of profit and loss does not include an expected return on plan assets. Instead net interest recognised in the statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to the statement of profit and loss in subsequent periods.

2.15 Taxes

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

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The

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effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be used. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

2.16 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

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

2.17 Contingent liability

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

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in Current Accounts , demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash on hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit 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 Company are segregated.

2.20 Earnings per share

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

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

2.21 Segment reporting

The Chief Executing Officer of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The company is engaged in the business of the business of Security (Manned guarding), Electronic Security & Surveillance, Background Verification Services & Training and other services and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The company's management is of the opinion that the company does not have secondary segments and hence segment reporting is not applicable

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3 Property, plant and equipment *(Amount in Rs)*

Particulars	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Total
Gross block						
As at 31 March 2019	**11,864,000**	**16,142,159**	**15,086,372**	**12,079,739**	**21,631,486**	**76,803,756**
Additions during the year	383,898	1,456,788	94,500	3,695,213	5,730,385	11,360,784
Disposals for the year	-	-	-	-	-	-
As at 31 March 2020	**12,247,898**	**17,598,947**	**15,180,872**	**15,774,952**	**27,361,871**	**88,164,540**
Additions during the year	-	**551,850**		**425,229**	**952,850**	1,929,929
Disposals for the year	-	-	-	-	-	0
As at 31 March 2021	**12,247,898**	**18,150,797**	**15,180,872**	**16,200,181**	**28,314,721**	**90,094,469**
Accumulated Depreciation						
As at 31 March 2019	**4,153,045**	**7,446,276**	**14,485,808**	**5,794,242**	**12,706,010**	**44,585,381**
Depreciation for the year	2,421,754	2,944,895	602,706	2,371,464	6,830,846	15,171,665
Depreciation on deletion	-	-	-	-	-	-
As at 31 March 2020	**6,574,799**	**10,391,171**	**15,088,514**	**8,165,706**	**19,536,856**	**59,757,046**
Depreciation for the year	**2,500,766**	**3,051,317**	**31,768**	**2,690,246**	**5,070,396**	13,344,493
Depreciation on deletion	-	-	-	-	-	-
As at 31 March 2021	**9,075,565**	**13,442,488**	**15,120,282**	**10,855,952**	**24,607,252**	**73,101,539**
Net Block :						
As at 31 March 2021	**3,172,333**	**4,708,309**	**60,590**	**5,344,229**	**3,707,469**	**16,992,930**
As at 31 March 2020	**5,673,099**	**7,207,776**	**92,358**	**7,609,246**	**7,825,015**	**28,407,494**
As at 31 March 2019	**7,710,955**	**8,695,883**	**600,564**	**6,285,497**	**8,925,476**	**32,218,375**

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4 **Right of use assets**

Particulars	Amount in Rs.
Gross block	
As at 31 March 2019	-
Initial recognition pursuant to adoption of Ind AS 116 (refer note 19)	**53,504,416**
Additions during the year	-
Disposals for the year	-
As at 31 March 2020	**53,504,416**
Additions during the year	-
Disposals for the year	-
As at 31 March 2021	**53,504,416**
Accumulated depreciation	
As at 31 March 2019	-
Depreciation for the year	**17,894,547**
Depreciation for the year on deletions	-
As at 31 March 2020	**17,894,547**
Additions during the year	18,127,433
Disposals for the year	
As at 31 March 2021	**36,021,980**
Net Block	
As at 31 March 2021	**17,482,436**
As at 31 March 2020	**35,609,869**

5 **Intangible Assets**

Particulars	Amount in Rs.
Gross block	
As at 31 March 2019	**6,519,483**
Additions during the year	-
Disposals for the year	-
As at 31 March 2020	**6,519,483**
Additions during the year	
Disposals for the year	
As at 31 March 2021	**6,519,483**
Accumulated Amortization	
As at 31 March 2019	**4,285,219**
Amortisation for the year	1,601,799
Amortization on deletions	-
As at 31 March 2020	**5,887,018**
Amortisation for the year	**575,600**
Amortization on deletions	-
As at 31 March 2021	**6,462,618**
Net Block	
As at 31 March 2021	**56,865**
As at 31 March 2020	**632,465**
As at 31 March 2019	**2,234,264**

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6 Non-current loans

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Unsecured, considered good		
Security deposits paid for rental	6,120,306	6,226,168
	6,120,306	**6,226,168**

7 Deferred tax assets

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Deferred tax assets recognised on assets and liabilities are as follows:		
Deferred tax on assets		
Property, Plant and Equipment	6,714,484	5,564,649
Tax deduction on section 80JJAA of Income Tax Act 1961	-	80,436,141
Deferred tax on loss allowance	54,655,006	76,409,560
Deferred tax on lease liabilities, net of right of use assets	407,243	393,444
	61,776,733	**162,803,794**

8 Income tax assets (net)

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Advance income tax	133,222,716	215,169,887
	133,222,716	**215,169,887**

9 Inventories

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Valued at lower of cost and net realizable value		
Consumables	4,366,839	5,307,998
Stores and spares	576,708	797,479
	4,943,547	**6,105,477**

10 Trade receivables

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Unsecured		
Considered good	517,970,672	849,144,658
Considered Doubtful	217,160,706	303,598,062
Less: Loss allowance (refer note 35)	(217,160,706)	(303,598,062)
	517,970,672	**849,144,658**

Of the above, trade receivables from related parties are as below:

(Amount in Rs)

	31 March 2021	31 March 2020
Trade receivable from related parties (refer note 39)	13,492,192	26,674,176

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11 Cash and cash equivalents

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Cash and cash equivalents		
Cash on hand	2,553	22,004
Balances with banks		
In current accounts	59,460,266	47,352,658
	59,462,819	**47,374,662**

12 Other bank balances

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Deposit held as margin money (mature after 3 months from the reporting date)	28,844,266	23,310,136
	28,844,266	**23,310,136**

13 Current loans

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Unsecured, considered good		
Security deposits	8,487,185	14,074,109
	8,487,185	**14,074,109**

14 Unbilled Revenue

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Unbilled revenue*	235,837,191	272,989,016
	235,837,191	**272,989,016**

*includes unbilled revenue billable to related parties (refer note 39)

15 Other current financial assets

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Interest accrued but not due	3,021,477	1,633,789
	3,021,477	**1,633,789**

16 Other current assets

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Advances other than capital advances		
Advances to suppliers	3,948,671	9,355,458
Advances to employees	2,069,894	6,063,562
Other advances	-	1,324,035
Prepaid expenses	17,021,888	13,045,273
	23,040,453	**29,788,328**

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17 Equity Share capital

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Authorised Share Capital		
10,00,000 equity shares of par value of Rs 10 each	10,000,000	10,000,000
	10,000,000	**10,000,000**
Issued, subscribed and paid-up		
5,00,000 equity shares of par value of Rs 10 each, fully paid up	5,000,000	5,000,000
	5,000,000	**5,000,000**

	Particulars	31 March 2021	31 March 2020
	SHARE CAPITAL	**No. of Shares**	**No. of Shares**
A.	Authorised Share Capital		
	Equity Shares of Rs. 10/- each	1,000,000	1,000,000
B.	Issued, Subscribed and Paid up Capital		
	Equity Shares of Rs. 10/- each	500,000	500,000
	TOTAL	**500,000**	**500,000**
C.	Reconciliation of Paid up Share Capital		
	Opening Paid up Equity Share Capital	500,000	500,000
	Add : Shares issued during the year	-	-
	Less : Shares bought back during the year	-	-
	Closing Paid up Equity Share Capital	500,000	500,000

D. **List of Share holders having 5% or more Shares** *(Amount in Rs)*

Name of shareholders	% of Holding	No. of Shares	Value
31 March 2021			
Quess Corp Limited	74%	370,000	3,700,000
Terrier Employee Welfare Trust (EWT)	26%	130,000	1,300,000
31 March 2020			
Quess Corp Limited	49%	245,000	2,450,000
Heptagon Technologies Private Limited	25%	125,000	1,250,000
Terrier Employee Welfare Trust (EWT)	26%	130,000	1,300,000

As per the records of the Company, including its register of members/ shareholders, the above shareholding represents both legal and beneficial ownership of the shares.

E. **Terms / Rights attached to Equity Shares**

1 The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

2 In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all preferential amounts. The distribution to the equity shareholders will be in proportion to the number of equity shares held by the shareholders.

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18 Other equity*

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Retained earnings	240,005,308	229,407,521
Other reserves	2,200,000	2,200,000
Other comprehensive income	(39,198,825)	(41,500,843)
	203,006,483	**190,106,678**

* For detailed movement of reserves refer Statement of changes in Equity

19 Lease liabilities

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Non-current lease liability	4,090,331	19,100,535
Current lease liability	15,010,202	18,072,604
Total	**19,100,533**	**37,173,139**

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2021 on an undiscounted basis:

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Less than one year	16,172,240	20,808,440
One to five years	4,184,400	20,356,640
'More than five years	-	-
Less: Unearned Interest	(1,256,107)	(3,991,941)
	19,100,533	**37,173,139**

The Company has applied practical expedient in Indian Accounting Standard (Ind AS 116) notified vide Companies (Indian Accounting Standards) Amendment Rules, 2020 by Ministry of Corporate Affairs on 24 July 2020 to all rent concessions received as a direct consequence of COVJD-19 pandemic. Accordingly, the Company recognised an amount INR 783,500 for the ended 31 March 2021 as reduction of rent expenses grouped under other expenses on account of rent concessions received.

20 Non-current provisions

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Provision for employee benefit		
Provision for gratuity (refer note 40)	136,977,279	105,620,620
	136,977,279	**105,620,620**

21 Current borrowings

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Secured		
Cash credit and overdraft facilities (refer note 35)	151,777,962	159,775,525
Loan from related parties, unsecured		
From Quess Corp Limited (refer note 35 & 39)	-	385,081,259
	151,777,962	**544,856,784**

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22 Trade payables

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Trade payables to related parties (refer note 39)	8,684,259	37,630,468
Other trade payables	24,218,392	38,248,306
	32,902,651	**75,878,774**

23 Other current financial liabilities

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Current maturities of long-term borrowings	-	32,176
Other Payables		
Accrued salaries and benefits	339,955,154	409,886,761
Uniform deposits	37,130,641	67,925,454
Accrued Expense	8,579,442	54,674,548
	385,665,237	**532,518,939**

24 Current provisions

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Provision for employee benefits		
Provision for compensated absences	17,178,320	16,876,488
Provision for bonus	55,127,872	76,372,540
	72,306,192	**93,249,028**

25 Other current liabilities

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Advance received from customers	5,136,968	-
Balances payable to government authorities	105,386,289	108,865,890
	110,523,257	**108,865,890**

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26 Revenue from operations

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Manned guarding services	4,007,374,045	4,986,299,795
Electronic surveillance solutions	41,887,195	58,105,097
Training and other services	18,555,631	58,233,899
Background verification fees	-	11,614,898
	4,067,816,871	**5,114,253,689**

(i) Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Invoicing in excess of earnings are classified as unearned revenue.

The following table provides information about receivables, contract assets and contract liabilities from contract with customers

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in 'Trade and other receivables'	517,970,672	849,144,658
Contract assets (Unbilled revenue)	235,837,191	272,989,016
Contract liabilities (Unearned revenue & advance received from custome	-	-

The contract asset primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2021 and 31 March 2020:

(Amount in Rs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning	272,989,016	176,971,389
Add : Revenue recognized during the year	4,067,816,871	5,114,253,689
Less : Invoiced during the year	4,104,968,696	5,018,236,062
Balance at the end	**235,837,191**	**272,989,016**

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for
(i) contracts with an original expected duration of one year or less and
(ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2021 and 31 March 2020, other than those meeting the exclusion criteria mentioned above, is Rs. 1,902,329/- (31 March 2020: INR 1,119,669/-)

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27 Other income

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Interest income under the effective interest method on:		
Cash and cash equivalents	1,622,165	1,332,757
Interest income on present valuation of financial instruments	622,615	395,807
Interest on tax refunds	11,043,800	8,875,959
Miscellaneous income	185,167	765,719
	13,473,747	**11,370,242**

28 Cost of material and stores and spare parts consumed

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Inventory at the beginning of the year	6,105,477	2,331,952
Add: Purchases during the year	36,759,387	53,608,613
Less: Inventory at the end of the year	4,943,547	6,105,477
	37,921,317	**49,835,088**

29 Employee benefits expense

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Salaries and wages	3,334,107,321	4,192,209,159
Contribution to provident and other funds	384,617,131	459,705,835
Staff welfare expenses	23,070,109	49,601,145
	3,741,794,561	**4,701,516,139**

30 Finance costs

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Interest expense on financial liabilities measured at amortised cost	26,140,437	55,006,630
Other borrowing costs	-	1,239,599
Interest expense on lease liabilities	2,735,835	4,166,270
	28,876,272	**60,412,499**

31 Depreciation and amortisation expense

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Depreciation of property, plant and equipment (refer note 3)	13,344,499	15,171,665
Depreciation of rights-of-use-assets (refer note 4)	18,127,433	17,894,547
Amortisation of intangible assets (refer note 5)	575,600	1,601,799
	32,047,532	**34,668,011**

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32 Other expenses

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Recruitment and training expenses	5,334,542	23,743,947
Rent	8,161,147	13,872,562
Power and fuel	1,962,279	2,461,361
Repairs & Maintenance		
- Security & Housekeeping Charges	99,090	263,012
- Annual Maintenance Charges	1,481,872	1,212,440
- others	5,754,005	7,138,496
Legal and professional fees (refer note 32.1)	23,058,026	110,491,944
Rates and taxes	50,746,257	2,746,146
Printing and stationery	1,578,636	2,414,459
Travelling and conveyance	21,208,268	33,241,752
Communication expenses	201,795	5,175,641
Loss allowance	(86,437,355)	243,674,703
Equipment hire charges	2,930,163	577,679
Insurance	6,364,165	7,395,951
Bank charges	1,704,404	1,829,279
Bad debts written off	84,252,138	3,192,399
Business promotion and advertisement expenses	35,000	353,844
CSR contributions (refer note 32.2)	-	932,948
Deposits/ advances written-off	772,301	4,093,461
Miscellaneous expenses	593,587	2,755,366
	129,800,319	**467,567,390**

32.1 Payment to auditors (net of GST; included in legal and professional fees)

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Statutory audit fees	1,200,000	1,200,000
Limited review	950,000	500,000
Tax audit fees	280,000	262,819
	2,430,000	**1,962,819**

32.2 Details of CSR expenditure

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
a) Gross amount required to be spent by the Company during the year	-	932,948
b) Amount spent during the year		
i) Construction or acquisition of any asset	-	-
ii) On purpose other than i) above	-	932,948

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33 **Taxes**

A. Amount recognised in the statement of profit and loss account

(Amount in Rs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current income tax:		
In respect of the current year	-	-
Excess provision relating to prior years	-	-
Deferred tax		
In respect of the current year	(100,252,830)	39,778,824
Income tax credit reported in the statement of profit and loss	**(100,252,830)**	**39,778,824**

B. Amounts recognised in other comprehensive income

(Amount in Rs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability/ asset		
Before tax	3,076,248.00	(42,485,899.00)
Tax (expense)/ benefit	(774,230.10)	-
Net of tax	**2,302,017.90**	**(42,485,899.00)**

C. Amounts recognised directly in equity

No tax expense has been recognised directly in equity

D. Reconciliation of effective tax rate

(Amount in Rs)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
Profit/(Loss) before tax		110,850,617		(188,375,196)
Computed expected tax expense	25.17%	27,898,883	25.17%	(47,410,269)
Effect of:				
Non deductible expense		27,170,003		(15,388,973)
Tax incentives		(100,298,180)		71,800,120
Income Tax expenses		**(101,027,060)**		**39,778,824**
Income tax credit/ (expense) reported in the statement of profit and loss		**(101,027,060)**		**39,778,824**

The tax rates under Indian Income Tax Act, for the year ended 31 March 2021 and 31 March 2020 is 25.17% and 25.17% respectively.

E. The following table provides the details of income tax assets and income tax liabilities as of 31 March 2021 and 31 March 2020

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Income tax assets	133,222,716	215,169,887
Income tax liabilities	-	-
Net income tax assets at the end of the year	**133,222,716**	**215,169,887**

F. Deferred tax assets, net

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax assets:		
Property, Plant and Equipment	6,714,484	5,564,649
80JJAA Deduction	-	80,436,141
Deferred tax on loss allowance	54,655,006	76,409,560
Deferred tax on liabilities		
Deferred tax on lease liabilities, net of right of use assets	407,243	393,444
	61,776,733	162,803,794

Deferred tax asset and liabilities are offset when there is a legally enforceable right to set off Current tax asset against Current tax Liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabulities on a net basis. The following is the analysis of the deferred tax balances (after offset) for the financial

(Amount in Rs)

	As at 31 March 2021	As at 31 March 2020
Deferred tax assets:	54,655,006	76,409,560
Deferred tax on liabilities	407,243	393,444

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Terrier Security Services (India) Private Limited Bangalore

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Notes to the financial statements for the year ended 31 March 2021

33 Taxes (continued)

E. Recognised deferred tax assets and liabilities

Movement of deferred tax assets presented in the balance sheet

(Amount in Rs)

For the year ended 31 March 2021	Opening balance	Recognized in statement of profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	5,564,649	1,149,835	-	6,714,484
80JJAA Deduction	80,436,141	(80,436,141)	-	-
Employee Benefit	-	774,230	(774,230)	-
Deferred tax on loss allowance	76,409,560	(21,754,554)	-	54,655,006
Deferred tax on liabilities				
Deferred tax on lease liabilities, net of right of use assets	393,444	13,799	-	407,243
	162,803,794	(100,252,830)	(774,230)	61,776,733

(Amount in Rs)

For the year ended 31 March 2020	Opening balance	Recognized in statement of profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	5,843,456	(278,807)	-	5,564,649
80JJAA Deduction	79,335,809	1,100,331	-	80,436,141
MAT credit entitlement	16,906,087	(16,906,087)	-	
Deferred tax on loss allowance	20,939,618	55,469,942	-	76,409,560
Deferred tax on liabilities				
Deferred tax on lease liabilities, net of right of use assets	-	393,444	-	393,444
	123,024,970	39,778,823	-	162,803,793

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34 Financial instruments-fair value and risk management
Accounting classification and fair values

Fair value hierarchy

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

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard

The following table shows the carrying amount and fair value of financial assets and financial liabilities

As at 31 March 2021 *(Amount in Rs)*

Particulars	Carrying value	Fair value		
Financial assets	**31 March 2021**	**Level 1**	**Level 2**	**Level 3**
Amortised cost				
Trade and other receivables	517,970,672	-	-	-
Cash and cash equivalents	59,462,817	-	-	-
Other bank balances	28,844,266	-	-	-
Loans	14,607,491	-	-	-
Unbilled revenue	235,837,191	-	-	-
Other financial assets	3,021,477	-	-	-
Total financial assets	**859,743,914**	-	-	-
Financial liabilities				
Amortised cost				
Lease liabilities	19,100,533	-	-	-
Trade and other payables	32,902,651	-	-	-
Borrowings	151,777,962	-	-	-
Other financial liabilities	385,665,237	-	-	-
Total financial liabilities	**589,446,383**	-	-	-

As at 31 March 2020 *(Amount in Rs)*

Particulars	Carrying value	Fair value		
Financial assets	**31 March 2020**	**Level 1**	**Level 2**	**Level 3**
Amortised cost				
Trade and other receivables	849,144,658	-	-	-
Cash and cash equivalents	47,374,662	-	-	-
Other bank balances	23,310,136	-	-	-
Loans	20,300,277	-	-	-
Unbilled revenue	272,989,016	-	-	-
Other financial assets	1,633,789	-	-	-
Total financial assets	**1,214,752,538**	-	-	-
Financial liabilities				
Amortised cost				
Lease liabilities	19,100,535	-	-	-
Trade and other payables	75,878,774	-	-	-
Borrowings	544,856,784	-	-	-
Other financial liabilities	532,518,939	-	-	-
Total financial liabilities	**1,172,355,032**	-	-	-

Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference shares included in level 3.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values

A Financial Assets:

The Company has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances, unbilled revenue and other financial assets because their carrying amounts are a reasonable approximation of their fair value.

B Financial Liabilities:

1 **Borrowings:** It includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value

2 **Trade payables and other liabilities:** Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the carrying values

3 **Financial Lease liability:** The fair value of financial Lease liability has been determined by discounting consideration payable on commitment to sell at a effective interest rate

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35 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and Unbilled Revenue

The Company's exposure to credit risk is influenced mainly by trade receivables and unbilled revenue. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue from customers primarily located in India.

The Company has established a credit policy under which each customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for customers as at 31 March 2021 and 31 March 2020 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers.

Depending on the diversity of its customer base, the company has considered to group its customers into two types: government customers and non-government customers during the year ended 31 March 2021.

For non-government customers, based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default if the payments are more than 270 days past due. Loss rates are based on actual credit loss experience over the last six quarters. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is no single customer contributing more than 10% of trade receivables and unbilled revenue. The loss rates considers the credit risk of the customers and have been adjusted to reflect the Management's view of economic conditions over the expected collection period of the receivables. For government customers, based on the industry benchmarking and insignificant credit risk, a provision matrix primarily based on the time based movement within the life cycle of customer receivable is considered. For time based ageing, the company used approprite loss rate which is increased by yearly multiplier to arrive at effective ECL provision for respective ageing buckets. The loss rate has been adjusted with additional facts to reflect the Management's view of economic conditions over the expected collection period of the government receivables.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

As at 31 March 2021 *(Amount in Rs)*

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	369,132,762	2.1%	6,933,449	No	362,199,313
Past due 1–90 days	159,158,808	12.5%	19,141,250	No	140,017,558
Past due 91–180 days	24,776,664	32.9%	14,515,473	No	10,261,191
Past due 181–270 days	28,257,936	53.2%	22,765,597	No	5,492,339
Past due 271–360 days	13,294,531	100.0%	13,294,531	Yes	-
Above 360 days	140,510,406	100.0%	140,510,406	Yes	(0)
	735,131,107		**217,160,706**	-	**517,970,401**

As at 31 March 2020 *(Amount in Rs)*

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	448,969,265	2.1%	9,252,052	No	439,717,212
Past due 1–90 days	352,974,220	12.5%	44,220,876	No	308,753,344
Past due 91–180 days	107,285,942	32.9%	35,347,195	No	71,938,747
Past due 181–270 days	61,451,929	53.2%	32,716,575	No	28,735,354
Past due 271–360 days	46,670,287	100.0%	46,670,287	Yes	-
Above 360 days	135,391,077	100.0%	135,391,077	Yes	(0)
	1,152,742,720		**303,598,062**	-	**849,144,657**

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35 Financial risk management (continued)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Balance as at the beginning of the year	303,598,062	59,923,358
Impairment loss recognised	(86,437,355)	243,674,704
Less: Amounts written off	-	-
Balance as at the end of the year	**217,160,706**	**303,598,062**

ii) Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

i) Financing arrangement

The Company maintains the following line of credit:

The Company has taken cash credit facilities having interest rate of 3 months MCLR. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the current assets of the Company on both present and future and collateral by way of pari passu first charge on the movable assets of the Company (excluding charge on vehicles/equipments purchased /to be purchased under lease agreements/ hire purchase agreements) both present and future of the Company.

The company has availed short term loan from its holding company - Quess Corp Limited wherein the repayment date should not exceed 12 months from the date of disbursement. The interest rate is charged as per India Government Bond Rate for 10 Years declared on Quarterly basis wef 1 July 20. The amount of borrowings outstanding for more than 12 months is being renewed and such renewal is considered to be short term as per the terms of the agreement (Refer note 39).

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2021 *(Amount in Rs)*

Particulars		Contractual cash flow			
	Carrying amount	Less than 1 year	1-2 years	2-5 years	5 years and above
Borrowings	151,777,962	151,777,962	-	-	-
Lease liabilities	19,100,533	15,010,202	4,090,331	-	-
Trade payables	32,902,651	32,902,651	-	-	-
Other financial liabilities	385,665,237	385,665,237	-	-	-

As at 31 March 2020 *(Amount in Rs)*

Particulars		Contractual cash flow			
	Carrying amount	Less than 1 year	1-2 years	2-5 years	5 years and above
Borrowings	544,856,784	544,856,784	-	-	-
Lease liabilities	37,173,139	18,072,604	190,106,678	-	-
Trade payables	75,878,774	75,878,774	-	-	-
Other financial liabilities	532,518,939	532,518,939	-	-	-

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35 Financial risk management (continued)

iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is not exposed to significant currency risk as the revenue and expenses are denominated only in INR.

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 borrowing comprises of cash credit facility and borrowings from holding company. Borrowings from holding company carries fixed rate of interest, which do not expose it to interest rate risk.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:-

(Amount in Rs)

Particulars	31 March 2021		31 March 2020	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Variable rate borrowings	(1,135,785)	1,135,785	(1,195,632)	1,195,632

36 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing, current
Net debt (total liabilities net of cash and cash equivalent)
divided by
The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio were as follows:

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Gross debt	170,878,495	582,062,099
Less: Cash and cash equivalent	59,462,817	47,374,662
Adjusted net debt (total borrowings net of cash and cash equivalent)	**111,415,678**	**534,687,437**
Total equity	208,006,483	195,106,678
Net debt (Total external liabilities) to equity ratio	**0.54**	**2.74**

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37 Contingent liabilities and commitment

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Bank Guarantees issued against performance of	51,221,799	53,648,830
	51,221,799	**53,648,830**

38 Earnings per share

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Nominal value of equity shares (Rs per share)	10	10
Net (loss)/ profit after tax for the purpose of earnings per share (Rs)	10,597,787	(148,596,372)
shares used in computing basic	500,000	500,000
Basic earnings per share (Rs)	**21.20**	**(297.19)**
shares used in computing	500,000	500,000
Diluted earnings per share (Rs)	**21.20**	**(297.19)**

39 Related party disclosures

(i) Name of Holding Company — Quess Corp Limited (wef 27 May 2020)

(i) Name of related parties and description of relationship:

- Entity having common directors

Conneqt Business Solutions Limited
Golden Star Facilities and Services Private Limited
Resolve Business Services (India) Private Limited
Quess Corp (Lanka) Private Limited
Quess global (Malaysia) Sdn Bhd
Dependo Logistics Solutions Private Limited (Till 17 August 2020)
Vedang Cellular Services Private Limited
Simpliance Technologies Private Limited
Heptagon Technologies Pvt Ltd
Trimax Smart Infraprojects Private Limited
Greenpiece Landscapes India Private Limited
Qdigi Services Limited
Allsec Technologies Limited (wef 3 Jun 2019)
MFX Infotech Private Limited
Monster.com (India) Private Limited
Simpliance Technologies Private Limited
Excelus Learning Solutions Private Limited

- Having significant interest in the Company

Terrier Employee Welfare Trust (EWT)
Fairfax Financial Holdings Limited
Fairfax (US) Inc.
HWIC Asia Fund
Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019)
Thomas Cook (India) Limited (upto 6 December 2019)
Fairfax (US) Inc.
National Collateral Management Services Limited

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39 Related party disclosures (continued)

(i) Name of related parties and description of relationship:

-Subsidiaries of Quess Corp Ltd	MFX Infotech Private Limited
	Brainhunter Systems Ltd.
	Mindwire Systems Limited
	Quess (Philippines) Corp.
	Quess Corp (USA) Inc.
	Quesscorp Holdings Pte. Ltd.
	Quess Corp Vietnam LLC
	Quessglobal (Malaysia) SDN. BHD.
	Quess Corp Lanka (Private) Limited
	Comtel Solutions Pte. Ltd.
	MFXchange Holdings, Inc.
	MFXchange US, Inc.
	MFX Chile SpA
	Dependo Logistics Solutions Private Limited (Till 17 August 2020)
	Excelus Learning Solutions Private Limited
	Conneqt Business Solution Limited
	Vedang Cellular Services Private Limited
	Golden Star Facilities and Services Private Limited
	Comtelpro Pte. Limited.
	Comtelink Sdn. Bhd
	Monster.com (India) Private Limited
	Monster.com.SG PTE Limited
	Monster.com HK Limited
	Agensi Pekerjaan Monster Malaysia SDN. BHD.
	Quesscorp Management Consultancies
	Quesscorp Manpower Supply Services LLC
	Qdigi Services Limited
	Greenpiece Landscapes India Private Limited
	Simpliance Technologies Private Limited
	Allsec Technologies Limited
	Allsectech Inc., USA
	Allsectech Manila Inc., Philippiness
	Retreat Capital Management Inc., USA
	Trimax Smart Infraprojects Private Limited
	Quess Corp Services Limited
	Terrier Security Services (India) Private Limited
	Quess East Bengal FC Private Limited

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39 Related party disclosures (continued)

(i) Name of related parties and description of relationship:

-Associates of Quess Corp Ltd	Heptagon Technologies Private Limited Quess Recruit, Inc. Agency Pekerjaan Quess Recruit SDN. BHD. Stellars Log Technovation Private Limited (wef 29 Jan 2021)
-Joint Ventures of Quess Corp Limited	Himmer Industrial Services (M) Sdn Bhd

(ii) Related party transactions during the year

(Amount in Rs)

Particulars		31-Mar-21	31 March 2020
Revenue from operations			
- Services (Man Guard Services)			
	Quess Corp Ltd	139,092,818	102,546,725
	Allsec Technologies Limited	15,064,323	11,014,877
	Dependo Logistics Solutions Private Limited (Till 17 August 2020)	-	5,533,317
	Excelus Learning Solutions Pvt Ltd	-	3,843,415
	Golden Star Facilities and Services Pvt Ltd	20,943,183	35,088,776
	MFX Infotech Private Limited	204,614	1,009,919
	Comtel Solutions PTE Ltd	528,000	498,000
	Vedang Cellular Services Private Limited	105,840	74,160
	ConnectQ Business Services Private Limited	64,249,743	78,144,763
	Monster.com (India) Pvt Ltd	1,897,263	2,816,416
	Qdigi Services Limited (formerly known as: HCL Computing Products Limited)	7,071,896	13,202,205
	Net Resources Investments Private limited	881,434	-
	Total	**250,039,114**	**253,772,573**
- Receiving of services			
	Quess Corp Ltd	1,775,927	109,921,888
	Monster.com (India) Pvt Ltd	-	22,800
	Allsec Technologies Limited	59,401	-
	Simpliance Technologies Private Limited	65,070	231,120
	Heptagon Technologies Pvt Ltd	-	726,008
	ConnectQ Business Services Private Limited	4,281,835	-
	Total	**6,182,233**	**110,901,816**
-Loans taken from related parties	Quess Corp Ltd	409,218,638	665,741,935
	Total	**409,218,638**	**665,741,935**
-Loans repaid to related parties	Quess Corp Ltd	751,381,258	556,000,000
	Total	**751,381,258**	**556,000,000**
- Interest expenses	Quess Corp Ltd	18,525,475	44,046,729
	Total	**18,525,475**	**44,046,729**
- Remuneration	Lt. Col. Darshan Singh Bal	-	5,442,844
	Total	-	**5,442,844**

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39 Related party disclosures (continued)

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in Rs)

Particulars		31-Mar-21	31 March 2020
Trade receivables	Quess Corp Ltd	3,653,461	-
	Allsec Technologies Limited	1,130,239	2,534,738
	Dependo Logistics Solutions Pvt Ltd (Till 17 August 2020)	-	720,005
	Excelus Learning Solutions Pvt Ltd	-	1,646,997
	Golden Star Facilities and Services Pvt Ltd	1,707,735	5,948,970
	MFX Infotech Private Limited	234	690,344
	Net Resource Investment	71,572	-
	ConnectQ Business Services Private Limited	6,850,974	13,031,513
	Monster.com (India) Pvt Ltd	35,497	147,385
	Comtel Solutions PTE Ltd	-	523,920
	Vedang Cellular Services Private Limited	42,480	70,800
	Qdigi Services Limited (formerly known as: HCL Computing Products Limited)	-	1,359,504
	Total	**13,492,192**	**26,674,176**
Unbilled Revenue	Quess Corp Ltd	8,149,522	7,408,279
	Dependo Logistics Solutions Private Limited (Till 17 August 2020)	-	443,498
	Golden Star Facilities and Services Pvt Ltd	1,447,233	2,473,002
	MFX Infotech Private Limited	-	71,060
	Comtel Solutions PTE Ltd	-	54,000
	Vedang Cellular Services Private Limited	-	14,160
	ConnectQ Business Services Private Limited	4,983,193	5,199,216
	Monster.com (India) Pvt Ltd	170,986	159,102
	Qdigi Services Limited	463,733	624,662
	Total	**15,214,667**	**16,446,979**
Trade payables	Quess Corp Ltd	6,665,471	37,998,976
	Heptagon Technologies Pvt Ltd	501,391	(368,508)
	ConnectQ Business Services Private Limited	1,507,391	-
	Simpliance Technologies Private Limited	10,006	-
	Total	**8,684,259**	**37,630,468**
Borrowings	Quess Corp Ltd	-	342,162,621
	Total	-	**342,162,621**
Interest accrued on borrowings	Quess Corp Ltd	-	42,918,638
	Total	-	**42,918,638**
Accrued expenses			
	Quess Corp Ltd	-	23,880,000
	Monster.com (India) Pvt Ltd	-	22,800
	Allsec Technologies Limited	42,000	-
	Heptagon Technologies Pvt Ltd	-	726,008
	Simpliance Technologies Private Limited	-	96,800
	Total	**42,000**	**24,725,608**

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40 Assets and liabilities relating to employee benefits

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(Amount in Rs)

Particulars	31-Mar-21	31 March 2020
Net defined benefit liability, gratuity plan	136,977,279	105,620,620
Liability for compensated absences	17,178,320	16,876,488
Total employee benefit liability	**154,155,599**	**122,497,108**

Reconciliation of net defined benefit liability/ asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its components:

(Amount in Rs)

Particulars	31-Mar-21	31 March 2020
Change in defined benefit obligation		
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	159,895,137	113,734,554
Current service cost	28,197,016	25,995,456
Interest cost	9,462,947	8,222,723
Benefit settled	(42,958,753)	(28,892,110)
Actuarial (gains)/ losses recognised in other comprehensive income	-	-
Actuarial (gain) / loss- Experience	4,595,387	14,028,560
Actuarial (gain) / loss- demographic assumptions	-	(173,678)
Actuarial (gain) / loss- financial assumptions	(7,594,595)	26,979,632
Obligation at end of the year	**151,597,139**	**159,895,137**
Reconciliation of present value of plan assets		
Plan assets at beginning of the year, at fair value	54,274,517	79,073,029
Interest income on plan assets	3,227,058	5,744,983
Re-measurement- actuarial gain/(loss)	-	-
Return on plan assets greater/(lesser) than discount rate	77,040	(1,651,385)
Contributions	-	-
Benefits settled	- 42,958,753	(28,892,110)
Plans assets at end of year, at fair value	**14,619,862**	**54,274,517**
Net defined benefit liability	**(136,977,277)**	**(105,620,620)**

Reconciliation of present value of the obligation and the fair value of the plan assets

(Amount in Rs)

Particulars	31-Mar-21	31 March 2020
Fair value of plan assets at the end of the year	14,619,862	54,274,517
Present value of the defined benefit obligations at the end of the year	151,597,139	159,895,137
Liability recognised in the balance sheet	**136,977,277**	**105,620,620**
Current	-	6,556,578
Non-current	136,977,277	99,064,042

Expense recognised in statement of profit or loss

(Amount in Rs)

Particulars	31-Mar-21	31 March 2020
Current service cost	28,197,016	25,995,456
Interest cost, net	6,235,889	2,477,740
Re-measurement- actuarial gain/(loss) recognised on OCI	(3,076,248)	42,485,899
Net gratuity cost	**31,356,657**	**70,959,095**

Remeasurement recognised in other comprehensive income

(Amount in Rs)

Particulars	31-Mar-21	31 March 2020
Remeasurement of the net defined benefit liability	(2,999,208)	40,834,514
Remeasurement of the net defined benefit asset	(77,040)	1,651,385
	(3,076,248)	**42,485,899**

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Terrier Security Services (India) Private Limited Bangalore

40 Assets and liabilities relating to employee benefits (continued)

Plan assets

(Amount in Rs)

Particulars	31-Mar-21	31 March 2020
Funds managed by insurer	14,619,862	54,274,517
	14,619,862	**54,274,517**

Defined benefit obligation - Actuarial Assumptions

Particulars	Associate employees For the year ended 31 March 2021	 For the year ended 31 March 2020
Discount rate	4.90%-6.30%	5.40%- 5.95%
Salary increase	4%- 7.5%	4%- 7.5%
Attrition rate > 5 year	2%- 30%	2%- 30%
Attrition rate < 5 year	30%- 70%	30%- 70%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Retirement age	65 Years	65 Years

The Company expects to contribute Rs.153,364,474/- to its defined benefit plans during the next fiscal year
As at 31 March 2021 and 31 March 2020, 100% of the plan assets were invested in insurer managed funds

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Core Employees

(Amount in Rs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	9,073,995	9,798,134	7,732,221	8,340,970
Future salary growth(1% movement)	9,780,911	9,081,520	8,331,639	7,735,154
Attrition rate (1% movement)	8,221,866	11,515,877	7,060,195	9,759,958

Associate Employees

(Amount in Rs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	122,957,204	166,132,171	130,690,018	178,466,447
Future salary growth(1% movement)	166,464,322	122,406,702	178,736,797	130,149,433
Attrition rate (1% movement)	134,951,959	156,025,097	145,879,069	169,565,840

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Terrier Security Services (India) Private Limited
Bangalore

Terrier Security Services (India) Private Limited
Notes to the financial statements for the year ended 31 March 2021

41 Expenditure in foreign

There has been no expenditure in foreign currency.

42 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2021 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

43 COVID 19 Impact

In assessing the recoverability of Trade receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material changes to future economic conditions.

44 The Company evaluated subsequent events, based on this evaluation, the Company is not aware of any other event or transaction that would require recognition or disclosure in the financial statements.

The notes referred to above form an integral part of the financial statements

for and on behalf of Board of Directors of
Terrier Security Services (India) Private Limited

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Raghuthaman Abhinandan
Director
DIN : 07675547

Guruprasad Srinivasan
Director
DIN:07596207

Place: Bengaluru
Date: 10 May 2021

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Trimax Smart Infraprojects Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Trimax Smart Infraprojects Private Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

Attention is invited to Note 36 of financial statements.

The Settlement and Share Purchase Agreement (SSPA) was executed dated 15th October 2019, pursuant to which, the Resolution Professional of Trimax IT had requested for the assignment of original contract to TSIPL with SCADL; and payment of sale proceeds in total to TSIPL. While the assignment of the contract is with SCADL is still in process, an amount of Rs.4457.23 lakh has been received from SCADL post the signing of SSPA. Accordingly, the financial impact of rights and obligations under the contract have been

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recognized in the accompanying financial statements. As at the year end, the management have comprehensively reviewed the overdue receivables INR 10174 lakhs (previous year INR. 11570 lakhs) and have provided for a sum of INR 8315.16 lakhs (previous year Nil) towards allowance for expected credit losses (ECL).

Our opinion is not modified in respect of these matters

Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

2) As required by Section 143 (3) of the Act, we report that;
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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

d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act;

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

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

   i. the Company does not have any pending litigations and accordingly there is no impact on its financial position;

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

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

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703

Place: Bengaluru
Date: 31st May ,2021

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

UDIN: 21205703AAAACV4374

ANNEXURE - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Trimax Smart Infraprojects Private Limited of even date)

i. a. The Company does not have any fixed assets. Consequently, comment on clause (i) of the order is not applicable

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties as at March 31, 2021;

ii. The Company's operation does not involve inventory. Consequently, comment on clause (ii) of the order is not applicable;

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Consequently, comment on clause (iii) of the order is not applicable;

iv. The Company has not made any loans and investments, guarantees, and security covered by covered by provisions of Section 185 and 186 of the Act. Consequently, comment on clause (iv) of the order is not applicable

v. The Company has not accepted any deposits from the public. Consequently, comment on clause (v) of the order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Consequently, comment on clause (vi) of the order is not applicable;

vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing material undisputed statutory dues including provident fund, employee state insurance, income-tax, cess and other statutory dues, during the year with the appropriate authorities except certain due of GST.

As explained to us, the Company did not have any undisputed amounts outstanding as at last day of the financial year for a period of more than six months from the date they became payable except for GST dues (INR 158.71 Lakhs) and interest for the same (INR 37.30 Lakhs)

b. According to the information and explanations given to us, there are no dues of provident fund, employee state insurance, income-tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute;

viii. The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders;

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

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit;

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year and accordingly the clause regarding the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, is not applicable;

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Consequently, comment on clause (xii) of the Order is not applicable;

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards;

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Consequently, comment on clause (xiv) of the Order is not applicable;

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

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Consequently, comment on clause (xvi) of the Order is not applicable.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703

Place: Bengaluru
Date: 31st May ,2021

UDIN: 21205703AAAACV4374

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ANNEXURE -B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Trimax Smart Infraprojects Private Limited of even date)

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

We have audited the internal financial controls over financial reporting of **Trimax Smart Infraprojects Private Limited** ("the Company") as of **March 31, 2021** in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note[1] and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

[1] Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703

Place: Bengaluru
Date: 31st May ,2021

UDIN: 21205703AAAACV4374

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Trimax Smart Infraprojects Private Limited

BALANCE SHEET AS AT 31 MARCH 2021

(Amount in Rs)

Balance Sheet	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Financial assets			
Deferred tax assets	3	5,602	2,49,81,620
Income tax assets (net)	4	5,87,801	5,87,801
Total non-current assets		**5,93,403**	**2,55,69,421**
Current Assets			
Financial assets			
(i) Trade receivables	5	18,58,84,156	1,15,70,45,897
(ii) Cash and cash equivalents	6	4,78,780	18,28,935
(iii) Current Loan	7	7,350	7,350
Other current assets	8	3,02,15,796	15,38,80,939
Total current assets		**21,65,86,082**	**1,31,27,63,121**
Total Assets		**21,71,79,485**	**1,33,83,32,542**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	1,00,000	1,00,000
Other equity instrument	10	1,29,00,00,000	1,29,00,00,000
Other equity	11	(1,24,32,14,593)	(29,78,30,551)
Total equity attributable to equity holders of the Company		**4,68,85,407**	**99,22,69,449**
Total equity		**4,68,85,407**	**99,22,69,449**
Liabilities			
Non-current liabilities			
Financial liabilities			
Non-current Provisions	12	7,19,472	3,05,857
Total non-current liabilities		**7,19,472**	**3,05,857**
Current liabilities			
Financial liabilities			
Current Borrowings	13	29,29,409	-
Trade payables	14	13,76,22,495	20,97,62,574
Other current financial liabilities	15	37,00,330	1,01,25,572
Current Provisions	16	55,56,963	10,16,54,718
Other current liabilities	17	1,97,65,410	2,42,14,372
Total current liabilities		**16,95,74,607**	**34,57,57,236**
Total Liabilities		**17,02,94,079**	**34,60,63,093**
Total Equity and Liabilites		**21,71,79,485**	**1,33,83,32,542**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 31st May 2021

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

Abhinandan Raghuthaman
Additional Director
DIN: 07675547

Place: Bengaluru
Date: 31st May 2021

Guruprasad Srinivasan
Director
DIN: 07596207

Place: Bengaluru
Date: 31st May 2021

TRIMAX SMART INFRAPROJECTS PVT. LTD.

Trimax Smart Infraprojects Private Limited
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2021

(Amount in Rs)

Statement of profit and loss	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	18	-	(1,80,05,860)
Other income	19	-	27,90,985
Total Income		-	**(1,52,14,875)**
Expenses			
Cost of materials and services	20	6,74,97,665	1,46,84,016
Employee benefits expense	21	1,09,23,286	1,05,70,703
Finance costs	22	38,36,401	8,57,33,382
Other expenses	23	83,80,65,875	8,01,33,239
Total expenses		**92,03,23,227**	**19,11,21,340**
Profit/(loss) before tax		**(92,03,23,227)**	**(20,63,36,215)**
Tax expense			
Deferred tax		(2,49,98,065)	(80,64,905)
Profit/(loss) for the period		**(94,53,21,292)**	**(21,44,01,120)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(84,797)	29,068
Income tax relating to items that will not be reclassified to profit or loss		22,047	(7,558)
Other comprehensive income for the period		**(62,750)**	**21,510**
Total comprehensive income for the period		**(94,53,84,042)**	**(21,43,79,610)**
Earnings per equity share (face value of Rs 10 each)			
Basic		(94,532.13)	(21,440.11)
Diluted		(8,525.82)	(1,933.68)

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached
for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 31st May 2021

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

Abhinandan Raghuthaman
Additional Director
DIN: 07675547

Place: Bengaluru
Date: 31st May 2021

Guruprasad Srinivasan
Director
DIN: 07596207

Place: Bengaluru
Date: 31st May 2021

TRIMAX SMART INFRAPROJECTS PVT. LTD.

Trimax Smart Infraprojects Private Limited
Statement of Changes in Equity for the year ended 31 March 2021

a) Equity share Capital and Other Equity **(Amount in Rs)**

Particulars	Share Capital	OTHER EQUITY		Total Equity attributable to Equity holders of the Company
		Retained Earnings	Other Comprehensive Income	
Balance as of 01 April 2019	1,00,000	(8,34,76,235)	25,294	(8,33,50,941)
Add: Profit for the year	-	(21,44,01,120)	-	(21,44,01,120)
Add: Other comprehensive income (net of tax)	-	-	21,510	21,510
Balance as of 31 March 2020	**1,00,000**	**(29,78,77,355)**	**46,804**	**(29,77,30,551)**
Particulars	**Share Capital**	**OTHER EQUITY**		**Total Equity attributable to Equity holders of the Company**
		Retained Earnings	**Other Comprehensive Income**	
Balance as of 01 April 2020	1,00,000	(29,78,77,355)	46,804	(29,77,30,551)
Add: Profit for the year	-	(94,53,21,292)	-	(94,53,21,292)
Add: Other comprehensive income (net of tax)	-	-	(62,750)	(62,750)
Balance as of 31 March 2021	**1,00,000**	**(1,24,31,98,648)**	**(15,946)**	**(1,24,31,14,593)**

b) Instruments entirely equity in nature

Compulsorily Convertible debentures

Balance at the beginning of the reporting period	Changes in compulsorily convertible debentures during the period	Balance at the end of the reporting period
1,29,00,00,000	-	**1,29,00,00,000**
Total Equity (a+b)		**4,68,85,407**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 31st May 2021

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

Abhinandan Raghuthaman
Additional Director
DIN: 07675547

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Director
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TRIMAX SMART INFRAPROJECTS PVT. LTD.

Trimax Smart Infraprojects Private Limited
Cash flow Statement for the year ended 31 March 2021

(Amount in Rs)

Statement of Cash Flows	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit for the period	(94,53,21,292)	(21,44,01,120)
Adjustments for:		
Provision for penalty	(9,61,46,404)	8,70,19,491
Loss allowance on financial assets, net	83,15,16,056	-
Prepaid Amortisation	12,00,00,000	-
Finance costs	1,06,152	8,22,66,124
Finance income on present valuation of financial instruments	-	(24,31,225)
Interest income on refund	-	(3,59,760)
Interest expense on financial liabilities at amortized cost	-	27,34,944
Other Comprehensive Income	(62,750)	21,510
Operating cash flows before working capital changes	**(8,99,08,238)**	**(4,51,50,036)**
(Increase)/Decrease in inventories, Trade receivables	13,96,45,685	34,86,50,663
(Increase)/Decrease in Unbilled revenue and other current assets	36,65,143	7,39,91,796
Increase/(Decrease) in trade payables and other financial liabilities	(7,85,65,321)	(54,39,94,116)
Increase/(Decrease) in other liabilities and provisions	(39,86,698)	(7,00,72,414)
Cash generated from operations	**(2,91,49,430)**	**(23,65,74,108)**
Income taxes paid, net of refund	2,49,76,018	1,21,58,492
Net cash (used in) / provided by operating activities (A)	**(41,73,412)**	**(22,44,15,616)**
Cash flows from investing activities		
Net cash (used in) / provided by investing activities (B)	-	-
Cash flows from financing activities		
Proceeds from borrowings	29,29,409	(1,04,76,27,034)
Proceeds from issue of other equity instrument	-	1,29,00,00,000
Security deposits	-	6,58,98,025
Interest paid	(1,06,152)	(8,22,66,124)
Finance income on present valuation of financial instruments	-	24,31,225
Interest income on refund	-	3,59,760
Interest expense on financial liabilities at amortized cost	-	(27,34,944)
Net cash (used in) / provided by financing activities (B)	**28,23,257**	**22,60,60,908**
Net increase in cash and cash equivalents (A+B)	(13,50,155)	16,45,292
Cash and cash equivalents at the beginning of the period	18,28,935	1,83,643
Cash and cash equivalents at the end of the period (refer note 6)	**4,78,780**	**18,28,935**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 31st May 2021

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TRIMAX SMART INFRAPROJECTS PVT. LTD.

Trimax Smart Infraprojects Private Limited
Notes to the Financial Statements for the year ended 31 March 2021

1. Company overview

Trimax Smart Infraprojects Private Limited was incorporated on 14th July 2017 under the Companies Act, 2013. The Company is formed for the purpose of providing various solutions for smart city project from Smart City Ahmedabad Development Limited including but not limited to the said project. The company currently functions as an Implementation Agency for supply, installation, commissioning and operation and maintenance for a Pan City CIT Infrastructure and intelligent command and control centre for Ahmedabad Smart City and various other smart city projects.

2.Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

Basis of preparation

2.1 Statement of compliance

These Ind AS financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") and the provisions of the Companies Act, 2013 ("Act") and the relevant rules thereunder. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Company Standalone Ind AS financial statements are approved for issue by the Company's Board of Directors on 31/05/2021.

These Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following :
i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);
ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO").

2.3 Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) **Contingent liability**: Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except, in the extremely rare circumstances where no reliable estimate can be made).

ii) **Income taxes**: Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Availability of future taxable profits against which deferred tax amount can be used.

iii) **Recognition of deferred tax assets:** Availability of future taxable profit against which tax losses carried forward can be used.

iv) **Measurement of defined benefit obligations:** Key actuarial assumptions used for actuarial valuation.

v) **Impairment of financial assets:** The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost.

vi) **Property, plant and equipment:** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

vii) **Other estimates**: The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

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2.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Items included in the Ind AS financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.5 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.
Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the consolidated statement of profit and loss.
Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of the items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight-Line Method ('SLM'), and is recognised in the statement of profit and loss. The Management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act ,2013. Depreciation for assets purchased/ sold during the year is proportionately charged. The Company estimated the useful lives for items of property, plant and equipment as follows:

Category	Useful life
Buidling	20 years
Plant and machinery	3 years
Computer equipment	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	3 years
Leasehold improvements*	As per lease term

The assets residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in progress'.

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2.6 Intangible assets

(i) Intangible Assets
Other intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Amortisation
Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expenses in the standalone statement of profit and loss.

Category	Useful life
Brand	15 years
Software (leasehold)	Lease term or estimated useful life whichever is lower
Software (owned)	3 years
Copy rights and trademarks	3 years
Customer contracts	3 years
Customer relationship	5-10 years

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted if appropriate.

2.7 Impairment of non financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are generally charged to profit or loss on a straight-line basis over the period of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.8 Other Income

Other income is comprised primarily of interest income and exchange gain/loss on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

2.9 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates in effect on the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in the consolidated statement profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:
- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

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2.10 Revenue Recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration it expects to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognised as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation. Certain arrangements are on time and material basis and are recognised as the services are performed as per the terms of the arrangement with the customer.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of service delivery costs.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Refer Note 26 for disclosure related to revenue from contracts with customers.

2.11 Financial instruments

a) Recognition and Intial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

b)Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

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Financial assets are not reclassified subsequent to their initial recognition.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
-the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
-the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
-the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

c) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and unbilled revenues. 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 ECLs at each reporting date, right from its initial recognition. The management also considers adjustment to the provision based on forward looking estimates and case specific facts.

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable and contract assets. Depending on the diversity of its customer base, the company has considered to group its customers into two types: government customers and non-government customers.

The provision matrix for non-government customers is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. The provision matrix for government customers is primarily based on the time based movement within the life cycle of customer receivable further adjusted for forward-looking estimates.

ECL impairment loss allowance (or reversal) is recognised as an income/expense in the statement of profit and loss during the period.

Refer Note 27

d) Derecognition of financial assets

The Company derecognizes a financial asset when the
- contractual rights to the cash flows from the financial asset expires, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or
- Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

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

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Financial Liability

a)Initial recognition andmeasurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss (FVTPL) or amortised cost.
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.

b) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Amortised Cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

c) Derecognition

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.12 Employee benefit

(a) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Remeasurement of the net defined benefit liability/ asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(b) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability using the projected unit credit method as at the balance sheet date.

(d) Short term benefit plans

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. shortterm cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employees, and the amount of obligation can be estimated reliably.

(e) Termination benefit

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

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2.13 Taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.14 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous Contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognizes any impairment loss on the assets associated with the contract.

2.15 Provision for warranty

Provision for warranty is on account of warranties given on products sold by the Company. The amount of provision is based on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence.
The timing and amount of cash flows that will arise from these matters will be determined at the time of receipt of claims.

2.16 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.17 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit 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 Company are segregated.

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2.19 Earnings per share

The basic earnings per share is computed by dividing the net profit/ (loss) attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.20 Ind AS 116 – Leases:

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting largely unchanged from the existing standard – i.e. lessors continue to classify leases as finance or operating leases.

Based on the preliminary assessment, the Company does not expect any significant impacts on transition to Ind AS 116. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalised based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

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3 Deferred tax asset

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax asset are attributable to		
Provision for penalty	-	2,49,98,065
Deferred Tax - OCI	5,602	(16,445)
	5,602	**2,49,81,620**

4 Income tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax assets	5,87,801	5,87,801
	5,87,801	**5,87,801**

5 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good	18,58,84,156	1,15,70,45,897
Considered doubtful	83,15,16,056	-
Less: Allowance for expected credit losses	(83,15,16,056)	-
	18,58,84,156	**1,15,70,45,897**

Refer note 27

6 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Balances with banks		
In current accounts	4,78,780	18,28,935
Cash and cash equivalents in balance sheet	**4,78,780**	**18,28,935**
Cash and cash equivalent in the statement of cash flow	**4,78,780**	**18,28,935**

Includes INR 804 as at 31st March 2021 (17,43,102 for March 2020) held in Escrow Account (in the name of Trimax IT Infrastructure & Services Limited)., erstwhile JV partner. *Refer note 36.*

7 Loans

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured, considered good)		
Security deposits	7,350	7,350
	7,350	**7,350**

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8 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured, considered good)		
Prepaid expenses	2,59,968	12,00,00,000
Balances with government authorities	2,99,55,828	3,88,80,939
Less: Provision	-	50,00,000
	3,02,15,796	**15,38,80,939**

9 Share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
10,000 (31 March 2020: 10,000) equity shares of par value of Rs 10 each	1,00,000	1,00,000
	1,00,000	**1,00,000**
Issued, subscribed and paid-up		
10,000 (31 March 2020: 10,000) equity shares of par value of Rs 10 each	1,00,000	1,00,000
	1,00,000	**1,00,000**

9.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	10,000	1,00,000	10,000	1,00,000
Shares issued on exercise of employee stock options	-	-	-	-
Shares issued during the year	-	-	-	-
Right issue	-	-	-	-
Bonus issue	-	-	-	-
At the end of the year	**10,000**	**1,00,000**	**10,000**	**1,00,000**

9.2 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amounts (if any) in proportion to the number of equity shares held.

9.3 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	9,999	99.99%	9,999	99.99%
	9,999		**9,999**	

As per the records of the Company, including its register of members/shareholders, the above shareholding represents both legal and beneficial ownership of the shares.

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10 Other equity instrument

(a) Reconciliation of the number of compulsorily convertible debentures outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2021		As at 31 March 2020	
	No.	Amount	No.	Amount
(CCDs)	1,29,000	1,29,00,00,000	1,29,000	1,29,00,00,000

(b) The rights, preferences and restrictions attaching to compulsorily convertible debentures issued to Quess Corp Limited, holding company including restirctions if any :

The Company has one class of compulsorily convertible debentures of Rs 10,000 per CCD. These CCDs are unsecured and carry a discretionary coupon of 10% per annum. The CCDs shall have a tenure of 10 years from the date of issue. The holder of these CCDs shall have the right to convert any or all of the CCDs, any time during the tenure of CCDs. CCDs outstanding at the end of the tenure shall be automatically be converted into Equity shares of the Company.

(c) Particulars of compulsorily convertible debentures held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

Particulars	As at 31 March 2021		As at 31 March 2020	
	No.	Amount	No.	Amount
Quess Corp Limited, holding company	1,29,000	1,29,00,00,000	1,29,000	1,29,00,00,000

(d) CCD holders holding more than 5% of compulsorily convertible debentures along with the total number of CCDs held at the beginning and at the end of the reporting period is as given below

Particulars	As at 31 March 2021		As at 31 March 2020	
	% of holding	No.	% of holding	No.
Quess Corp Limited, holding company	100	1,29,000	100	1,29,000

11 Other equity*

Particulars	As at 31 March 2021	As at 31 March 2020
Other comprehensive income	(15,946)	46,804
Retained earnings	(1,24,31,98,648)	(29,78,77,355)
	(1,24,32,14,593)	**(29,78,30,551)**

* For detailed movement of reserves refer Statement of changes in Equity

12 Non-current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefit		
Provision for gratuity	4,96,527	2,01,555
Provision for compensated absences	2,22,945	1,04,302
	7,19,472	**3,05,857**

13 Current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Loan from related parties, unsecured		
From Quess Corp Limited	29,29,409	-
	29,29,409	**-**

Information about the Company's exposure to interest rate and liquidity risk is included in note 27.

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14 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
		-
Other trade payables*	13,76,22,495	20,97,62,574
	13,76,22,495	**20,97,62,574**

As on 31 March 2021, there are no outstanding amounts due to micro and small enterprises. There are no interests due or outstanding on the same.

**Includes Related Party Balances (refer Note 31) and Refer note 34*

15 Other current financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Other Payables		
Accrued salaries and benefits	10,15,311	9,26,243
Accrued expenses	20,08,121	91,99,329
Others	6,76,898	-
	37,00,330	**1,01,25,572**

**Includes Related Party Balances (refer Note 31)*

16 Current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity	9,316	290
Provision for compensated absences	71,499	31,876
	80,815	**32,166**
Others		
Provision for warranty	54,76,148	54,76,148
Provision for Penalty	-	9,61,46,404
	54,76,148	**10,16,22,552**
	55,56,963	**10,16,54,718**

Refer Note 35

16.1 The disclosures of provisions movement as required under the provisions of Ind AS 37 as follows

Particulars	Provision for warranty Amount	Provision for Penalty Amount
Balance as at 1 April 2019	**53,87,978**	**89,79,963**
Provision recognized / (reversed)	88,170	8,71,66,441
Provision utilized	-	-
Balance at the end of 31 March 2020	**54,76,148**	**9,61,46,404**
Provision recognized / (reversed)	-	(9,61,46,404)
Provision utilized	-	-
Balance at the end of 31 March 2021	**54,76,148**	-

17 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Balances payable to government authorities	1,97,65,410	2,42,14,372
	1,97,65,410	**2,42,14,372**

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18 Revenue from operations

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from execution of contracts for material and services	-	(1,80,05,860)
	-	**(1,80,05,860)**

Refer Note 26

19 Other income

Particulars	31 March 2021	31 March 2020
Income tax refund	-	3,59,760
Unwinding of discount on security deposits	-	24,31,225
	-	**27,90,985**

20 Cost of materials

Particulars	31 March 2021	31 March 2020
Cost of materials and services	4,36,44,069	(7,23,35,475)
Provision for penalty/reversal*	(9,61,46,404)	8,70,19,491
Prepaid Amortisation*	12,00,00,000	-
	6,74,97,665	**1,46,84,016**

(Refer note 35)

21 Employee benefits expense

Particulars	31 March 2021	31 March 2020
Salaries and wages	99,09,380	99,87,505
Contribution to provident and other funds	4,25,206	4,07,391
Expenses related to post-employment defined benefit plan	2,19,201	1,37,386
Expenses related to compensated absences	1,58,266	13,858
Staff welfare expenses	2,11,233	24,563
	1,09,23,286	**1,05,70,703**

22 Finance costs

Particulars	31 March 2021	31 March 2020
Interest expense on financial liabilities at amortized cost	-	27,34,944
Other borrowing costs	1,06,152	8,22,66,124
Interest expense	37,30,249	7,32,314
	38,36,401	**8,57,33,382**

23 Other expenses

Particulars	31 March 2021	31 March 2020
Security Deposit Written off *(Refer note 36)*	-	7,10,64,194
Provision/writeoff of advance	50,00,000	50,00,000
Legal and professional fees	12,63,801	36,84,952
Loss allowance on financial assets	83,15,16,056	-
Bank charges	118	944
Communication expenses	5,403	12,844
Miscellaneous expenses	54,983	51,600
Provision for warranty	-	88,170
Local Conveyance	2,22,714	1,64,604
Advertisement expenses	-	43,050
Rates and taxes	2,800	22,881
	83,80,65,875	**8,01,33,239**

Payment to auditors (net of tax; included in legal and professional fees)

Statutory audit	4,00,000	4,00,000
	4,00,000	**4,00,000**

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24 Taxes

A. Amount recognised in profit and loss account

(Amount in Rs)

Particulars	For the period ended 31 March 2021	For the period ended 31 March 2020
Statement of profit and loss account		
Current income tax:		
In respect of the current period	(2,49,98,065)	(80,64,905)
Excess provision related to prior years (refer note (i) below)	-	-
Income tax expense reported in the statement of profit and loss	**(2,49,98,065)**	**(80,64,905)**

B. Income tax recognised in other comprehensive income

Particulars	For the period ended 31 March 2021	For the period ended 31 March 2020
Remeasurement of the net defined benefit liability/ asset		
Before tax	(84,797)	29,068
Tax (expense)/ benefit	22,047	(7,558)
Net of tax	**(62,750)**	**21,510**

C. Reconciliation of effective tax rate

(Amount in Rs)

Particulars	For the period ended 31 March 2021	For the period ended 31 March 2020
Profit/(loss) before tax	(92,03,23,227)	(20,63,36,215)
Tax using company's Domestic tax rate of March 2021 - 25.17% (March 2020 25.17%)	(23,16,45,356)	(5,19,34,825)
Effect of:		
Income exempt from tax	-	-
Non-deductible expenses	18,64,46,050	2,32,90,696
Tax provision for earlier years	-	-
Deferred Tax	2,49,98,065	80,64,905
Deferred Tax Not recognised	4,51,99,306	2,86,44,129
Income tax expense reported in the Statement of profit and loss	**2,49,98,065**	**80,64,905**

D. The following table provides the details of income tax assets and income tax liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax assets	5,87,801	5,87,801
Net income tax asset/(liability) at the end of the period	**5,87,801**	**5,87,801**

Deferred tax relates to the following:

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax asset are attributable to		
Provision for penalty	-	2,49,98,065
Others	5,602	(16,445)
	5,602	**2,49,81,620**

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Recognised deferred tax assets and liabilities
Movement of deferred tax assets / liabilities presented in the balance sheet

For the period ended 31 March 2021	Opening balance	Additions through business combination	Recognized in profit and loss	Recognised in OCI	Closing balance
Deferred tax asset on:					
Provision for penalty	2,49,98,065	-	(2,49,98,065)	-	-
Others	(16,445)	-	-	22,047	5,602
Gross deferred tax assets	**2,49,81,620**	**-**	**(2,49,98,065)**	**22,047**	**5,602**

E. Unrecognized deferred tax assets/ (liabilities)

As at 31st March 2021,unrecognised deferred tax assets amount to INR 11.01 Crores which can be carried forward up to a specified period. This relates primarily to buisness losses and other deductible temporary differences. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

Unrecognised deferred tax assets expire unutilised based on the year of origination as follows:

As at 31 March 2021	Unabsorbed business losses
2022	-
2023	-
2024	-
2025	-
Thereafter	**11,01,19,472**

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25 Financial instruments - fair value and risk management
Financial instruments - by category

(Amount in Rs)

Particulars	31 March 2021			31 March 2020		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets:						
Loans	-	-	7,350	-	-	7,350
Trade receivables	-	-	18,58,84,156	-	-	1,15,70,45,897
Cash and cash equivalents including other bank balances	-	-	4,78,780	-	-	18,28,935
Total financial assets	-	-	**18,63,70,286**	-	-	**1,15,88,82,182**
Financial Liabilities:						
Loans and borrowings	-	-	29,29,409	-	-	-
Trade payables	-	-	13,76,22,495	-	-	20,97,62,574
Other financial liabilities	-	-	37,00,330	-	-	1,01,25,572
Total financial liabilities	-	-	**14,42,52,234**	-	-	**21,98,88,146**

Accounting classification and fair value
The following table shows the carrying amount and fair value of financial assets and financial liabilities:

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

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(Amount in Rs)

Particulars	Carrying amount 31 March 2021	Fair value		
		Level 1	Level 2	Level 3
Financial assets not measured at fair value				
Loans	7,350	-	-	-
Trade receivables	18,58,84,156	-	-	-
Cash and cash equivalents including other bank balances	4,78,780	-	-	-
Total financial assets	**18,63,70,286**	-	-	-
Financial liabilities not measured at fair value				
Loans and borrowings	29,29,409	-	-	-
Trade payables	13,76,22,495	-	-	-
Other financial liabilities	37,00,330	-	-	-
Total financial liabilities	**14,42,52,234**	-	-	-

(Amount in Rs)

Particulars	Carrying amount 31 March 2020	Fair value		
		Level 1	Level 2	Level 3
Financial assets not measured at fair value				
Loans	7,350	-	-	-
Trade receivables	1,15,70,45,897	-	-	-
Cash and cash equivalents including other bank balances	18,28,935	-	-	-
Total financial assets	**1,15,88,82,182**	-	-	-
Financial liabilities not measured at fair value				
Trade payables	20,97,62,574	-	-	-
Other financial liabilities	1,01,25,572	-	-	-
Total financial liabilities	**21,98,88,146**	-	-	-

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Fair value hierarchy
Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

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

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

Fair valuation method
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

A Financial Assets:

Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B Financial Liabilities:

1) **Trade payables and other liabilities:** Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

2) **Financial liability:** The fair value of financial liability has been determined by discounting consideration payable on commitment to sell. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of this put option.

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26 Revenue from Contracts with customers

(i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by geography for each of our business segments for the period ended 31 March 2021. The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Period ended 31 March 2021 *(Amount in Rs.)*

Particulars	Smartcity	Total
Revenues by Geography		
India	-	-
Total	-	-

(ii) Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.
Invoicing in excess of earnings are classified as unearned revenue.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in 'Trade and other receivables'	1,01,74,00,212	1,15,70,45,897
Contract assets (Unbilled revenue)	-	-

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

Management had revised its estimates of total budgeted cost for the project during last quarter of this financial year. Applying this, and continuing with the consistently adopted Percentage of Completion method, it has resulted in derecognition of revenue during the year. Accordingly 'Revenue from operations' shows a zero amount for the year ended March 2021.

The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the period ended 31 March 2021

(Amount in Rs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning	-	4,73,95,894
Add : Revenue recognized during the period	-	(1,80,05,860)
Less : Invoiced during the period	-	2,93,90,034
Balance at the end	-	**(0)**

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the company has not disclosed the value of remaining performance obligations for
(i) contracts with an original expected duration of one year or less and
(ii) contracts for which the company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2021, other than those meeting the exclusion criteria mentioned above, is Nil. Out of this, the entity expects to recognize revenue of around 100% within the next one year.

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27 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework
The Board of Directors of Trimax Smart Infraprojects Private Limited has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's principal financial liabilities comprise Provisions, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

i) Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables
The Company's exposure to credit risk is influenced mainly by trade receivables and unbilled revenue. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue from customers primarily located in India.

The Company has established a credit policy under which each customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected Credit Loss
The Company uses an allowance matrix to measure the expected credit loss of trade receivables from customers and unbilled revenue.
Depending on the diversity of its customer base, the company has considered to group its customers into two types: government customers and non-government customers during the year ended 31 March 2021.

For non-government customers, based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default if the payments are more than 270 days past due. Loss rates are based on actual credit loss experience over the last six quarters. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is no single customer contributing more than 10% of trade receivables and unbilled revenue. The loss rates considers the credit risk of the customers and have been adjusted to reflect the Management's view of economic conditions over the expected collection period of the receivables.

For government customers, based on the industry benchmarking and insignificant credit risk, a provision matrix primarily based on the time based movement within the life cycle of customer receivable is considered. For time based ageing, the company used approprite loss rate which is increased by yearly multiplier to arrive at effective ECL provision for respective ageing buckets. The only customer is a special purpose vehicle constituted by government of India. The expected loss rate has been adjusted with additional facts to refleet the Management's view of economic conditions over the expected collection period of the government receivables.

The movement in the allowance for impairment in respect of trade receivables and unbilled revenue is as follows:

(Amount in Rs)

	For the year ended	
Particulars	**31 March 2021**	**31 March 2020**
Balance as at the beginning of the year	-	-
Additions/(deletions) through business combination	-	-
Impairment loss recognised/(reversed) under expected credit loss model	83,15,16,056	-
Less: Bad debts written off	-	-
Balance as at the end of the year	**83,15,16,056**	**-**

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ii) Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.The Company's objective is to maintain a balance between cash outflow and inflow. The company believes that the working capital is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

i) Financing arrangement

The Company maintains the following line of credit:

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021:

As at 31 March 2021

(Amount in Rs)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	29,29,409	29,29,409			
Trade payables	13,76,22,495	13,76,22,495	-	-	-
Other financial liabilities	37,00,330	37,00,330	-	-	-

As at 31 March 2020

(Amount in Rs)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	-	-	-	-	-
Trade payables	20,97,62,574	20,97,62,574	-	-	-
Other financial liabilities	1,01,25,572	1,01,25,572	-	-	-

iii) Market risk

i) Currency risk

The Company is not exposed to currency risk as there is no mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Company.

ii) 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 borrowing comprises of working capital loan from related parties which carries variable rate of interest, which exposes it to interest rate risk.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	29,29,409	-
Total borrowings	**29,29,409**	**-**

(b) Sensitivity

(Amount in Rs)

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2021				
Variable rate borrowings	(29,294)	29,294	(21,678)	21,678

(Amount in Rs)

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2020				
Variable rate borrowings	-	-	-	-

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Notes to the financial statements for the year ended 31 March 2021

28 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.
The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

The capital structure is as follows :- *(Amount in Rs)*

Particulars	As at 31 March 2021	As at 31 March 2020
Gross debt	29,29,409	-
Less: Cash and cash equivalents	(4,78,780)	(18,28,935)
Adjusted net debt	**24,50,629**	**(18,28,935)**
Total equity	4,68,85,407	99,22,69,449
Total equity	**4,68,85,407**	**99,22,69,449**
Net debt to equity ratio	**0.00**	**(0.00)**

29 Contingent liabilities and Capital commitment

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Contingent liabilities	-	-
Capital commitments	-	-
	-	-

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30 Earnings per share

(Amount in Rs)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Nominal value of equity shares (Rs. Per share)	10	10
Net profit after tax for the purpose of earnings per share	(94,53,21,292)	(21,44,01,120)
Weighted average number of shares used in computing basic earnings per share	10,000	10,000
Basic earnings per share	(94,532.13)	(21,440.11)
Weighted average number of shares used in computing diluted earnings per share	1,10,877	1,10,877
Diluted earnings per share	(8,525.82)	(1,933.68)

31 Related party disclosures

(i) Name of related parties and description of relationship:

Holding company	Quess Corp Limited (from 15th October 2019)**
- Entities having significant influence	Quess Corp Limited ** Trimax IT Infrastructure & Services Limited** Fairfax Financial Holdings Limited Fairbridge Capital (Mauritius) Limited National Collateral Management Services Limited Fairfax (US) Inc. Net Resources Investments Private Limited Isaac Enterprises Private Limited
- Subsidiaries (including step subsidiaries) of Holding company	MFX Infotech Private Limited Brainhunter Systems Ltd. Mindwire Systems Limited Quess (Philippines) Corp. Quess Corp (USA) Inc. Quesscorp Holdings Pte. Ltd. Quess Corp Vietnam LLC Quessglobal (Malaysia) Sdn. Bhd. Quess Corp Lanka (Private) Limited Comtel Solutions Pte. Ltd. MFXchange Holdings, Inc. MFXchange US, Inc. MFX Chile SpA Dependo Logistics Solutions Private Limited Excelus Learning Solutions Private Limited Conneqt Business Solution Limited Vedang Cellular Services Private Limited Golden Star Facilities and Services Private Limited Comtelpro Pte. Limited. Comtelink Sdn. Bhd Monster.com (India) Private Limited Monster.com.SG PTE Limited Monster.com HK Limited Agensi Pekerjaan Monster Malaysia Sdn. Bhd Quesscorp Management Consultancies Quesscorp Manpower Supply Services LLC Qdigi Services Limited Greenpiece Landscapes India Private Limited Simpliance Technologies Private Limited Allsec Technologies Limited Allsectech Inc., USA Allsectech Manila Inc., Philippiness Retreat Capital Management Inc., USA Quess Corp Services Limited Terrier Security Services (India) Private Limited Quess East Bengal FC Private Limited
- Associates of Holding company	Heptagon Technologies Private Limited Quess Recruit, Inc. Agency Pekerjaan Quess Recruit Sdn. Bhd. Stellars Log Technovation Private Limited
- Joint Ventures of Holding company	Himmer Industrial Services (M) Sdn Bhd
Subsidiaries of Trimax IT Infrastructure & Services Limited (entity having significance influence)	Trimax Datacenter Services Limited** Trimax Managed Services Limited** Resilient Softech Private Limited ** Trimax It Infrastructure & Services Pte Limited (Tispl), Singapore**

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- Entity having common directors	Pratik Technologies Private Limited**
	Shrey Technologies Private Limited**
	Standard Fiscal Markets Private Limited**
	Smle Solutions Private Limited**
	Trimax It Solutions Limited **
	Triangulate Solutions Private Limited**
	Tab Consortium Private Limited**
	Seguro Home Projects Private Limited**
	Golden Star Facilities and Services Private Limited
	Qdigi Services Limited
	Vedang Cellular Services Private Limited
	Terrier Security Services (India) Private Limited
	Greenpiece Landscapes India Private Limited
	Simpliance Technologies Private Limited
	Heptagon Technologies Private Limited
	MFX Infotech Private Limited
	Excelus Learning Solutions Private Limited
	Conneqt Business Solution Limited

Key executive management personnel

Name	**Designation**
Suryaprakash Sohanlal Madrecha	Director (Resigned w.e.f. 15th October 2019)
Guruprasad Srinivasan	Director
Neil Elijah	Director (Resigned w.e.f. 27th September 2019)
Subramanian Ramakrishnan	Additional Director (Appointed w.e.f. 30th September 2019 and Resigned w.e.f. 31st March 2021)
Abhinandan Raghuthaman	Additional Director (Appointed w.e.f. 1st April 2021)

** The shares held by Trimax IT is transferred to Quesscorp during the previous Year as result of Settlement cum Share Purchase agreement dated 15th October 2019. (Refer Note 36).

Hence these entities are related parties only till the date of transfer of shares.

(ii) Related party transactions during the period

(Amount in Rs)

Particulars		**31 March 2021**	**31 March 2020**
Revenue from operations			
	Trimax IT Infrastructure & Services Limited	-	2,93,90,034
Procurement of Material/Services			
	Quess Corp Limited	4,36,44,069	2,73,46,906
Security deposits written off			
	Trimax IT Infrastructure & Services Limited	-	7,25,00,000
Professional fees			
	Trimax IT Infrastructure & Services Limited	-	(10,00,00,000)
	Allsec Technologies Limited	6,920	-
Finance costs			
	Quess Corp Limited	1,06,152	8,22,66,124
Company			
	Quess Corp Limited	14,92,313	1,24,58,004
Repayment of Loans to related parties			
	Quess Corp Limited	60,00,000	7,96,46,977
Conversion of Loan amount to CCD			
	Quess Corp Limited	-	1,29,00,00,000
Loans taken from related parties			
	Quess Corp Limited	89,00,000	23,07,01,000

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in Rs)

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Trade payables		
Quess Corp Limited	13,75,27,026	20,97,07,198
Allsec Technologies Limited	897	-
Borrowings		
Quess Corp Limited	29,29,409	-
Other payable		
Quess Corp Limited	6,76,898	-
Compulsorily convertible debentures (CCDs)		
Quess Corp Limited	1,29,00,00,000	1,29,00,00,000

(iv) Compensation of key managerial personnel*

(Amount in Rs)

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Salaries and other employee benefits to whole-time directors and executive officers	-	-
Others if any, specify nature	-	-
	-	-

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences and employee share-based payment since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions
All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

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TRIMAX SMART INFRAPROJECTS PVT. LTD.

Trimax Smart Infraprojects Private Limited
Notes to the financial statements for the year ended 31 March 2021

32 Assets and liabilities relating to employee benefits

The following table sets out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at 31 March 2021.

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability, gratuity plan	5,05,843	2,01,845
Liability for compensated absences	2,94,444	1,36,178
Total employee benefit liability	**8,00,287**	**3,38,023**
Current	80,815	32,166
Non-current	7,19,472	3,05,857
	8,00,287	**3,38,023**

The Company does not have any assets relating to employee benefits.

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Reconciliation of net defined benefit liability/ asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its components:

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Change in defined benefit obligation		
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	2,01,845	93,527
Additions through business combination	-	-
Current service cost	2,05,990	1,30,498
Interest cost	13,211	6,888
Past service cost	-	-
Benefit settled	-	-
Actuarial (gains)/ losses recognised in other comprehensive income	-	-
- Changes in experience adjustments	79,660	(66,187)
- Changes in demographic assumptions	-	22,813
- Changes in financial assumptions	5,137	14,306
Obligation at the end of the year	**5,05,843**	**2,01,845**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	-	-
Additions through business combination	-	-
Interest income on plan assets	-	-
Remeasurement- actuarial gain/(loss)	-	-
Return on plan assets recognised in other comprehensive income	-	-
Contributions	-	-
Benefits settled	-	-
Plan assets as at the end of the year	**-**	**-**
Net defined benefit liability	**(5,05,843)**	**(2,01,845)**

Expense recognised in profit or loss

(Amount in Rs)

Particulars	For the period ended 31 March 2021	For the period ended 31 March 2020
Current service cost	2,05,990	1,30,498
Interest cost	13,211	6,888
Past service cost	-	-
Past service cost	-	-
Interest income	-	-
Net gratuity cost	**2,19,201**	**1,37,386**

Remeasurement recognised in other comprehensive income

(Amount in Rs)

Particulars	For the period ended 31 March 2021	For the period ended 31 March 2020
Remeasurement of the net defined benefit liability	84,797	(29,068)
Remeasurement of the net defined benefit asset	-	-
	84,797	**(29,068)**

Defined benefit obligation - Actuarial Assumptions

Particulars	For the period ended 31 March 2021	For the period ended 31 March 2020
Discount rate	6.45%	6.55%
Future salary growth	9.00%	9.00%
Attrition rate	10.00%	10.00%
Mortality rate (% of IALM 06-08)	100%	100%
Rate of return on planned asset		
Average duration of defined benefit obligation (in years)		

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Amount in Rs)

	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	4,57,861	5,61,695	1,79,386	2,28,403
Future salary growth (1% movement)	5,59,753	4,58,500	2,27,499	1,79,664
Mortality rate (10% movement)	5,05,684	5,06,001	2,01,778	2,01,912
Attrition rate (50% movement)	4,30,443	6,14,976	1,59,725	2,63,942

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33 Segment reporting

The Board of directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Company is engaged in supply, installation, commissioning, operations and maintenance of smart city projects and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards.

a) Revenue from major services

(Amount in Rs)

Particulars	31 March 2021	31 March 2020
Revenue from execution of contracts for material and services	-	(1,80,05,860)
	-	**(1,80,05,860)**

b) Geographical information

All the assets of the Company are located in India. The Company caters to the needs of only the Indian market. Accordingly, there are no reportable geographical information.

34 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2021 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

35 Other Notes – Penalty

During the year, further to management's assessment; and on consideration of the ECL provision made, the penalty provision previously created (INR 961.46 lakhs) has been reversed to Cost of materials and Services as per Note 20; (previous year provision made INR 870.19 lakhs)

During the year, based on the management's assessment on consumables and services including consideration of extention of the O&M phase,prepaid expenses INR 1200.00 lakhs has been charged to Cost of materials and Services as disclosed in note 20.

36 Trimax IT Settlement and Exit from Joint venture

Background and operations
Originally, the Company (TSIPL) through a subcontracting arrangement provided hardware, software, maintenance and technical support to Trimax IT Infrastructure & Services Limited ("Trimax"). The joint venture partner was Trimax along with Quess Corp Limited. Trimax executed an agreement with Smart City Ahmedabad Development Limited ("SCADL") a government undertaking, in 2017 for supply, installation, commissioning and operation and maintenance for a Pan CIT infrastructure and intelligent command and control center for the Ahmedabad Smart City ("Project").

On February 21, 2019, the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench had ordered the commencement of Corporate Insolvency Resolution Process for Trimax based on a petition filed by Corporation Bank which had declared Trimax as an NPA on March 31, 2018.

As per the earlier Tripartite agreement between the Company, Trimax and Axis Bank ("Escrow Agent"), amounts recoverable from SCADL were to be deposited into an escrow account and 99% of the money received was to be paid to the Company.

Current status
During the previous year, Quess Corp Limited and Trimax IT Infrastructure & Services Limited (Timax IT) has entered into a Settlement cum Share Purchase Agreement ("SSPA") dated 15 October 2019 with the approval of Committee of Creditor(CoC) for settlement of all rights and obligations between the parties. SSPA inter-alia provides that
(i) Trimax IT's Agreement with SCADL shall be unconditionally and irrevocably assigned in favor of Trimax Smart Infraprojects Private Limited (TSIPL) including the outstanding dues from SCADL. This position has been communicated by TrimaxIT's Insolvency Resolution Professional (RP) to SCADL vide letter dated 15th October 2019.
(ii) TSIPL would be owner of 100.00% of rights to the escrow account & possess complete title to all the funds therein, even though the bank account remains in the name of Trimax IT.
(iii) Acquisition of remaining 49.00% stake in TSIPL by Quess Corp Limited from Trimax IT
(iv) Settlement of all Monetary claims inter-se between TSIPL and TrimaxIT

Accordingly, net amount of INR 289.36 Lakh due to Trimax IT has been written off during the previous year.
However, the Assignment of the SCADL contract from Trimax IT to TSIPL, is to be completed as on date. The management are making efforts on the same, and as the parties are at the stage of the draft of the novation documentation (Supplemental Agreement); are confident of securing the Assignment of the contract.

Pending formally executed Assignment, the management has assessed and concluded that in light of the above SSPA terms and documentation it deems effective Assignment of contract to the company, in adherence to applicable INDAS and consistent with its accounting policies. The company, from its side, is honoring all the obligations / responsibilities under the contract. However , as a matter of prudence, no Revenue from the contract has been recognized during the year.

In parallel, the company has also collected an amount of INR 4457.23 Lakh, post the execution of the SSPA and the outstanding balance as at the period end was INR 10,174 Lakh (Previous year 31 March 2020 INR 11,570.46 Lakh). While efforts were made to obtain confirmation of the same from SCADL, we have not received the same. During the year, the management have comprehensively reviewed the overdue receivables and have provided for a sum of INR 8315.16 lakhs (previous year Nil) towards allowance for expected credit losses.

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TRIMAX SMART INFRAPROJECTS PVT. LTD. ★

Trimax Smart Infraprojects Private Limited
Notes to the financial statements for the year ended 31 March 2021

37 Impact on COVID

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

38 Previous year figures are reclassified/regrouped wherever necessary.

As per our report of even date attached
The notes referred to above form an integral part of the financial statements
***for* Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No: 004542S/S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 31st May 2021

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for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

Abhinandan Raghuthaman
Additional Director
DIN: 07675547

Place: Bengaluru
Date: 31st May 2021

Guruprasad Srinivasan
Director
DIN: 07596207

Place: Bengaluru
Date: 31st May 2021

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TRIMAX SMART INFRAPROJECTS PVT. LTD.

MSKA
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INDEPENDENT AUDITOR'S REPORT

To the Members of **Vedang Cellular Services Private Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Vedang Cellular Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss including Other comprehensive income and the statement of changes in equity and the statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss and total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the *Audit of the Financial Statements section of our report*. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the 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 opinion.

Emphasis of Matter

We draw attention to Note 42 to the financial statements which states that management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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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 Ind AS financial statements of the Company for the year ended 31st March, 2020, were audited by another auditor whose report dated 11th May 2020 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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

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

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

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

c. The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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e. On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(a) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

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

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

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G
Partner
Membership No. 205226
UDIN: 21205226AAAAEM4999

Place: Hyderabad
Date: 10th May 2021

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VEDANG CELLULAR SERVICES PRIVATE LIMITED FOR THE YEAR ENDED 31st MARCH 2021.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) Fixed assets (Property, Plant and Equipment) have been physically verified by the External consultant during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties as at 31st Mar 2021

ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us , in our opinion , undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

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(b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

Statutory dues which were outstanding, as at March 31, 2021 for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Remarks, if any
The provident fund Act, 1925	Provident Fund	3,43,190	April 2018 to Sept 20	Due to non-availability of UAN PF not paid
AP Professional Tax	Professional tax	1,28,900	March 20 to Sept 20	Due to Covid-19, AP registration is pending.

(c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the bank.

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

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us, since the Company is a Private Company, the provisions of section 197 of the Act will not be applicable. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.

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

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private

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placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

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

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G
Partner
Membership No.205226
UDIN: 21205226AAAAEM4999

Place: Hyderabad
Date: 10th May 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VEDANG CELLULAR SERVICES PRIVATE LIMITED.

[Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to financial statements of **Vedang Cellular Services Private Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding

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of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to

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financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G
Partner
Membership No.205226
UDIN: 21205226AAAAEM4999

Place: Hyderabad
Date: 10th May 2021

Notes to the financial statements for the year ended 31st March 2021
Company overview and Significant accounting policies

1. Company Overview

Vedang Cellular Services Private Limited was incorporated in India as a Private Limited Company on 05th of April, 2010.The Company is engaged in the business of Providing Network Planning, Network Optimization in Building Solution, Installation & Commissioning & Skilled Manpower Supply Services to Wireless Telecom operator & Venders.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

Basis of preparation:

2.1 Statement of compliance:

These Ind AS financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") and the provisions of the Companies Act, 2013 ("Act") and the relevant rules thereunder. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Effective 1 April 2016, the Company has adopted all the Ind AS standards and the first-time adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Company Ind AS financial statements are approved for issue by the Company's Board of Directors on 10 May 2021.

These Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.2 Basis of preparation of financial statements

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

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments) and

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO")

2.3 Use of estimates and judgement

The preparation of the Ind AS financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular,

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information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Ind AS financial statements is included in the following notes:

i. ***Contingent liabilities:*** Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except, in the extremely rare circumstances where no reliable estimate can be made).

ii. ***Income taxes:*** Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Availability of future taxable profits against which deferred tax amount can be used.

iii. ***Recognition of deferred tax assets:*** Availability of future taxable profit against which tax losses carried forward can be used.

iv. ***Measurement of defined benefit obligations:*** Key actuarial assumptions used for actuarial valuation.

v. ***Impairment of financial assets:*** The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost.

vi. ***Property, plant and equipment:*** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

vii. ***Other estimates:*** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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2.5 Functional and presentation currency

Items included in the Ind AS financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.6 Property, plant and equipment:

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of the items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight-Line Method ('SLM'), and is recognised in the statement of profit and loss. The Management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act ,2013. Depreciation for assets purchased/ sold during the year is proportionately charged. The Company estimated the useful lives for items of property, plant and equipment as follows:

Category	Useful Life (years)
Plant and Machinery	3 years
Office equipment	3 years
Furniture & Fittings	3 years
Computer Hardware	3 years

The assets residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses)

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in progress'.

2.7 Intangible assets

(i) Intangible assets

Other intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expenses in the statement of profit and loss.

The estimated useful lives of intangible assets are as follows:

Asset category	Estimated useful life for 31 March 2020
Software	3 years

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted if appropriate.

2.8 Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

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2.9 Leases

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The Company has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The Company's lease asset classes primarily consist of Land and Building. The Company assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimated of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate (As at 1 April 2019 - 9.5%).

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

The Company has elected not to recognize right-of-use assets and liabilities for short-term leases of INR 100,000 that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Practical expedients adopted on initial recognition:

1. The agreements maturing within 12 months from the initial application of Ind AS 116, are not considered.

VEDANG CELLULAR SERVICES PVT. LTD. ★ MUMBAI

2. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.
3. Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

2.10 Revenue recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration it expects to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognised as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation. Certain arrangements are on time and material basis and are recognised as the services are performed as per the terms of the arrangement with the customer.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of service delivery costs.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Refer Note 43 for disclosure related to revenue from contracts with customers.

2.11 Other income

Other income mostly comprises interest income on deposits, dividend income and gain/ (losses) on disposal of financial assets and non-financial assets. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

2.12 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates in effect on the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in the statement profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2.13 Financial instruments

a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;

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- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

c) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Company determines whether there has been a significant increase in credit risk.

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In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. 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 ECLs at each reporting date, right from its initial recognition.

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

d) Derecognition of financial assets

The Company derecognizes a financial asset when the
- contractual rights to the cash flows from the financial asset expires, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or
- Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

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

Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss (FVTPL) or amortised cost.

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.

b) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

c) Derecognition

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.14 Employee benefits

(a) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Remeasurement of the net defined benefit liability/ asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(b) Short-term benefit plans

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. shortterm cash bonus, if the Company

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has a present legal or constructive obligation to pay this amount as a result of past services provided by the employees, and the amount of obligation can be estimated reliably.

(c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as at the reporting date.

(d) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(e) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.15 Taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.16 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognizes any impairment loss on the assets associated with the contract.

2.17 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ 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 Company are segregated.

2.20 Earnings per share

The basic earnings per share is computed by dividing the net profit/ (loss) attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

VEDANG CELLULAR SERVICES PVT. LTD. ★ MUMBAI

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)
BALANCE SHEET AS AT 31ST MARCH 2021

(All amount in INR, unless otherwise stated)

Balance Sheet	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,12,01,419	3,57,53,745
Other intangible assets	4	1,16,72,767	2,26,52,563
Deferred tax assets (net)	5	97,65,000	78,22,000
Income tax assets (net)	6	5,62,59,113	8,24,17,936
Other non-current assets	7	-	13,813
Total non-current assets		**9,88,98,299**	**14,86,60,057**
Current Asset			
Financial assets			
(i) Trade receivables	8	15,77,44,980	18,97,15,849
(ii) Cash and cash equivalents	9	20,88,979	1,12,010
(iii) Bank balances other than cash and cash equivalents	10	30,00,000	5,00,000
(iv) Current loans	11	28,13,914	26,92,685
(v) Other current financial assets	12	2,74,321	2,37,321
(vi) Unbilled revenue	13	11,08,91,397	7,69,45,366
Other current assets	14	36,58,238	26,20,467
Total current assets		**28,04,71,829**	**27,28,23,698**
Total Assets		**37,93,70,128**	**42,14,83,755**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	18,20,830	18,20,830
Other equity	16	15,30,25,490	20,66,99,083
Total equity		**15,48,46,320**	**20,85,19,913**
LIABILITIES			
Non-current liabilities			
Provisions	17	35,92,190	37,83,430
Other non-current liabilities	18	-	9,85,408
Total non-current liabilities		35,92,190	47,68,838
Current liabilities			
Financial liabilities			
(i) Borrowings	19	7,42,42,758	5,14,44,917
(ii) Trade payables	20		
- Total Outstanding dues of Micro enterprises and Small Enterprise and		-	-
- Total Outstanding dues other than Micro enterprises and Small Enterprise		2,91,00,998	3,98,56,409
(iii) Other current financial liabilities	21	9,78,10,136	9,43,26,395
Current provisions	23	47,56,904	41,70,464
Other current liabilities	24	1,50,20,822	1,83,96,819
Total current liabilities		**22,09,31,618**	**20,81,95,004**
Total Liabilities		**22,45,23,808**	**21,29,63,842**
Total Equity and Liabilities		**37,93,70,128**	**42,14,83,755**

Company Overview and Significant Accounting Policies	1 & 2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for MSKA & Associates
Chartered Accountants
Firm registration number: 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G
Partner
Membership No. 205226

Place: Hyderabad
Date: 10-05-2021

for and on behalf of the Board of Directors of
Vedang Cellular Services Private Limited
CIN: U32309MH2010PTC201618

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

Kapoor

Ashish Kapoor
Director
DIN.02752632

Place: Bangalore
Date: 10-05-2021

Srinivasan Guruprasad
Director
DIN No. 07596207

Place: Bangalore
Date: 10-05-2021

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(All amount in INR, unless otherwise stated)

Statement of Profit and Loss	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	25	81,16,31,274	98,05,17,390
Other income	26	37,00,189	80,23,614
Total income		**81,53,31,463**	**98,85,41,004**
Expenses			
Direct Service Cost	27	28,82,22,888	36,57,68,610
Employee benefit expenses	28	49,25,02,269	51,42,62,137
Finance costs	29	95,25,682	2,15,45,477
Depreciation and amortisation expenses	30	3,90,94,945	5,05,29,655
Other expenses	31	4,18,61,231	4,89,16,161
Total expenses		**87,12,07,015**	**1,00,10,22,040**
Profit before tax		**(5,58,75,552)**	**(1,24,81,036)**
Tax expense			
Current tax	32	-	(23,00,000)
Deferred tax		20,08,175	53,74,754
Total tax expenses		**20,08,175**	**30,74,754**
Profit for the year		**(5,38,67,377)**	**(94,06,282)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit liability/ asset		2,58,960	(8,94,293)
Income tax relating to items that will not be reclassified to profit or loss		(65,175)	2,25,076
Other comprehensive income/(Expense) for the Year, net of tax		**1,93,785**	**(6,69,217)**
Total comprehensive income for the year		**(5,36,73,592)**	**(1,00,75,499)**
Earnings per equity share (face value of Rs 10 each)			
Basic	37	(296)	(52)
Diluted	37	(296)	(52)
Company Overview and Significant Accounting Policies	1 & 2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for MSKA & Associates
Chartered Accountants
Firm registration number: 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G
Partner
Membership No. 205226

Place: Hyderabad
Date: 10-05-2021

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

for and on behalf of the Board of Directors of
Vedang Cellular Services Private Limited
CIN: U32309MH2010PTC201638

Ashish Kapoor
Director
DIN.02752632

Place: Bangalore
Date: 10-05-2021

Srinivasan Guruprasad
Director
DIN No. 07596207

Place: Bangalore
Date: 10-05-2021

VEDANG CELLULAR SERVICES PRIVATE LIMITED

(A Subsidiary of Quess Corp Limited)

Statement of cash flows for the year ended 31 March 2021

(All amount in INR, unless otherwise stated)

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Cash flows from operating activities		
Profit before taxation	(5,58,75,552)	(1,24,81,036)
Adjustments for non-cash and non-operating items:		
Depreciation and amortisation expenses	3,90,94,945	5,05,29,655
Finance Cost	95,25,682	2,15,45,477
Interest Income	(1,21,102)	2,663
Deferred Tax Expenses	19,43,000	55,99,830
Gratuity passed through OCI	2,58,960	(8,94,293)
Operating cash flows before working capital changes	**(51,74,067)**	**6,43,02,296**
(Increase) / decrease in Other non-current assets	13,813	1,47,212
(Increase) / decrease in Unbilled Revenue	(3,39,46,031)	63,67,423
(Increase) / decrease in Trade Receivables	3,19,70,868	3,17,50,155
(Increase) / decrease in Current Loans	(1,21,229)	7,03,425
(Increase) / decrease in Other current financial assets	(37,000)	2,663
(Increase) / decrease in Other current assets	(10,37,771)	(19,70,798)
(Increase) / decrease in Bank Balance other than cash and cash equivalent	(25,00,000)	-
Increase / (decrease) in Non current Provisions	(1,91,240)	8,27,280
Increase / (decrease) in Income tax asset	2,61,58,823	(49,90,378)
Increase / (decrease) in Trade payables	(1,07,55,412)	(1,06,44,121)
Increase / (decrease) in Other current financial liabilities	34,83,740	(29,41,707)
Increase / (decrease) in Other current Borrowings	2,27,97,841	(2,99,63,493)
Increase / (decrease) in Other current liabilities	(33,75,996)	15,30,188
Increase / (decrease) in Deferred tax Asset	(19,43,000)	(55,99,830)
Increase / (decrease) in Other non- current financial liabilities	(9,85,408)	9,85,408
Increase / (decrease) in Current provisions	5,86,440	15,07,395
Cash generated from operating activities	**3,01,18,438**	**(1,22,89,178)**
Income taxes	-	15,35,000
Net cash flow provided by/ (used in) operating activities (A)	**2,49,44,372**	**5,35,48,118**
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,35,62,823)	(2,07,35,996)
Asset Addition ROU on building	-	(1,13,60,867)
Interest received on term deposits	1,21,102	(2,663)
Net cash flow from investing activities (B)	**(1,34,41,721)**	**(3,20,99,526)**
Cash flows from financing activities		
Interest Paid	(95,25,682)	(2,15,45,477)
Net cash flow from financing activities (C)	**(95,25,682)**	**(2,15,45,477)**
Net increase in cash and cash equivalents (A+B+C)	**19,76,969**	**(96,886)**
Cash and cash equivalents at beginning of period	**1,12,010**	**2,08,897**
Cash and cash equivalents at the end of the year (refer note 13)	20,88,979	**1,12,011**

Company Overview and Significant Accounting Policies (Note 1 & 2)

As per our report of even date attached
for MSKA & Associates
Chartered Accountants
Firm registration number: 105047W

Ananthakrishnan G
Partner
Membership No. 205226

Place: Hyderabad
Date: 10-05-2021

for and on behalf of the Board of Directors of Vedang Cellular Services Private Limited
CIN: U32309MH2010PTC201638

Ashish Kapoor
Director
DIN No. 07596207

Place: Bangalore
Date: 10-05-2021

Srinivasan Guruprasad
Director
DIN No. 07596207

Place: Bangalore
Date: 10-05-2021

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)
Statement of Changes in Equity for the year ended 31 March 2021

(A) Equity share capital

(All amount in INR, unless otherwise stated)

Particulars	Note	31 March 2021
Opening balance	15	18,20,830
Changes in equity share capital	15	-
Closing balance		18,20,830

(B) Other equity

Particulars	Attributable to owners of the Company						Total attributable to equity holders of the Company
		Other equity					
		Reserves and surplus		Other equity	Other comprehensive income		
	Capital reserve	Retained earnings	Other Reserve	Securities premium account	Foreign currency translation reserve	Remeasurement of the net defined benefit liability/ asset	
Balance as of 1 April 2020	-	17,27,59,889	7,50,000	2,99,04,170	-	32,85,024	20,66,99,083
Add: Profit for the year	-	(5,38,67,378)	-	-	-	-	(5,38,67,378)
Add: Other comprehensive income (net of tax)	-	-	-	-	-	1,93,785	1,93,785
	-	-			-	-	-
Balance as of 31st March 2021	-	11,88,92,511	7,50,000	2,99,04,170	-	34,78,809	15,30,25,490

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for MSKA & Associates
Chartered Accountants
Firm registration number: 105047W

Ananthakrishnan G
Partner
Membership No. 205226

Place: Hyderabad
Date: 10-05-2021

for and on behalf of the Board of Directors of
Vedang Cellular Services Private Limited
CIN: U32309MH2010PTC201638

Ashish Kapoor
Director
DIN.02752632

Place: Bangalore
Date: 10-05-2021

Srinivasan Guruprasad
Director
DIN No. 07596207

Place: Bangalore
Date: 10-05-2021

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)
Notes forming part of the Financial Statements for the year ended 31 March 2021

3 Property, plant and equipment

(All amount in INR, unless otherwise stated)

Particulars	Furniture and fixtures	Plant and machinery	Computer equipment	Office equipment	ROU Building	Total Property, plant and equipment
Balance as at 31st Mar 2020	30,12,468	3,03,21,867	5,48,20,570	53,393	1,13,60,867	9,95,69,166
Additions/ (Deletion) during the year	-	85,54,313	7,69,860	3,34,806	-	96,58,979
Balance as at 31st Mar 2021	30,12,468	3,88,76,180	5,55,90,430	3,88,199	1,13,60,867	10,92,28,145
Balance as at 31st Mar 2020	26,30,195	1,71,90,144	3,85,99,414	2,217	53,93,449	6,38,15,420
Depreciation for the Period	1,41,439	83,32,563	1,05,72,205	43,387	51,21,712	2,42,11,306
Balance as at 31st Mar 2021	27,71,634	2,55,22,707	4,91,71,619	45,604	1,05,15,161	8,80,26,726
Net Carrying Amount						
As at 31st Mar 2021	**2,40,834**	**1,33,53,473**	**64,18,811**	**3,42,595**	**8,45,706**	**2,12,01,419**
As at 31st Mar 2020	**3,82,273**	**1,31,31,722**	**1,62,21,156**	**51,176**	**59,67,418**	**3,57,53,746**

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

(A Subsidiary of Quess Corp Limited)

Notes forming part of the Financial Statements for the year ended 31 March 2021

4 Other intangible assets

(All amount in INR, unless otherwise stated)

Particulars	Softwares
Balance as at 31st Mar 2020	7,89,12,611
Addion during the year	39,03,842
Balance as at 31st Mar 2021	8,28,16,453
Balance as at 31st Mar 2020	5,62,60,048
Addition during the year	1,48,83,639
Balance as at 31st Mar 2021	7,11,43,686
As at 31st Mar 2021	**1,16,72,767**
As at 31st Mar 2020	**2,26,52,563**

VEDANG CELLULAR SERVICES PVT. LTD.
MUMBAI

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)
Notes forming part of the Financial Statements for the year ended 31 March 2021

5 **Deferred tax assets (net)**

(All amount in INR, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset on liabilities:		
Impairment loss allowance on financial assets	11,805	5,08,187
Provision on employee benefits- Compensated absences	1,51,273	1,70,219
Provision on employee benefits- Gratuity	18,84,827	20,56,693
Deferred tax on fixed assets	77,17,095	50,86,901
Net deferred tax assets	**97,65,000**	**78,22,000**

6 **Income tax assets (net)**

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax assets	5,85,59,113	9,09,17,936
Income Tax Liabilities	(23,00,000)	(85,00,000)
	5,62,59,113	**8,24,17,936**

7 **Other non-current assets**

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	-	13,813
	-	**13,813**

8 **Trade receivables**

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good	15,77,91,886	19,08,08,195
Considered doubtful		-
	15,77,91,886	**19,08,08,195**
Loss allowance		
Unsecured considered good	(46,906)	(10,92,346)
Doubtful	-	-
	(46,906)	**(10,92,346)**
Net trade receivables	**15,77,44,980**	**18,97,15,849**

All trade receivables are current.

For terms and conditions of trade receivables owing from related parties refer note 39
The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 34

9 **Cash and cash equivalents**

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Cash on hand	5,362	10,796
In current accounts	20,83,616	1,01,214
Cash and cash equivalents in the statement of cash flow	**20,88,978**	**1,12,010**

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

10 Bank balances other than cash and cash equivalents above

(All amount in INR, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
In deposit accounts (due to mature within 12 months from the reporting date)	30,00,000	5,00,000
	30,00,000	**5,00,000**

Deposit with Axis Bannk is in lien with them for issuing Bank gurantee worth 25 lac to one of customer.

11 Current loans

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	27,06,316	24,64,103
Advances to employees	1,07,598	2,28,582
	28,13,914	**26,92,685**

12 Other current financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued but not due	2,74,321	2,37,321
	2,74,321	**2,37,321**

13 Unbilled revenue

Particulars	As at 31 March 2021	As at 31 March 2020
Unbilled revenue	11,08,91,397	7,78,72,199
Less: Loss Allowance	-	(9,26,833)
	11,08,91,397	**7,69,45,366**

14 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	36,58,238	26,20,467
	36,58,238	**26,20,467**

15 Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
250,000 (31 March 2020: 250,000) equity shares of par value of Rs 10 each	25,00,000	25,00,000
	25,00,000	**25,00,000**
Issued, subscribed and paid-up		
182,083 (31 March 2020: 182,083) equity shares of par value of Rs 10 each, fully	18,20,830	18,20,830
	18,20,830	**18,20,830**

15.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2021	As at 31 March 2020
		Number of shares
Equity shares		
At the commencement of the year	1,82,083	1,82,083
Shares issued during the year		
At the end of the year	**1,82,083**	**1,82,083**

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

15.2 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amounts (if any) in proportion to the number of equity shares held.

15.3 Details of shareholders holding more than 5% shares in the Company

(All amount in INR, unless otherwise stated)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% Held	Number of shares	% Held
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Ltd	1,68,367	92.4%	1,61,524	89%
Ashish Kapoor	13,706	7.5%	20,559	11%
	1,82,083	**100%**	**1,82,083**	**100%**

16 Other equity*

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium account (refer note 16.1)	2,99,04,170	2,99,04,170
Other Reserves	7,50,000	7,50,000
Retained earnings	11,88,92,511	17,27,59,889
Other comprehensive income (refer note 16.2)	34,78,809	32,85,024
	15,30,25,490	**20,66,99,083**

* For detailed movement of reserves refer Statement of Changes in Equity.

16.1 Securities premium account

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

16.2 Other comprehensive income

Remeasurement of defined benefit liability (asset) comprises actuarial gain and losses and return on plan assets (excluding interest income).

17 Non-current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity (refer note 39)	34,26,985	35,82,760
Provision for compensated absences	1,65,205	2,00,670
	35,92,190	**37,83,430**

18 Other non-current financial liabilities

Particulars	As at31 March 2021	As at31 March 2020
Lease Liability	-	9,85,408
	-	**9,85,408**

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

19 Borrowings

(All amount in INR, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Working capital loan	-	
Cash credit and overdraft facilities (refer note 20.1)	7,42,42,758	5,14,44,917
	7,42,42,758	**5,14,44,917**

Information about the Company's exposure to interest rate and liquidity risk is included in note 33.

19.1 The Company has taken cash credit facilities having interest rate of 12m MCLR. These facilities are repayable on demand and are secured primarily by way of pari paasu first charge on the entire current assets of the Company on both present and future and collateral by way of pari passu first charge on the entire fixed assets of the Company including capital goods and capital work in progress excluding charge on vehicles both present and future of the Company. The facility is supported with Quess Corp's guarantee. Also, Credit card in the name of company has 0.37 lakhs drawn included in cash credit and overdraft facilities.

20 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
- Total Outstanding dues of Micro enterprises and Small Enterprise and	-	
- Total Outstanding dues other than Micro enterprises and Small Enterprise	2,91,00,998	3,98,56,409
	2,91,00,998	**3,98,56,409**

All trade payables are current.
The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 33.

21 Other current financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Other payables		
Accrued salaries and benefits	4,16,85,699	4,29,27,401
Expense Accrual	5,51,39,030	4,58,40,797
Provision for bonus and incentive	-	-
Lease Liability	9,85,407	55,58,197
	9,78,10,136	**9,43,26,395**

22 Income tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for tax (net of advance tax)	-	-

23 Current provisions

-

Particulars	As at31 March 2021	As at31 March 2020
Provision for employee benefits		
Provision for gratuity (refer note 39)	43,20,956	36,94,804
Provision for compensated absences	4,35,948	4,75,660
	47,56,904	**41,70,464**

24 Other current liabilities

Particulars	As at31 March 2021	As at31 March 2020
Balances payable to government authorities	1,50,20,822	1,83,96,819
	1,50,20,822	**1,83,96,819**

The Company's exposure to currency and liquidity risk related to other current liabilities is disclosed in note 34

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

25 Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of services	81,16,31,274	98,05,17,390
	81,16,31,274	**98,05,17,390**

* Changes in Unbilled Revenue (Unbilled Revenue - Net)

Opening Unbilled Revenue	7,78,72,199	8,33,12,789
Closing Unbilled Revenue	11,08,91,397	7,78,72,199
	3,30,19,198	**(54,40,590)**

UBR of one of the customer ageing more than 365 days amounting to total of Rs. 49,12,820 reversed from Unbilled Revenue during the FY 20-21.

26 Other income

Particulars	31 March 2021	31 March 2020
Interest income under the effective interest method on:		
Deposits with banks	1,21,102	(2,663)
Interest income on present valuation of financial instruments	1,70,041	1,47,767
Interest on tax refunds	34,09,046	45,59,846
Other Income pertaining to GST	-	33,18,664
	37,00,189	**80,23,614**

27 Direct Service Cost

Particulars	31 March 2021	31 March 2020
Installation charges	15,83,87,944	15,26,68,366
Equipment hire charges	2,15,95,779	3,32,13,128
Travelling and conveyance	7,50,77,413	13,41,79,068
Vehicle Hire Charges	3,31,61,752	4,57,08,048
	28,82,22,888	**36,57,68,610**

28 Employee benefit expenses

Particulars	31 March 2021	31 March 2020
Salaries and wages	46,79,81,134	49,58,21,728
Contribution to provident and other funds	2,20,04,786	1,54,00,242
Expenses/ (Reversal) related to defined benefit plans	19,53,072	16,86,275
Staff welfare expenses	5,63,277	13,53,892
	49,25,02,269	**51,42,62,137**

29 Finance costs

Particulars	31 March 2021	31 March 2020
Interest expense	95,25,682	2,15,45,477
	95,25,682	**2,15,45,477**

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)

30 Depreciation and amortisation expenses

Particulars	31 March 2021	31 March 2020
Depreciation of property, plant and equipment	2,42,11,306	3,06,11,004
Amortisation of intangible assets	1,48,83,639	1,99,18,651
	3,90,94,945	**5,05,29,655**

31 Other expenses

Particulars	31 March 2021	31 March 2020
Rent	14,90,068	18,28,489
Power and fuel	5,62,305	24,86,297
- plant and machinery	9,19,800	2,35,819
- others	35,53,600	7,53,768
Legal and professional fees (refer note 32.1)	1,13,00,668	1,69,68,212
Rates and taxes	33,11,994	16,79,574
Printing and stationery	57,33,621	52,90,743
Consumables	58,70,759	51,08,964
Travelling and conveyance	2,57,227	26,54,556
Communication expenses	18,74,496	57,59,365
Impairment loss allowance on financial assets, net	29,40,547	18,54,003
Insurance	34,52,912	8,50,711
Bank charges	1,80,463	3,68,348
Business promotion and advertisement expenses	-	8,88,900
Loss on sale of property, plant and equipment and intangible assets, net	-	1,04,293
Foreign exchange loss, net	-	23,943
Miscellaneous expenses	4,12,771	20,60,176
	4,18,61,231	**4,89,16,161**

31.1 Payment to auditors (net of service tax; included in legal and professional fees)

Particulars	31 March 2021	31 March 2020
Statutory audit fees	5,50,000	5,50,000
	5,50,000	5,50,000

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

32 Taxes

A Amount recognised in profit or loss

(All amount in INR, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
In respect of the current period	-	23,00,000
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	(20,08,175)	(53,74,754)
Income tax expense reported in the Statement of Profit and Loss	**(20,08,175)**	**(30,74,754)**

B Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability/ asset		
Before tax	2,58,960	(8,94,293)
Tax (expense)/ benefit	(65,175)	2,25,076
Net of tax	**1,93,785**	**(6,69,217)**

C Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Rate		Rate	
Profit before tax		(5,58,75,552)		(1,24,81,036)
Tax using the Company's domestic tax rate	25.18%	(1,40,70,000)	25.16%	(31,40,000)
Effect of:				
Deferred Tax Credit	3.59%	(20,08,175)	43.06%	(53,74,754)
Income tax relating to items that will not be reclassified to profit or loss	0.00%	-	0.00%	-
Others	-25.18%	1,40,70,000	-44.15%	55,10,000
Effective tax rate		**(20,08,175)**		**(30,04,754)**
Income tax expense reported in the Statement of Profit and Loss	3.59%	**(20,08,175)**	24.07%	**(30,04,754)**

D The following tables provides the details of income tax assets and income tax liabilities
Non-current tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax assets	5,85,59,113	9,09,17,936
Income tax liabilities	(23,00,000)	(85,00,000)
Net income tax assets at the end of the year	**5,62,59,113**	**8,24,17,936**

VEDANG CELLULAR SERVICES PVT. LTD. ★ MUMBAI

E Deferred tax assets, net

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax:		
Provision on employee benefits- Gratuity	18,84,827	20,56,693
Provision on employee benefits- Compensated absences	1,51,273	1,70,219
Brought forward losses		
Impairment on financial asset	11,805	5,08,187
Deferred tax on fixed assets	77,17,095	50,86,901
Net deferred tax liability	**97,65,000**	**78,22,000**

F Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR)

For the year ended 31 March 2021	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:					
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	57,04,594	-	26,95,369	-	**83,99,963**
Provision for employee benefits, compensated absences	18,46,378	-	(1,90,812)	-	**16,55,566**
Impairment on financial asset	45,952	-	(4,96,382)	-	**(4,50,430)**
Remeasurements gains / (losses) on defined benefit plans	2,25,076	-	-	(65,175)	**1,59,901**
Gross deferred tax assets	**78,22,000**		**20,08,175**	**(65,175)**	**97,65,000**

33 Financial instruments - fair value and risk management

Financial instruments by category

(All amount in INR, unless otherwise stated)

Particulars	Note	31 March 2021 FVTPL	31 March 2021 FVTOCI	31 March 2021 Amortized Cost	31 March 2020 FVTPL	31 March 2020 FVTOCI	31 March 2020 Amortized Cost
Financial Assets:							
Loans		-	-	28,13,914	-	-	26,92,685
Trade receivables		-	-	15,77,44,980	-	-	18,97,15,849
Cash and cash equivalents including other bank balances		-	-	50,88,979	-	-	6,12,010
Other financial assets		-	-	2,74,321	-	-	2,37,321
Unbilled revenue		-	-	11,08,91,397	-	-	7,69,45,366
Total financial assets		**-**	**-**	**27,68,13,591**	**-**	**-**	**27,02,03,231**
Financial Liabilities:							
Trade payables		-	-	2,91,00,998	-	-	3,98,56,409
Current borrowings		-	-	7,42,42,758	-	-	5,14,44,917
Other financial liabilities		-	-	9,78,10,136	-	-	9,43,26,395
Total financial liabilities		**-**	**-**	**20,11,53,892**	**-**	**-**	**18,56,27,721**

*Current maturities of long-term borrowings forms part of other financial liabilities

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value.

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

Fair value of Financial Instruments as at 31 March 2021

(All amount in INR, unless otherwise stated)

Particulars	Carrying amount	Fair value Level 1	Fair value Level 2	Fair value Level 3
Financial assets measured at amortised cost				
Loans	28,13,914	-	-	-
Trade receivables	15,77,44,980	-	-	-
Cash and cash equivalents including other bank balances	50,88,979	-	-	-
Other financial assets	2,74,321	-	-	-
Unbilled revenue	11,08,91,397	-	-	-
Total financial assets	**27,68,13,591**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Trade payables	2,91,00,998	-	-	-
Current borrowings	7,42,42,758	-	-	-
Other financial liabilities	9,78,10,136	-	-	-
Total financial liabilities	**20,11,53,892**	**-**	**-**	**-**

VEDANG CELLULAR SERVICES PVT. LTD. ★ MUMBAI

Fair value of Financial Instruments as at 31 March 2020

(All amount in INR, unless otherwise stated)

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	26,92,685	-	-	-
Trade receivables	18,97,15,849	-	-	-
Cash and cash equivalents	6,12,010	-	-	-
Other financial assets	2,37,321	-	-	-
Unbilled revenue	7,69,45,366	-	-	-
Total financial assets	**27,02,03,231**	-	-	-
Financial liabilities measured at amortised cost				
Trade payables	3,98,56,409	-	-	-
Current borrowings	5,14,44,917	-	-	-
Other financial liabilities	9,43,26,395	-	-	-
Total financial liabilities	**18,56,27,721**	-	-	-

* *The fair value of these financial instruments is determined by using level 3 inputs of the fair value hierarchy.*

Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

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

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

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

A **Financial Assets:**

The Company has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances, unbilled revenue and other financial assets because their carrying amounts are a reasonable approximation of their fair value.

B **Financial Liabilities:**

Borrowings: It includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

Trade payables and other liabilities: Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

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34 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk

The Company's principal financial liabilities comprise loans and borrowings, Provisions, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Risk management framework

The Company's has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Credit risk on cash and cash equivalents and other bank balances and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loan represents security deposits given to suppliers, employees and others. The credit risk associated with such deposits is relatively low.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by its customer. However, the management also considers the factors that may influence the credit risk of its customer base. The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers.

At 31 March 2021, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

Particulars	As at	
	31 March 2021	**31 March 2020**
India	15,77,92,247	19,08,08,194
	15,77,92,247	19,08,08,194

Expected credit loss assessment for corporate customers as at 31 March 2021 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 360 days past due. Loss rates are based on actual credit loss experience over the last six quarters. These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:
As at 31 March 2021

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	11,53,72,815	0.00%	1,467	No	11,53,71,348
Past due 1–90 days	4,10,92,590	0.06%	25,098	No	4,10,67,492
Past due 91–180 days	10,83,939	1.22%	13,244	No	10,70,695
Past due 181–270 days	2,42,903	2.92%	7,097	No	2,35,806

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Past due 271–360 days	-	18.20%	-	No	-
Above 360 days	-	100.00%	-	Yes	-
	15,77,92,247		46,906		15,77,45,341

As at 31 March 2020

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	15,71,44,836	0.01%	21,072	No	15,71,23,764
Past due 1–90 days	2,93,97,468	0.35%	1,02,161	No	2,92,95,306
Past due 91–180 days	17,65,101	5.36%	94,622	No	16,70,480
Past due 181–270 days	11,61,436	13.75%	1,59,688	No	10,01,748
Past due 271–360 days	9,53,230	34.48%	3,28,663	No	6,24,567
Above 360 days	3,86,123	100.00%	3,86,123	Yes	-
	19,08,08,194		10,92,329		18,97,15,865

Movement in allowance for impairment in respect of trade receivables:

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Particulars	31 March 2021	31 March 2020
Balance as at the beginning of the year	10,92,329	1,65,176
Impairment loss allowances recognised/ (reversed)	(10,45,423)	9,27,153
Balance as at the end of the year	46,906	10,92,329

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Cash and cash equivalents includes investment in fixed deposits with banks.

ii) **Liquidity risk**

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

i) Financing arrangement

The Company maintains the following line of credit:

(i) The Company has taken cash credit having interest rate of 3m MCLR. These facilities are repayable on demand and are secured primarily by way of pari paasu first charge on the entire current assets of the Company on both present and future and collateral by way of pari passu first charge on the entire fixed assets of the Company including capital goods and capital work in progress excluding charge on vehicles both present and future of the Company. The facility is supported with Quess Corp's guarantee.

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31 March 2021	31 March 2020
Expiring within one year (cash credit and overdraft facilities)	12,57,57,242	9,85,55,083
Expiring within one year (bill discounting facility)	-	-

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2021

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	7,42,42,758	7,42,42,758	-	-	-
Trade payables	2,91,00,998	2,91,00,998	-	-	-
Other financial liabilities	9,78,10,136	9,78,10,136	-	-	-

As disclosed in note 20 and note 20.1, the Company has a secured bank loan that contains a loan covenant. A future breach of covenant may require Company to repay the loan earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

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iii) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) **Currency risk**

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the related entities.

Exposure to currency risk

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

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Foreign currency*	Amount in Reporting Currency	Foreign currency*	Amount in Reporting Currency
Other liabilities	EUR	-	-	-	-
		-	-	-	-

*Foreign currency values are in actuals and not recorded in lakhs.

The following significant exchange rates have been applied

Particulars	Year end spot rate	
	31 March 2021	31 March 2020
EUR/ INR	-	-

ii) **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 borrowing comprises of invoice discounting facility which carries fixed rate of interest and borrowings from holding company, which do not expose it to significant interest rate risk.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	7,42,42,758	5,14,44,917
Total borrowings	**7,42,42,758**	**5,14,44,917**

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2021				
Variable rate borrowings	(7,42,428)	7,42,428	(5,55,573)	5,55,573
31 March 2020				
Variable rate borrowings	(5,14,449)	5,14,449	(3,84,973)	3,84,973

35 **Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of Non-current borrowing and current borrowing, less cash and cash equivalents.

The Company's policy is to keep the ratio below 2.50. The Company's adjusted net debt to equity ratio are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Total liabilities	22,45,23,808	21,29,63,842
Less: Cash and cash equivalents	20,88,979	1,12,010
Adjusted net debt	**22,24,34,829**	**21,28,51,832**
Total equity	15,48,46,320	20,85,19,913
Less: Effective portion of cash flow hedges and cost of hedging	-	-
Total equity	**15,48,46,320**	**20,85,19,913**
Net debt to equity ratio	**1.44**	**1.24**

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36 Contingent Liability and Capital Commitments

Capital Commitment and Contingent Liability

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for - Software Heptagon)	2,03,271	10,00,000

The company has no Contingent Liability as on 31-03-2021 and 31-03-2020

37 Earnings per share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Nominal value of equity shares	10	10
Net profit after tax for the purpose of earnings per share	(5,38,67,377)	(94,06,282)
Weighted average number of shares used in computing basic earnings per share	1,82,083	1,82,083
Basic earnings per share	**(295.84)**	**(51.66)**
Weighted average number of shares used in computing diluted earnings per share	1,82,083	1,82,083
Diluted earnings per share	**(295.84)**	**(51.66)**

38 Expenditure in foreign currency

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Software Purchases	-	63,50,533
	-	**63,50,533**

39 Related party disclosures

(i) **Name of related**

Name of related parties and description of relationship:

- Entities having significant influence	Fairfax Financial Holdings Limited Fairfax (US) Inc. HWIC Asia Fund Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (upto 6 December 2019) Fairfax (US) Inc. National Collateral Management Services Limited
- Subsidiaries, associates and joint venture	Refer note (ii)
- Entities having common directors	Qdigi Services Limited Monster.Com (India) Private Limited Simpliance Technologies Private Limited Comtel Solutions Pte. Ltd. (Singapore) Comtel Pro Pte. Ltd. (Singapore) Quess Services Ltd. (Bangladesh) Allsec Technologies Limited Coromandel Agro Products and Oils Limited Conneqt business Solutions Limited Hyderabad Crime & Legal Solutions Private Limited MFX Infotech Private Limited Excelus Learning Solutions Private Limited Monster.Com (India) Private Limited Greenpiece Landscapes India Private Limited Qdigi Services Limited Simpliance Technologies Private Limited Trimax Smart Infraprojects Private Limited Terrier Security Services (India) Private Limited

Key management personnel:

The Company has also entered into transactions with the key management personnel. The Key management personnel are mentioned below:

- Entity in which key managerial personnel have significant influence	Careworks foundation

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Key executive management personnel

Name	Designation
Ashish Banarasilal Kapoor	Whole Time director
Ayyagari Rajeswara Rao	Independent Director
Subramanian Ramakrishnan	Director (till 31-03-2021)
Rallabhandi Lakshmi Sarada	Independent Director
Srinivasan Guruprasad	Director
Lohit Bhatia	Director

(ii) List of subsidiaries (including step-subsidiaries), associates and joint venture

- Fellow subsidiaries	MFX Infotech Private Limited
	Aravon Services Private Limited[1]
	Brainhunter Systems Ltd.
	Mindwire Systems Limited
	Quess (Philippines) Corp.
	Quess Corp (USA) Inc.
	Quesscorp Holdings Pte. Ltd.
	Quess Corp Vietnam LLC
	Quessglobal (Malaysia) SDN. BHD.
	Quess Corp Lanka (Private) Limited
	Comtel Solutions Pte. Ltd.
	MFXchange Holdings, Inc.
	MFXchange US, Inc.
	MFX Chile SpA
	Dependo Logistics Solutions Private Limited
	CentreQ Business Services Private Limited[1]
	Excelus Learning Solutions Private Limited
	Conneqt Business Solution Limited
	Vedang Cellular Services Private Limited
	Master Staffing Solutions Private Limited[1]
	Golden Star Facilities and Services Private Limited
	Comtelpro Pte. Limited.
	Comtelink Sdn. Bhd
	Monster.com (India) Private Limited
	Monster.com.SG PTE Limited
	Monster.com HK Limited
	Agensi Pekerjaan Monster Malaysia SDN. BHD.
	Quesscorp Management Consultancies
	Quesscorp Manpower Supply Services LLC
	Qdigi Services Limited
	Greenpiece Landscapes India Private Limited
	Simpliance Technologies Private Limited
	Allsec Technologies Limited
	Allsectech Inc., USA
	Allsectech Manila Inc., Philippiness
	Retreat Capital Management Inc., USA
	Trimax Smart Infraprojects Private Limited
	Quess Corp Services Limited
	Terrier Security Services (India) Private Limited
	Quess East Bengal FC Private Limited
- Associates of Holding Company	Heptagon Technologies Private Limited
	Quess Recruit, Inc.
	Agency Pekerjaan Quess Recruit SDN. BHD.
	Stellars Log Technovation Private Limited
- Joint Venture of Holding Company	Himmer Industrial Services (M) SDN. BHD.

1. Merged w.e.f 1 April 2019 pursuant to approval from the Regional Direcor, South East Region, MCA.

(iii) Related party transactions during the year

Particulars		31 March 2021	31 March 2020
Revenue from operations			
	Quess Corp Ltd	13,11,491	-

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Other expenses			
	Quess Corp Ltd	36,92,355	1,67,690
	Monster.com	-	45,600
	Allsec Technologies Limited	21,360	-
Finance costs			
- Interest expense	Quess Corp Ltd	-	27,11,734
Loans taken From related parties			
	Quess Corp Ltd	-	6,86,00,000
Loans Repaid to related parties			
	Quess Corp Ltd	-	6,86,00,000
Purchase of intangible asset			
	Heptagon Technologies Pvt Ltd.	23,72,412	14,68,500
Guarantees received			
	Quess Corp Ltd	20,00,00,000	20,00,00,000

(iv) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars		As at 31 March 2021	As at 31 March 2020
Guarantees Outstanding			
	Quess Corp Ltd	20,00,00,000	20,00,00,000
Trade payables			
	Quess Corp Ltd	32,928	1,67,690
	Monster.Com	-	45,600
	Allsec Technologies Limited	7,480	-
	Heptagon Technologies Private Limited	2,39,860	-

(v) Compensation of key managerial personnel*

Particulars	For the period ended 31st March 2021	For the period ended 31st March 2020
Ashish Kapoor	80,40,000	86,81,922
	80,40,000	**86,81,922**

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date . None of the balances are secured.

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40 Leases IND AS 116

Lease liability

Particulars	As at 31 March 2021	As at 31 March 2020
Current lease	-	55,58,197
Non-current lease	9,85,407	9,85,408
Total	**9,85,407**	**65,43,605**

The following is the movement in lease liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Operating lease recognised on adoption of Ind AS 116	65,43,605	1,12,35,623
Reclassification on adoption of Ind AS 116 - Fin lease obligation		
Add: Additions	-	1,25,245
Add: Additions through business combination	-	-
Less: Deletion	-	-
Add: Finance cost accrued during the period	3,85,361	8,75,568
Less: Payment of lease obligation	(59,43,558)	(56,92,830)
Translation loss / (gain)	-	-
Carrying amount as at 31 March 2021	9,85,408	65,43,606

Amount recognised in PL

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense (included in finance cost)	3,85,361	8,75,568
Expenses relating to short-term lease (included in other expenses)	14,90,068	18,28,489
Expenses relating to lease of low value assets that are not included above (included in other expenses)	-	-
	18,75,429	27,04,057

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2021 on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	9,85,407	55,58,197
One to five years	-	9,85,408
More than five years	-	-
	9,85,407	**65,43,605**

Rental expense recorded for short-term leases was Rs. 14,90,068.

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41 Assets and liabilities relating to employee benefits

A

(All amount in INR, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability, gratuity plan	77,47,941	72,77,564
Liability for compensated absences	6,01,153	6,76,330
Total employee benefit liability	**83,49,094**	**79,53,894**
Current	47,56,904	41,70,464
Non-current	35,92,190	37,83,430
	83,49,094	**79,53,894**

B Reconciliation of net defined benefit liability/ asset of gratuity plan

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its

Particulars	As at 31 March 2021	As at 31 March 2020
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	72,77,564	49,36,321
Additions through business combination	-	-
Current service cost	16,87,724	15,96,678
Interest cost	3,59,986	3,24,014
Past service cost		-
Benefit settled	(13,18,373)	(4,73,742)
Actuarial (gains)/ losses recognized in other comprehensive income		
- Changes in experience adjustments	2,295	6,81,141
- Changes in demographic assumptions	(1,95,528)	(1,034)
- Changes in financial assumptions	(65,727)	2,14,186
Obligation at the end of the year	77,47,941	72,77,564
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	-	-
Additions through business combination	-	-
Interest income on plan assets	-	-
Remeasurement- actuarial gain/(loss)	-	-
Return on plan assets recognized in other comprehensive income	-	-
Contributions	-	-
Benefits settled	-	-
Plan assets as at the end of the year	-	-
Net defined benefit liability	**77,47,941**	**72,77,564**

C I) Expense recognized in statement of profit or loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	1687724	15,96,678
Interest cost	359986	3,24,014
Past service cost	-	-
Interest income	-	-
Net gratuity cost	**20,47,710**	**19,20,692**

ii) Re-measurement recognized in other comprehensive income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability	(2,58,960.00)	8,94,293.00
Remeasurement of the net defined benefit asset	-	-
	(2,58,960.00)	**8,94,293.00**

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D Plan assets

(All amount in INR, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
Funds managed by insurer	-	-
	-	-

E Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	3.95%	4.95%
Future salary growth	6.00%	7.50%
Attrition rate	65.00%	62.00%

F Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Employees

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	76,14,847	78,85,642	71,42,252	74,17,885
Future salary growth (1% movement)	78,80,396	76,16,914	74,11,690	71,44,853
Attrition rate (-/+50%% movement)	64,41,202	1,11,17,585	58,35,219	1,09,51,126

42 Covid 19 Assessment

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequenlty, during the year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

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43 Revenue from Contracts with customers

(i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by geography for each of our business segments for the year ended 31 March 2021. The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Year ended 31 March 2021 *(All amount in INR, unless otherwise stated)*

Particulars	Industrials	Total
Revenues by Geography		
India	81,16,31,274	81,16,31,274
Total	81,16,31,274	81,16,31,274

Revenue disaggregation as per segment and geography has been included in segment information (Refer note 42).

(ii) Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.
Invoicing in excess of earnings are classified as unearned revenue.
Trade receivable and unbilled revenues are presented net of impairment in the Standalone Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Particulars	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in 'Trade and other receivables'	15,77,44,980	18,97,15,849
Contract assets (Unbilled revenue)	11,08,91,397	7,69,45,366
Contract liabilities (Unearned revenue & Advance r'd from customers)	-	-

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2021

Particulars	For the year ended 31 March 2021
Balance at the beginning	7,69,45,366
Add : Revenue recognized during the period	81,16,31,274
Less : Invoiced during the period	(77,36,99,257)
Less : Impairment / (reversal) during the period	(39,85,987)
Add: Changes due to Business Combinations	-
Add : Translation gain/(Loss)	-
Balance at the end	11,08,91,397

UBR of one of the customer ageing more than 365 days amounting to total of Rs. 49,12,820 reversed from UBR during the FY 20-21. Out of the above reversal, provision of UBR made last year amounting to Rs. 9,26,833.

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the company has not disclosed the value of remaining performance obligations for
(i) contracts with an original expected duration of one year or less and
(ii) contracts for which the company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2021, other than those meeting the exclusion criteria mentioned above, is NIL.

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

44 **Dues to micro, small and medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2021 and 31 March 2020 based on the information received and available with the Company.

Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

45 **Segment reporting**

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Company is in the business of Providing Network Planning, Network Optimization in Building Solution, Installation & Commissioning & Skilled Manpower Supply Services to Wireless Telecom operator & Venders for group companies and other external clients which are considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The Company caters to the needs of only the Indian market. Accordingly, there are no reportable secondary geographical segments.

46 **Other Income - GST Impact**

Impact of GST pursuant to GST audit for FY 2017-18 concluded in March 2020 recognised in current period	For the year ended 31 March 2020
GST Input Credit availed earlier (reversed as in-eligible)	43,00,560
GST paid on advances (excess) recognised as Refund Claimable*	(76,19,224)
Amount routed through Other Income	**(33,18,664)**

* Considering the above the management based on advise from GST consultants has assessed the net impact and is is confident obtaining the refund claim in full.
In addition, interest of Rs. 22 lakh (approximately) is accrued in the books in FY 2019-20

47 Previous year figures are reclassified/regrouped wherever necessary.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for MSKA & Associates
Chartered Accountants
Firm registration number: 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G
Partner

Place: Hyderabad
Date: 10-05-2021

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

for and on behalf of the Board of Directors of
Vedang Cellular Services Private Limited
CIN: U32309MH2010PTC201638

Ashish Kapoor
DIN.02752632

Place: Bangalore
Date: 10-05-2021

Srinivasan Guruprasad
DIN No. 07596207

Place: Bangalore
Date: 10-05-2021

B S R & Associates LLP
Chartered Accountants

Salarpuriya Knowledge City,
Orwell, B Wing, 6th Floor, Unit-3,
Sy No. 83/1, Plot No. 02, Raidurg,
Hyderabad – 500 081 - India

Telephone: +91 40 7182 2000

INDEPENDENT AUDITORS' REPORT

To the Members of Conneqt Business Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Conneqt Business Solutions Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 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 opinion on the financial statements.

Emphasis of matter

We draw attention to Note 32(ii) of the financial statements, which describes the contingent liability regarding the Provident Fund contribution pursuant to Supreme Court judgement dated 28 February 2019, The Company has been legally advised that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Company had made a provision for Provident fund contribution pursuant to the judgement only from the date of Supreme Court Order.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

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

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors 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 Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors 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 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 financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

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

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

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

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

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) The matter defined in the Emphasis of matter paragraph, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 32 to the financial statements.

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

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

Report on Other Legal and Regulatory Requirements (continued)

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Associates LLP**
Chartered Accountants
ICAI's Firm's Registration No.: 116231 W/W-100024

Hemant Maheshwari
Digitally signed by Hemant Maheshwari
Date: 2021.05.26 22:41:48 +05'30'

Hemant Maheshwari
Partner
Membership No. 096537
UDIN: 21096537AAAACV8576

Place: Hyderabad
Date: 26 May 2021

The Annexure A referred to in the Independent Auditor's Report of even date, on the Financial Statements to the Members of Conneqt Business Solutions Limited ('the Company') for the year ended 31 March 2021. We report that:

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

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the program certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 3 on Property, plant and equipment to the financial statements, are held in the name of the Company.

(ii) The Company is in the business of rendering Business Process Outsourcing Services including Contact Centre Services, and consequently, does not hold any inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act with respect to investments made. Further, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act.

(v) According to the information and explanation given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and Rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act, for any services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods and Service tax, and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities except in case of Professional Tax where there have been serious delays in few cases. As explained to us, the Company did not have any dues on account of Sales tax, Service tax, Duty of customs, Duty of excise, Value Added Tax and Cess. Refer note 32 (ii) to the financial statements relating to provident fund contribution.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, refer note 32(ii) to the financial statements, Employees' state insurance, Income-tax, Goods and Service tax, Professional tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable except as mentioned below:

Name of the statute	Nature of the dues	Amount in Lakhs (Excluding penalty and interest)	Period to which the amount relates	Due date	Date of Payment
Professional Tax	Professional Tax	23.75	April 2019 to September 2020	15th of the subsequent month	Not paid till date.
Employees' State Insurance Act, 1948	Employer and employee contribution of Employee State Insurance	16.11	April 2017 to August 2019	15th of the subsequent month	Not paid till date.

(b) According to the information and explanations given to us, there are no dues of Income tax, which have not been deposited with the appropriate authorities on account of any dispute. As explained to us, the Company did not have any dues on account of Duty of customs and Duty of excise. According to the information and explanations given to us, the following dues of Service tax and Goods and Service Tax has not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Dues	Amount (In Lakhs)	Amount paid under protest	Period to which it relates to	Forum Where the dispute is pending
Finance Act,1994	Service Tax	4,433.35	334.12	2011-12 to 2016-17	Central Excise Service Tax Appellate Tribunal, Hyderabad
		389.89	15.97	2007 to 2009	CESTAT
Goods and Service Tax Act,2017	GST	79.07	-	Tax Period: Jul'17 - Jun'18	Assistant Commissioner, Tuni Circle, Kakinada Division, Andhra Pradesh
		470.81	-	July'2017 to March'2018	Deputy Commissioner, Begumpet-STU 1
		0.94	-	Mar'19	Assistant Commissioner, Tuni Circle, Kakinada Division, Andhra Pradesh

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings from banks and dues to debenture holders. The Company did not have any outstanding dues to any financial institution or Government.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Further, according to the information and explanations given to us and based on our examination of the records on the Company, the money raised by way of terms loans during the year has been utilized for the purpose for which they were raised.

(x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records on the Company, the Company has paid/ provided for managerial remuneration to managers in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

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

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of all such transactions have been disclosed in Note 23 to the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment of shares or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company

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

(xvi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

for **B S R & Associates LLP**
Chartered Accountants
ICAI's Firm Registration Number.: 116231 W/ W-100024

Hemant Maheshwari

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Date: 2021.05.26 22:42:20 +05'30'

Hemant Maheshwari
Partner
Membership No.: 096537
UDIN: 21096537AAAACV8576

Place: Hyderabad
Date: 26 May 2021

B S R & Associates LLP

Annexure B to the Independent Auditors' report on the financial statements of Conneqt Business Solutions Limited for the period ended 31 March 2021.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in clause (g) of paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Conneqt Business Solutions Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company' Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

B S R & Associates LLP

Annexure B to the Independent Auditors' report on the financial statements of Conneqt Business Solutions Limited for the period ended 31 March 2021. (continued)

Auditors' Responsibility (continued)

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

for **B S R & Associates LLP**
Chartered Accountants
ICAI's Firm's Registration No.: 116231 W/W-100024

Hemant Maheshwari

Digitally signed by Hemant Maheshwari
Date: 2021.05.26 22:42:44 +05'30'

Hemant Maheshwari
Partner
Membership No. 096537
UDIN: 21096537AAAACV8576

Place: Hyderabad
Date: 26 May 2021

Conneqt Business Solutions Limited
Balance Sheet
(All amounts in INR lakhs, except share data and where otherwise stated)

	Note no.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	7,077.88	8,107.05
Capital work-in-progress		57.89	-
Right-of-use asset	3 and 31	13,744.82	14,600.64
Intangible assets	4	253.22	516.33
Financial assets			
Investments	5.1(a)	32,996.08	21,411.17
Loans receivables	5.1(b)	1,066.11	1,329.11
Other financial assets	5.2	125.00	125.00
Deferred tax assets (net)	22	1,511.51	1,714.40
Non-current tax assets (net)	6	3,417.48	7,186.55
Other non-current assets	7	597.93	576.44
Total non-current assets		**60,847.92**	**55,566.69**
Current assets			
Financial assets			
Trade receivables	8.1	9,503.09	10,564.17
Cash and cash equivalents	8.2	9,840.78	6,879.28
Loans receivables	8.3	953.21	646.94
Other financial assets	8.4	7,868.65	7,510.04
Other current assets	9	1,037.95	852.42
Total current assets		**29,203.68**	**26,452.85**
TOTAL ASSETS		**90,051.60**	**82,019.54**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	14,946.39	14,946.39
Instruments entirely equity in nature	11.1	8,200.00	14,700.00
Other equity	11.2	35,088.01	17,347.03
Total equity		**58,234.40**	**46,993.42**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	12	233.26	295.82
Lease Liability		10,015.63	10,589.12
Other non-current liabilities	13	86.48	65.03
Total non-current liabilities		**10,335.37**	**10,949.97**
Current liabilities			
Financial liabilities			
Lease Liability		5,046.03	4,614.00
Trade payables	14.1		
Dues of micro enterprises and small enterprises		151.60	16.68
Dues of creditors other than micro enterprises and small enterprises		1,205.36	881.89
Other financial liabilities	14.2	10,869.19	14,373.61
Other current liabilities	15	1,718.72	2,235.26
Provisions	16	2,490.93	1,954.71
Total current liabilities		**21,481.83**	**24,076.15**
Total liabilities		**31,817.20**	**35,026.12**
TOTAL EQUITY AND LIABILITIES		**90,051.60**	**82,019.54**
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements.
As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.: 116231W/ W- 100024

Hemant Maheshwari Digitally signed by Hemant Maheshwari Date: 2021.05.26 22:44:16 +05'30'

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Hyderabad
Date: 26 May 2021

***for* and on behalf of the Board of Directors**
Conneqt Business Solutions Limited
CIN: U64200TG1995PLC044060

SURAJ KRISHNA MORAJE

Suraj K Moraje
Chairman
DIN: 08594844

GURUPRASAD SRINIVASAN Digitally signed by GURUPRASAD SRINIVASAN Date: 2021.05.26 21:33:15 +05'30'

Srinivasan Guruprasad
Director
DIN: 07596207

Arjun Ramaraju Digitally signed by Arjun Ramaraju Date: 2021.05.26 20:10:34 +05'30'

Arjun Ramaraju
Chief Executive Officer

SUBRAMANIAN KRISHNAN ARANGOTTUKARA

A.S. Krishnan
Chief Financial Officer

SAMPATH VISHNUBHOTLA Digitally signed by SAMPATH VISHNUBHOTLA Date: 2021.05.26 19:14:57 +05'30'

V. Sampath
Company Secretary

Place - Bengaluru
Date: 26 May 2021

Conneqt Business Solutions Limited
Statement of Profit and Loss
(All amounts in INR lakhs, except share data and where otherwise stated)

	Note no.	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	17	89,075.64	97,594.91
Other income	18	716.16	864.56
Total income		**89,791.80**	**98,459.47**
Expenses			
Employee benefits expense	19	61,643.41	67,917.78
Finance costs	20	1,591.56	3,082.70
Depreciation and amortisation expense	3, 4	8,240.20	7,963.55
Other expenses	21	9,924.42	14,144.90
Total expenses		**81,399.59**	**93,108.93**
Profit before exceptional items and tax		**8,392.21**	**5,350.54**
(Reversal of provision)/ provision for impairment of investment in subsidiary	5.1(a)	(11,584.91)	11,584.91
Profit / (Loss) after exceptional items before tax		**19,977.12**	**(6,234.37)**
Tax expense:			
Current tax	22	1,904.54	840.14
Deferred tax	22	235.28	1,140.11
Total tax expense		**2,139.82**	**1,980.25**
Profit / (loss) for the year (A)		**17,837.30**	**(8,214.62)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined employee benefits plan		(128.71)	(578.21)
Income-tax relating to above items		32.39	145.52
Total other comprehensive loss, net of tax (B)		**(96.32)**	**(432.69)**
Total comprehensive income for the year (A+B)		**17,740.98**	**(8,647.31)**
Earnings per equity share (face value of INR 10 each)			
Basic (in INR)	29	**11.93**	**(5.82)**
Diluted (in INR)	29	**11.14**	**(5.82)**

Significant accounting policies 2
The notes referred to above form an integral part of the financial statements.
As per our Report of even date attached.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.: 116231W/ W- 100024

Hemant Maheshwari
Digitally signed by Hemant Maheshwari
Date: 2021.05.26 22:45:08 +05'30'

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Hyderabad
Date: 26 May 2021

***for* and on behalf of the Board of Directors**
Conneqt Business Solutions Limited
CIN: U64200TG1995PLC044060

SURAJ KRISHNA MORAJE

Suraj K Moraje
Chairman
DIN: 08594844

GURUPRASAD SRINIVASAN
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Date: 2021.05.26 21:34:07 +05'30'

Srinivasan Guruprasad
Director
DIN: 07596207

Arjun Ramaraju
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Date: 2021.05.26 20:10:59 +05'30'

Arjun Ramaraju
Chief Executive Officer

Place: Bengaluru
Date: 26 May 2021

SUBRAMANIAN KRISHNAN ARANGOTTUKARA
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Date: 2021.05.26 19:16.06 +05'30'

A.S. Krishnan
Chief Financial Officer

SAMPATH VISHNUBHOTLA
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Date: 2021.05.26 19:15:55 +05'30'

V. Sampath
Company Secretary

Conneqt Business Solutions Limited
Statement of changes in equity
(All amounts in INR lakhs, except share data and where otherwise stated)

	Equity share capital	Instruments entirely equity in nature (refer Note 11.1)	Other equity			Total equity attributable to equity holders of the Company
			Reserves and surplus			
			Securities premium	Capital redemption reserve	Retained earnings	
Balance as at 1 April 2019	**9,150.85**	-	-	**1,500.00**	**10,979.14**	**21,629.99**
Add: Shares capital issued during the year (Refer note 10(i))	5,795.54	-	-	-	-	5,795.54
Add: Equity share premium issued during the year	-	-	13,515.20	-	-	13,515.20
Add: Compulsory convertible debentures issued during the year (entirely equity in nature) (Refer note 11.1)	-	14,700.00	-	-	-	14,700.00
Loss for the year	-	-	-	-	(8,214.62)	(8,214.62)
Re-measurement of defined benefit plan, net of taxes	-	-	-	-	(432.69)	(432.69)
Balance as of 31 March 2020	**14,946.39**	**14,700.00**	**13,515.20**	**1,500.00**	**2,331.83**	**46,993.42**
Balance as at 1 April 2020	**14,946.39**	**14,700.00**	**13,515.20**	**1,500.00**	**2,331.83**	**46,993.42**
Less: Convertible debentures redeemed during the year (entirely equity in nature) (Refer note 11.1)		(6,500.00)	-	-	-	(6,500.00)
Profit for the year	-	-	-	-	17,837.30	17,837.30
Re-measurement of defined benefits plan, net of taxes	-	-	-	-	(96.32)	(96.32)
Balance as of 31 March 2021	**14,946.39**	**8,200.00**	**13,515.20**	**1,500.00**	**20,072.81**	**58,234.40**

The notes referred to above form an integral part of the financial statements
As per our Report of even date attached.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.: 116231W/ W- 100024

Hemant Maheshwari — Digitally signed by Hemant Maheshwari Date: 2021.05.26 22:45:54 +05'30'

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Hyderabad
Date: 26 May 2021

for **and on behalf of the Board of Directors**
Conneqt Business Solutions Limited
CIN: U64200TG1995PLC044060

SURAJ KRISHNA MORAJE

Suraj K Moraje
Chairman
DIN: 08594844

GURUPRASAD SRINIVASAN — Digitally signed by GURUPRASAD SRINIVASAN Date: 2021.05.26 21:34:40 +05'30'

Srinivasan Guruprasad
Director
DIN: 07596207

Arjun Ramaraju — Digitally signed by Arjun Ramaraju Date: 2021.05.26 20:11:18 +05'30'

Arjun Ramaraju
Chief Executive Officer

SUBRAMANIAN KRISHNAN ARANGOTTUKARA — Digitally signed by SUBRAMANIAN KRISHNAN ARANGOTTUKARA Date: 2021.05.26 19:16:18 +05'30'

A.S. Krishnan
Chief Financial Officer

SAMPATH VISHNUBHOTLA — Digitally signed by SAMPATH VISHNUBHOTLA Date: 2021.05.26 19:16:33 +05'30'

V. Sampath
Company Secretary

Place - Bengaluru
Date: 26 May 2021

Conneqt Business Solutions Limited
Statement of Cash Flows
(All amounts in INR lakhs, except share data and where otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities		
Profit /(Loss) before tax	19,977.12	(6,234.37)
Adjustments for:		
Depreciation and amortisation expense	8,240.20	7,963.55
Profit on sale of property, plant and equipment, net	(7.79)	(27.98)
Liabilities no longer required written back	-	(1,615.34)
Bad debts written off	103.87	52.76
Provision for doubtful advances	36.06	46.74
Allowance for expected credit loss	(194.45)	412.51
Interest income on term deposits and others	(211.18)	(159.14)
Unrealised exchange gain	-	(30.00)
Dividend from investment in Subsidiary	-	(396.19)
Finance costs	1,591.56	3,082.70
(Reversal)/ provision for impairment of investment in shares of subsidiary (Refer note 5.1)	(11,584.91)	11,584.91
Operating cash flows before working capital changes	**17,950.48**	**14,680.15**
Decrease in trade and other receivable	1,195.34	34.32
(Increase) /Decrease in loans receivables and other financial assets	(502.65)	1,264.00
Increase in other assets	(215.23)	(48.12)
Decrease in trade payables and other financial liabilities	(3,181.14)	(635.20)
Decrease in other liabilities	(495.09)	(348.33)
Increase / (Decrease) in provisions	407.51	(1,611.23)
Cash generated from operations	**15,159.22**	**13,335.59**
Income-taxes paid, net of refund	1,864.53	(2,469.56)
Net cash generated from operating activities (A)	**17,023.75**	**10,866.03**
Cash flows from investing activities		
Acquisition of property, plant and equipment, capital work-in-progress along with movement in capital advances and capital creditors	(1,239.33)	(2,037.28)
Proceeds from sale of property, plant and equipment	45.44	114.95
Interest income on term deposits and others	202.79	151.62
Dividend income from subsidiary	-	396.19
Investment is shares of subsidiary (Refer Note 5.1(a))	-	(32,996.08)
Net cash used in investing activities (B)	**(991.10)**	**(34,370.59)**
Cash flows from financing activities		
(Redemption)/ proceeds from issue of convertible debentures	(6,500.00)	14,700.00
Loan/ICD received	-	12,708.72
Loan/ICD repaid - issue of Compulsory Convertible Debentures	-	(6,900.00)
Loan/ICD repaid	-	(5,808.72)
Repayment of long-term borrowings	(59.29)	(34.27)
Proceeds from issue of Equity Shares	-	19,310.74
Amounts paid towards lease liability	(6,377.38)	(4,566.09)
Finance cost paid	(134.25)	(3,082.70)
Net cash (used)/generated in financing activities (C)	**(13,070.92)**	**26,327.68**
Net increase in cash and cash equivalents (A+B+C)	**2,961.73**	**2,823.12**
Cash and cash equivalents at the beginning of the year	6,879.28	4,039.99
Exchange difference on translation of foreign currency cash and bank balances	(0.23)	16.17
Cash and cash equivalents at the end of the year	**9,840.78**	**6,879.28**

Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- In current accounts	7,296.78	6,724.17
- In EEFC accounts	32.26	155.11
- In deposit accounts (having original maturity of three months or less)	2,511.74	-
Cash and cash equivalents as per the statement of cash flows	**9,840.78**	**6,879.28**

***Changes in liablities arising from financing activities**

Particulars	As at 01 April 2020	Cash flow changes	Non-Cash flow changes	As at 31 March 2021
Long-term borrowings	416.20	(59.29)	-	356.91

The notes referred to above form an integral part of the financial statements.
As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.: 116231W/ W- 100024

Hemant Maheshwari Digitally signed by Hemant Maheshwari Date: 2021.05.26 22:47:14 +05'30'

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 26 May 2021

for **and on behalf of the Board of Directors**
Conneqt Business Solutions Limited
CIN: U64200TG1995PLC044060

SURAJ KRISHNA MORAJE

GURUPRASAD SRINIVASAN

Arjun Ramaraju Digitally signed by Arjun Ramaraju Date: 2021.05.26 20:11:38 +05'30'

Suraj K Moraje
Chairman
DIN: 08594844

Srinivasan Guruprasad
Director
DIN: 07596207

Arjun Ramaraju
Chief Executive Officer

SUBRAMANIAN KRISHNAN ARANGOTTUKARA

SAMPATH VISHNUBHOTLA

Place - Bengaluru
Date: 26 May 2021

A.S. Krishnan
Chief Financial Officer

V. Sampath
Company Secretary

Conneqt Business Solutions Limited
Notes to the financial statements for the year ended 31 March 2021

Company overview

Conneqt Business Solutions Limited is an unlisted public limited company incorporated and domiciled in India. The registered office of the Company is located at Hyderabad, Telangana, India. The Company is engaged in the business of providing Business Process Outsourcing Services including Contact Center Services with back-office solutions for application processing, operations and banking, collections, legal remedial and finance and accounting services in telecommunications, entertainment media, automobile, manufacturing, retail, banking, financial services and insurance (BFSI) sectors and operate from India.

As explained in note 5.1(a), the Company has acquired controlling stake in Allsec Technologies Limited ("Allsec") during the previous year and hence has become the immediate parent company of Allsec. However, the Company has used the exemption available under para 4(a) of Ind AS 110 and has chosen not to present consolidated financial statements, since Quess Corp Limited (parent company) has prepared and presented it's consolidated financial statements which have been produced for public use."

The Board of Directors approved the financial statements for the year ended 31 March 2021 and authorised for issue on 26th May 2021.

1. Basis of preparation

1.1. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments issued thereafter.

1.2. Basis of preparation

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following:

- Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);
- Defined benefit and other long-term employee benefits where plan assets are measured at fair value less present value of defined benefit obligations ("DBO").

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The Statement of cash flows have been prepared under indirect method.

These financial statements have been prepared by the Company on a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31 March 2021.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all amounts have been rounded off to the nearest lakhs up to two places of decimals, unless otherwise stated.

1.3. Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- **Impairment of investment in subsidiaries:** The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

- **Contingent liabilities:** Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

- **Income taxes:** Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

- **Measurement of defined benefit obligations:** Key actuarial assumptions used for actuarial valuation.

- **Impairment of financial assets:** The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost.

- **Property, plant and equipment:** Useful life of asset.

- **Lease term**: Whether the Company is reasonably certain to exercise extension options or not.

- **Revenue Recognition -** The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

1.3 Use of estimates and judgements (Continued)

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- Contract fulfilment costs are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

- **Other estimates:** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit- worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

1.4. Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

1.4 Measurement of fair values (continued)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2. Significant accounting policies

2.1. Property, plant and equipment

i. Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

ii. Subsequent expenditure
Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

iii. De-recognition
The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Gains and losses on disposals are determined by comparing proceeds with carrying amount. Assets to be disposed-off are reported at the lower of the carrying value or the fair value less cost to sell.

iv. Depreciation methods, estimated useful lives and residual value
Depreciation is provided on a Straight Line Method ('SLM') over estimated useful life of the fixed assets estimated by the Management. The management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/ sold during the year is proportionately charged.

2 Significant accounting policies (continued)

2.1 Property, plant and equipment (continued)

The Company estimated the useful lives for fixed assets as follows:

Category	**Useful life as per management**
Leasehold improvements	Lease term or 8 years whichever is lower
Building	60
Air conditioners	8
Electrical works	8
Furniture & fittings	5
Generators	8
Office equipment	5
Vehicles	5
Information technology and networking assets	3 years to 5 years

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

v. Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of the assets not put to use before such date are disclosed under Capital work-in-progress.

2.2 Other intangible assets

i. Recognition and measurement
Acquired intangible assets and assets acquired on business combinations are measured initially at cost. Other intangible assets are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

ii. Subsequent expenditure
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including on internally generated software is recognised in profit and loss as and when incurred.

iii. Amortisation
The Company amortises intangible assets with a finite useful life less their estimated residual values over their estimated useful lives using the straight- line method, and is included in depreciation and amortisation in statement of profit and loss.

The intangible asset is depreciated over a useful life of 3-5 years. The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.3 Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.4 Leases

The Company has applied Ind AS 116 using the modified retrospective approach. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed in Note 31.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time 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 – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

— the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

— the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

-- the Company has the right to operate the asset; or

-- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

2. Significant accounting policies (continued)

2.4. Leases (Continued)

Policy applicable before 1 April 2019:
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

i. As a lessee

a) Under Ind AS 116:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
— fixed payments, including in-substance fixed payments;
— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
— amounts expected to be payable under a residual value guarantee; and
— the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position

Short-term leases and leases of low-value assets:
The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and buildings that have a lease term of 12 months or less and leases of low-value assets.

ii. As a lessor
When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116.

2.5 Revenue recognition

The Company earns revenue primarily from providing business process outsourcing services including contact center services.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

— Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

— Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

2. Significant accounting policies (continued)

2.5 Revenue recognition (continued)

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

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

Unearned revenue ("contract liability") is recognised when there is billings in excess of revenues.
In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by geography.

2.6 Other income

Interest income or expenses is recognised using effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to the gross carrying amount of the financial assets or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income from subsidiary is recognised when its right to receive the dividend is established.

2.7 Investments in Subsidiary

Investment in equity instruments issued by subsidiary is measured at cost less impairment. Investments in subsidiary is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis. If such investment is considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the investment exceeds the estimated recoverable amount of the investment.

2 Significant accounting policies (continued)

2.8 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement Financial assets

On initial recognition, a financial asset is classified and measured at:

- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI- equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mistake that would otherwise arise.

2. Significant accounting policies (continued)

2.8 Financial instruments (continued)

Financial assets: Subsequent measurement and gains and losses

- Financial assets, at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit or loss.
- Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Investment in subsidiaries : Investment in subsidiaries are carried at cost less impairment in the standalone financial statements

c) Impairment of financial assets

The Company assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 25 details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

d) Derecognition of financial assets

A financial asset is derecognised only when:

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

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

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

2 Significant accounting policies (continued)

2.8 Financial instruments (continued)

Financial liabilities

a) Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost.

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.

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

Financial liabilities at fair value through profit or loss

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

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

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

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

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

2 Significant accounting policies (continued)

2.8 Financial instruments (continued)

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Employee benefits

a) Defined benefit plans
The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of remeasurements of the net defined liability or asset through other comprehensive income.

Remeasurement of the net defined liability or asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

b) Short-term employee benefits
Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

c) Compensated absences
The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit method as at the reporting date.

d) Defined contribution plan
A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

2. Significant accounting policies (continued)

2.9 Employee benefits (continued)

e) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.10 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date.
Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective;
- and qualifying cash flow hedges to the extent that the hedges are effective.

2.11 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

2. **Significant accounting policies** (continued)

2.11 Taxes (Continued)

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profits may not be available. Therefore, in case of history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

2.12 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

2.13 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.14 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2 **Significant accounting policies** (continued)

2.15. Cash flow statement

Cash flows are reported using the indirect method, whereby profit 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 Company are segregated.

2.16 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

2.17 Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segment. Business process outsourcing services has been considered as the only reportable segment. Hence, no separate final disclosure have been provided for the segment reporting.

2.18 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:
Balance Sheet:

• Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
• Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
• Specified format for disclosure of shareholding of promoters.
• Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
• If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

2.19 Recent accounting pronouncements (continued)

• Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
Statement of profit and loss:
• Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

2.20 Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

Conneqt Business Solutions Limited
Notes to the financial statements (continued)
(All amounts in INR lakhs, except share data and where otherwise stated)

3 Property, plant and equipment

	Buildings	Air conditioners	Electrical fittings	Furniture and fittings	Generators	Leasehold improvement	Office equipment	Vehicles	Information technology and networking assets	Total tangible assets
Gross carrying amount										
Balance as at 1 April 2019	3,543.96	393.30	441.97	731.28	35.83	493.84	546.18	760.36	7,094.02	14,040.74
Additions	-	14.35	83.60	90.48	6.88	7.48	42.42	170.63	1,286.14	1,701.99
Disposals	-	1.32	25.17	1.39	-	0.27	4.04	197.55	128.73	358.48
Balance as at 31 March 2020	**3,543.96**	**406.33**	**500.40**	**820.37**	**42.71**	**501.05**	**584.56**	**733.44**	**8,251.43**	**15,384.25**
Balance as at 1 April 2020	3,543.96	406.33	500.40	820.37	42.71	501.05	584.56	733.44	8,251.43	15,384.25
Additions	-	6.13	21.63	22.06	-	14.68	16.57	93.63	1,111.56	1,286.26
Disposals	-	8.31	41.82	20.26	7.05	41.34	6.76	109.25	0.04	234.83
Balance as at 31 March 2021	**3,543.96**	**404.15**	**480.21**	**822.17**	**35.66**	**474.39**	**594.37**	**717.82**	**9,362.95**	**16,435.68**
Accumulated depreciation										
Balance as at 1 April 2019	185.12	190.60	204.94	481.80	18.66	199.60	265.88	314.66	3,537.84	5,399.09
Depreciation for the year	59.62	59.82	102.25	148.47	3.27	114.64	80.55	132.43	1,448.56	2,149.61
Disposals	-	0.84	11.92	1.25	-	-	3.34	125.75	128.40	271.50
Balance as at 31 March 2020	**244.74**	**249.58**	**295.27**	**629.02**	**21.93**	**314.24**	**343.09**	**321.34**	**4,858.00**	**7,277.20**
Balance as at 1 April 2020	244.74	249.58	295.27	629.02	21.93	314.24	343.09	321.34	4,858.00	7,277.20
Depreciation for the year	59.62	40.59	57.93	63.91	3.59	69.21	71.25	122.85	1,771.07	2,260.02
Disposals	-	5.59	27.30	16.34	6.31	36.37	5.29	82.18	0.04	179.42
Balance as at 31 March 2021	**304.36**	**284.58**	**325.90**	**676.59**	**19.21**	**347.08**	**409.05**	**362.01**	**6,629.03**	**9,357.80**
Carrying amount - net										
As at 31 March 2021	**3,239.60**	**119.57**	**154.31**	**145.58**	**16.45**	**127.31**	**185.32**	**355.81**	**2,733.92**	**7,077.88**
As at 31 March 2020	**3,299.22**	**156.75**	**205.13**	**191.35**	**20.78**	**186.81**	**241.47**	**412.10**	**3,393.43**	**8,107.05**

Note:
Refer note 33 for disclsoure of contractual commitments for acquisation of property, plant and equipment

Conneqt Business Solutions Limited
Notes to the financial statements (continued)
(All amounts in INR lakhs, except share data and where otherwise stated)

3 Property, plant and equipment (continued)

Right-of-use assets	Buildings	Facility assets	IT Equipments	Total
Gross carrying amount				
Balance as at 1 April 2019	15,816.13	608.44	688.72	17,113.29
Additions	1,973.50	427.76	599.11	3,000.37
Disposals	-	-	-	-
Balance as at 31 March 2020	**17,789.63**	**1,036.20**	**1,287.83**	**20,113.66**
Balance as at 1 April 2020	17,789.63	1,036.20	1,287.83	20,113.66
Additions	4,522.91	-	677.33	5,200.24
Disposals	503.63	20.07	0.39	524.09
Balance as at 31 March 2021	**21,808.91**	**1,016.13**	**1,964.77**	**24,789.81**
Accumulated amortisation				
Balance as at 1 April 2019	-	-	-	-
Amortisation for the year	4,693.49	298.52	521.01	5,513.02
Disposals	-	-	-	-
Balance as at 31 March 2020	**4,693.49**	**298.52**	**521.01**	**5,513.02**
Balance as at 1 April 2020	4,693.49	298.52	521.01	5,513.02
Amortisation for the year	4,834.36	273.06	577.19	5,684.61
Disposals	152.64	-	-	152.64
Balance as at 31 March 2021	**9,375.21**	**571.58**	**1,098.20**	**11,044.99**
Carrying amount - net				
As at 31 March 2021	**12,433.70**	**444.55**	**866.57**	**13,744.82**
As at 31 March 2020	**13,096.14**	**737.68**	**766.82**	**14,600.64**

Refer note 31 for disclsoures relating to Ind AS 116

Conneqt Business Solutions Limited
Notes to the financial statements (continued)
(All amounts in INR lakhs, except share data and where otherwise stated)

4. Intangible assets

Particulars	Computer software
Gross carrying amount	
Balance as at 1 April 2019	1,363.48
Additions	254.28
Disposals	-
As at 31 March 2020	**1,617.76**
Balance as at 1 April 2020	1,617.76
Additions	32.46
Disposals	-
As at 31 March 2021	**1,650.22**
Accumulated amortisation	
As at 1 April 2019	800.51
Charge for the year	300.92
Disposals	-
As at 31 March 2020	**1,101.43**
Balance as at 1 April 2020	1,101.43
Charge for the year	295.57
Disposals	-
As at 31 March 2021	**1,397.00**
Carrying amounts - net	
As at 31 March 2021	**253.22**
As at 31 March 2020	**516.33**

		As at 31 March 2021	As at 31 March 2020
Note 5.1(a)	**Investments**		
	(carried at cost)		
	Quoted equity shares of Subsidiary :		
	11,182,912 (31 March 2020: 11,182,912) shares of INR 10 each fully paid-up) of Allsec Technologies Limited	32,996.08	32,996.08
	Less: Impairment in value of investments in subsidiary	-	(11,584.91)
		32,996.08	**21,411.17**
	Aggregate value of quoted investments is as follows:		
	Aggregate amount of book value of quoted investments	32,996.08	32,996.08
	Aggregate amount of market value of quoted investments	35,539.29	13,397.13
	Aggregate amount of impairment in value of investments	-	11,584.91

The Company acquired 11,182,912 shares of INR 10 each fully paid-up, representing 73.39% equity shares of Allsec Technologies Limited ("Allsec") for a total consideration of INR 32,996.08 lakhs in two tranches on 3 June 2019 (61.35%) and on 21 June 2019 (12.03%). Allsec is a global company with considerable expertise in providing business process solutions across various industry verticals and is listed on Bombay Stock Exchange and National Stock Exchange.

As at 31 March 2020, there was a significant decline in market value of the investment and based on indicators of such decline coupled with the impact of Covid19 pandemic, Management had carried out assessment of Impairment and provided INR 11,584.91 lakhs as provision for impairment of Investments. As at 31 March 2021, the Management has assessed whether there are any indications that an impairment loss recognised in prior period for the investment may no longer exist or may have decreased and basis such indicators, Management has computed the value in use, using the present value of the future cash flows expected and estimated the recoverable amount of the investment to be INR 33,278 lakhs (31 March 2020: INR 21,411.17 lakhs). Consequently, impairment loss of INR 11,584.91 lakhs, recognized in the previous year, has been reversed in the statement of profit and loss.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the industry and have been based on historical data from both external and internal sources.

	As at 31 March 2021	As at 31 March 2020
Discount rate *	20.89%	22%
Terminal value growth rate **	4%	4%
Budgeted EBITDA for next 5 years***	17.2% to 20.2%	15% to 18%

* These discount rate(s) are post-tax measure estimated based on the Weighted Average Cost of Capital (WACC)

** The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

*** Budgeted EBITDA has been based on expectations of future outcomes taking into account past experience, adjusted as follows:
Revenue growth has been projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It has been assumed that the sales price would increase in line with forecast inflation over the next five years.

		As at 31 March 2021	As at 31 March 2020
Note 5.1(b)	**Non-current loans receivables**		
	Unsecured		
	Security deposits	1,066.11	1,329.11
		1,066.11	**1,329.11**
Note 5.2	**Other non-current financial assets**		
	Bank deposit accounts with maturity more than 12 months*	125.00	125.00
		125.00	**125.00**
	*Represents lien marked deposit against bank guarantees.		
Note 6	**Non-current tax assets**		
	Advance Tax (net of provisions)	3,417.48	7,186.55
		3,417.48	**7,186.55**

(All amounts in INR lakhs, except share data and where otherwise stated)

		As at 31 March 2021	As at 31 March 2020
Note 7	**Other non-current assets**		
	Unsecured, considered good		
	Capital advances	-	5.45
	Advances other than capital advances		
	Deposit paid under protest	569.08	569.08
	Prepaid expenses	28.85	1.91
		597.93	**576.44**
Note 8.1	**Trade receivables**		
	Current		
	Trade Receivables considered good - Unsecured	9,503.09	10,564.17
	Trade Receivables - credit impaired	576.30	800.59
		10,079.39	**11,364.76**
	Less: Loss allowance (refer Note 25)	(576.30)	(800.59)
		(576.30)	**(800.59)**
		9,503.09	**10,564.17**

The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 25.
Amounts given above includes trade receivables from related party. Refer note 23 for related party disclosures.

		As at 31 March 2021	As at 31 March 2020
Note 8.2	**Cash and cash equivalents**		
	Balance with banks		
	In current accounts	7,296.78	6,724.17
	In EEFC accounts	32.26	155.11
	In deposit accounts (having original maturity of three months or less)	2,511.74	-
		9,840.78	**6,879.28**
Note 8.3	**Current loans receivables**		
	Unsecured, considered good		
	Security deposits	936.99	622.60
	Employee loans	16.22	24.34
		953.21	646.94
	Unsecured, considered doubtful		
	Security deposits	78.95	35.00
	Employee loans	-	15.86
	Less: Provision for impairment of security deposits and employee loans	(78.95)	(50.86)
		953.21	**646.94**
Note 8.4	**Other financial assets**		
	Interest accrued on deposits	22.73	14.34
	Unbilled revenue	7,832.47	7,470.78
	Less: Loss allowance	(62.43)	(32.59)
	Others	75.88	104.24
	Less: Provision for others	-	(46.73)
		7,868.65	**7,510.04**
Note 9	**Other current assets**		
	Unsecured, considered good		
	Advances other than capital advances		
	Advance to suppliers and service providers	7.48	70.80
	Others		
	Prepaid expenses	1,030.47	781.62
		1,037.95	852.42
	Unsecured, considered doubtful		
	Advance to suppliers and service providers	-	39.60
	Less: Provision for advance to suppliers and service providers	-	(39.60)
		1,037.95	**852.42**

		As at 31 March 2021	As at 31 March 2020
Note 11.1	**Instruments entirely equity in nature**		
	(i) Convertible Debentures		
	Opening balance	14,700.00	-
	Issued during the year*	-	14,700.00
	Less: Redemption during the year **	(6,500.00)	-
		8,200.00	**14,700.00**

Convertible Debentures

* The Company had issued fully convertible debentures ("CCD"/"CCDs") to Quess Corp Limited ('Holding Company') on 1 June 2019 for INR 7,800, INR 5,900 on 8 July 2019 and INR 1,000 on 13 August 2019 with a term of 5 years, carrying an interest coupon of 10% per annum and convertible at fair value on the date of conversion. Based on an amendment to the original agreement during the year, a conversion price of INR 40 per share was fixed for conversion of these CCDs. Hence the CCD's satisfied the fixed- to fixed criteria as per Ind AS 32. Consequentially, the same were recognized as an equity instrument in the books of accounts.

** The second amendment to the "Fully Convertible Debenture Subscription Agreement" between the Company, Holding Company and Tata Sons Private Limited ('Tata Sons'), executed on 19 August 2020, replaced all references to "Fully Convertible Debentures" to "Convertible Debentures". Further, the said agreement was amended to state that, "Subject to prior written consent of Tata Sons (exercisable at its sole discretion), the Company has the right to redeem any or all of its convertible debentures at any time during the tenure of the convertible debentures, at an issue price of 100/- per convertible debentures. The Company subsequently, after obtaining written consent of Tata Sons, redeemed convertible debentures amounting to INR 6,500 lakhs during the year to Holding Company. The remaining debentures amounting to INR 8,200 lakhs continue to be classified as Instruments entirely equity in nature under Equity share capital.

Refer note 35(c) for subsequent events update.

		As at 31 March 2021	As at 31 March 2020
Note 11.2	**Other equity**		
	(i) Retained earnings		
	Opening balance	2,331.83	10,979.14
	Surplus/ (deficit) as per statement of profit and loss	17,837.30	(8,214.62)
	Re-measurement of defined employee benefits plan, net of taxes	(96.32)	(432.69)
		20,072.81	**2,331.83**
	(ii) Capital redemption reserve		
	Opening balance	1,500.00	1,500.00
	Shares issued during the year	-	-
		1,500.00	**1,500.00**
	(iii) Securities premium		
	Opening balance	13,515.20	-
	Shares issued during the year	-	13,515.20
		13,515.20	**13,515.20**
		35,088.01	**17,347.03**

Retained earnings
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

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

Capital redemption reserve ('CRR')
The Company had issued 12.33% cumulative redeemable preference shares having face value of INR 10 each and redeemable at INR 12 each. As per the provisions of the Companies Act, 2013, the Company is required to create a capital redemption reserve equivalent to the nominal value of shares redeemed out of the profits of the Company. Such reserve can be created out of the free reserves of the Company. Accordingly, the Company has created CRR out of the retained earnings of earlier years. As per the provisions of the Companies Act, 2013, such CRR can be used for issuing fully paid up bonus shares.

		As at 31 March 2021	As at 31 March 2020
Note 12	**Borrowings**		
	Secured loans		
	Vehicle loans		
	From banks (refer note 1 below)	233.26	295.82
		233.26	**295.82**

Note 1: Terms of repayment of loan as at Balance Sheet date:

Vehicle loans obtained from HDFC Bank Limited are repayable in equal monthly instalments over a period of 5 years from the date of availing respective loan. The same is secured by hypothecation of the vehicles financed. Rate of interest is in the range of 7.85% to 10.25% p.a. (31 March 2020: 9.25% to 11.87% p.a.) and number of instalments pending for payments are ranging between 4 - 59 instalments. Amount outstanding (including current maturities) as at 31 March 2021 is INR 356.91 lakhs (31 March 2020: INR 416.20 lakhs). The Company's exposure to liquidity risk related to borrowings is disclosed in Note 25.

(All amounts in INR lakhs, except share data and where otherwise stated)

		As at 31 March 2021	As at 31 March 2020
Note 13	**Other non-current liabilities**		
	Unearned revenue	86.48	65.03
		86.48	**65.03**
Note 14.1	**Trade payables**		
	Dues of micro enterprises and small enterprises (refer note below)	151.60	16.68
	Dues of creditors other than micro enterprises and small enterprises*	1,205.36	881.89
		1,356.96	**898.57**

The Company's exposure to liquidity risks related to trade payables is disclosed in Note 25.
* Includes trade payables to related parties. Refer note 23 for related party disclosures.

Note:
The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at reporting date has been made in the financial statements based on information received and available with the Company and has been relied upon by the auditors.

Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act')

Particulars	**31 March 2021**	**31 March 2020**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:	-	-
- Principal	151.60	16.68
- Interest	0.66	0.14
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	1,035.59	473.35
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	12.69	5.59
The amount of interest accrued and remaining unpaid at the end of each accounting year.	12.69	5.59
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 purposes of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-
	1,213.23	**501.35**

Note: The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

(All amounts in INR lakhs, except share data and where otherwise stated)

		As at 31 March 2021	As at 31 March 2020
Note 14.2	**Other financial liabilities**		
	Current maturities of long-term borrowings		
	-Vehicle loans from bank (refer note 12)	123.65	120.38
	Security deposits	196.72	201.62
	Capital creditors	203.46	71.62
	Employee payables	7,185.06	8,870.53
	Provision for expenses	3,131.55	4,941.45
	Other payables	28.75	168.01
		10,869.19	**14,373.61**
Note 15	**Other current liabilities**		
	Advance from customers	64.39	232.44
	Unearned revenue	29.00	19.29
	Statutory dues	1,625.33	1,983.53
		1,718.72	**2,235.26**
Note 16	**Provisions**		
	Provisions for employee benefits		
	Compensated absences	546.47	342.27
	Gratuity (Refer note 27)	1,520.29	1,188.27
	Other provisions		
	Provision for amounts paid under protest	424.17	424.17
		2,490.93	**1,954.71**

Conneqt Business Solutions Limited
Notes to the financial statements (continued)
(All amounts in INR lakhs, except share data and where otherwise stated)

Note 10 Equity share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
(a) Authorised:				
Equity shares of INR 10 each	191,000,000	19,100.00	191,000,000	19,100.00
(b) Issued, Subscribed and Fully Paid-up:				
Equity shares of INR 10 each	149,463,887	14,946.39	149,463,887	14,946.39
		14,946.39		**14,946.39**

Notes:
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	2020-21		2019-20	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
Equity Shares				
At the beginning of the year	149,463,887	14,946.39	91,508,502	9,150.85
Add: Share capital issued	-	-	57,955,385	5,795.54
At the end of the year	**149,463,887**	**14,946.39**	**149,463,887**	**14,946.39**

ii. Details of shares held by each shareholders holding more than 5% Shares:

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares				
Quess Corp Limited and its nominees	104,624,721	70%	104,624,721	70%
TATA Sons Private Limited and its nominees*	44,839,166	30%	44,839,166	30%

iii. Rights, preferences and restrictions relating to each class of share capital:
The Company has one class of equity shares having a face value of INR 10 each. Each shareholder is eligible for one vote per share held. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholdings.

iv. Details of Bonus shares issued, shares issued for considerations other than cash during the period of five periods immediately preceding the reporting date:
During the year ended 31 March 2016, 8,108,102 equity shares of INR 10 each fully paid-up and 15,000,000 12.33% cumulative redeemable preference shares of INR 10 each fully paid up were issued to the Shareholders of erstwhile e-Nxt Financials Limited (e-Nxt) pursuant to a scheme of amalgamation between e-Nxt and the Company. The Company has redeemed 12.33% cumulative redeemable preference shares in prior years and there are no outstanding preference shares as at balance sheet date.

v. Shares held by holding company and their nominees:

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each, fully paid up held by				
Quess Corp Limited and its nominees	104,624,721	10,462.47	104,624,721	10,462.47

* Refer note 35(a) for subsequent events update

(All amounts in INR lakhs , except share data and where otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Note 17 Revenue from operations		
Sale of services	89,075.64	97,594.91
	89,075.64	**97,594.91**

(i) Reconciliation of revenue from services recognised with the contracted price is as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Contract price	88,745.11	97,985.09
Adjustments for:		
Unearned income	(31.16)	(6.48)
Unbilled revenue	361.69	(383.70)
	89,075.64	**97,594.91**

(ii) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended 31 March 2021 and 31 March 2020 by geography.

The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenues by Geography		
- Within India	84,021.02	93,635.20
- Outside India	5,054.62	3,959.71
	89,075.64	**97,594.91**

(iii) Contract assets and Contract liabilities

The Company classifies the right to consideration in exchange for deliverables as a trade receivables.
Right to consideration is unconditional upon passage of time as unbilled revenue
Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenue are presented net of impairment in the Balance Sheet.

The following table provides information about contract assets and contract liabilities from contracts with customers.

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Trade receivables (net)	9,503.09	10,643.11
Unbilled revenue (net)	7,770.04	7,438.19
Contract liabilities (Unearned revenue and advance received from customers)	179.87	316.76

The contract liabilities primarily relate to the advance consideration received from customer and unearned revenue for which revenue is recognised on completion of contract terms.

The following table discloses the movement in contract liabilities balances for the year ended 31 March 2021 and 31 March 2020:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Balance at the beginning	316.76	142.03
Add : Additions made during the year	64.39	271.34
Less: Revenue recognised during the year	(201.28)	(96.61)
Balance at the end	**179.87**	**316.76**

(All amounts in INR lakhs , except share data and where otherwise stated)

Note 17 Revenue from operations (continued)

(iv) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognised as at the end of the reporting year and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for

(i) contracts with an original expected duration of one year or less and

(ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

		For the year ended 31 March 2021	For the year ended 31 March 2020
Note 18	**Other income**		
	Interest income on :		
	- Fixed deposits	60.56	12.72
	- Income tax refund	402.88	165.13
	- Others	150.62	146.42
	Rental income (Refer note 31)	91.31	22.70
	Dividend from subsidiary (Refer note 5.1(a))	-	396.19
	Net gain on exchange differences	-	58.03
	Profit on sale of property, plant and equipment, net	-	27.98
	Gain on disposal of right-of-use assets, net	7.79	-
	Miscellaneous income	3.00	35.39
		716.16	**864.56**
Note 19	**Employee benefits expense**		
	Salaries and wages	53,220.37	58,602.74
	Contribution to provident and other funds (Refer note 27)	5,532.80	6,090.49
	Staff welfare expenses	2,890.24	3,224.55
		61,643.41	**67,917.78**
Note 20	**Finance costs**		
	Interest expense on:		
	- Vehicle loans	34.91	60.07
	- Other credit facilities	14.36	233.57
	- Inter Company Deposits	-	245.84
	- Compulsorily Convertible Deposits	-	657.54
	- Others	25.68	211.03
	Interest on lease liability (Refer note 31)	1,457.31	1,605.82
	Bank charges	59.30	68.83
		1,591.56	**3,082.70**

		For the year ended 31 March 2021	For the year ended 31 March 2020
Note 21	**Other expenses**		
	Outsourcing services and other contractual costs	2,155.59	140.62
	Collection charges	11.52	291.72
	Power and fuel	1,165.74	2,000.77
	Rent (Refer note 31)	415.14	761.79
	Repairs and maintenance		
	- Buildings	311.44	984.37
	- Machineries	813.39	692.98
	- Others	83.18	132.25
	Legal and professional fees (Refer note (i) below)	646.87	2,079.32
	Rates and taxes	303.73	441.42
	Insurance	104.05	96.28
	Communication	74.08	265.58
	Travelling and conveyance	1,065.92	1,881.38
	Printing and stationery	35.70	93.09
	Business promotion	136.71	77.21
	Recruitment and training	455.27	888.18
	Bad debts written off	103.87	52.76
	Allowance for expected credit loss	(194.45)	412.51
	Provision for doubtful advances	36.06	46.74
	Connectivity expenses	785.87	989.41
	Security charges	571.73	801.54
	Housekeeping charges	414.27	611.64
	Technology helpdesk	294.49	299.95
	Net loss on exchange differences	13.27	-
	Expenditure on corporate social responsibility (refer note ii below)	81.30	74.43
	Loss on sale of property, plant and equipment, net	9.98	-
	Miscellaneous expenses	29.70	28.96
		9,924.42	**14,144.90**

(i) Details of payments to auditors (included in legal and professional fees, excluding tax)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Statutory audit	24.00	24.00
Tax audit	2.50	2.00
Other attest services, certifications & reviews	20.00	9.00
Reimbursement of expenses	0.36	1.52
	46.86	**36.52**

(ii) Details of expenditure on corporate social responsibility

As per Section 135 of the Companies Act 2013, the Company has formed a Corporate Social Responsibility ('CSR') Committee. The CSR Committee approved CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, have been identified to incur CSR expenditure.

The Company has spent INR 81.30 lakhs (31 March 2020: INR 74.43 lakhs) during the year as per the provisions of Section 135 of the Companies Act, 2013 towards CSR activities.

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Gross amount required to be spent by the Company during the year	81.27	73.08

Amount spent during the year ended 31 March 2021	**Amount paid in cash**	**Yet to be paid in cash**
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above *	81.30	-

Amount spent during the year ended 31 March 2020	**Amount paid in cash**	**Yet to be paid in cash**
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above *	74.43	-

* Excess CSR amount spent has not been carried forward during the year

(All amounts in INR lakhs, except share data and where otherwise stated)

Note 22 Income-tax

The major components of income-tax expense for the year ended 31 March 2021 and 31 March 2020 are:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statement of profit and loss account		
Current tax	1,904 54	840 14
Deferred tax	235 28	1,140 11
Income-tax expense reported in the statement of profit and loss	**2,139.82**	**1,980.25**
Other comprehensive income		
- Deferred tax arising on income and expense recognised in other comprehensive income	(32 39)	(145 52)
Total	**2,107.43**	**1,834.73**

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

	For the year ended			
	31-Mar-21		31-Mar-20	
Profit before tax		19,977 12		(6,234 37)
Computed expected tax expense	25 168%	5,027 84	25 168%	(1,569 07)
Effect of:				
Donation paid (including CSR) (Permanent difference)	0 41%	81 30	-0 30%	18 73
Dividend income	-	-	-1 60%	99 71
Tax incentives under Section 80JJAA of the Income-tax Act, 1961	-	-	3 05%	(190 00)
Adjustments of change in Income-tax rate	-	-	-12 15%	757 77
Impairment of investment in subsidiary	-14 60%	(2,915 69)	-46 77%	2,915 69
Non-deductible expenses and others	-0 27%	(53 63)	0 84%	(52 58)
Total income tax expense	**10.71%**	**2,139.82**	**-31.76%**	**1,980.25**

Deferred tax

Deferred tax relates to the following:

Deferred tax assets/ (liabilities)	Balance as at 1 April 2019	Recognised in profit and loss during 2019-20	Recognised in OCI during 2019-20	Balance as at 31 March 2020
Deferred tax liabilities				
Property, plant and equipment	(27 93)	27 91	-	(0 02)
Deferred tax assets				
Employee benefits, net	1,379 14	(850 92)	145 52	673 74
Provision for doubtful debts, doubtful loans and contingencies	373 90	(22 93)	-	350 97
Provision-others	257 34	(161 89)	-	95 45
Tax incentives under Section 80JJAA of the Income-tax Act, 1961	525 32	(335 31)	-	190 01
Disallowance of expenses for short deduction/ non-deduction of TDS	116 01	56 89	-	172 90
Lease liability	84 13	147 21	-	231 34
Other fiscal differences	1 07	(1 07)	-	-
Net deferred tax assets	**2,708.98**	**(1,140.11)**	**145.52**	**1,714.40**

Deferred tax assets/ (liabilities)	Balance as at 1 April 2020	Recognised in profit and loss during 2020-21	Recognised in OCI during 2020-21	Balance as at 31 March 2021
Deferred tax liabilities				
Property, plant and equipment	(0 02)	0 02	-	-
Deferred tax assets				
Property, plant and equipment	-	87 76	-	87 76
Employee benefits, net	673 74	(161 80)	32 39	544 33
Provision for doubtful debts, doubtful loans and contingencies	350 97	(63 60)	-	287 37
Provision-others	95 45	(74 57)	-	20 88
Tax incentives under Section 80JJAA of the Income-tax Act, 1961	190 01	(190 01)	-	-
Disallowance of expenses for short deduction/ non-deduction of TDS	172 90	(22 42)	-	150 48
Lease liability	231 35	189 34	-	420 69
Net deferred tax assets	**1,714.40**	**(235.28)**	**32.39**	**1,511.51**

Conneqt Business Solutions Limited
Notes to the financial statements (continued)
(All amounts in lakhs of INR, except share data and where otherwise stated)

Note 23 Related party disclosures

i. List of related parties and their relationships as per the Ind AS 24- Related Party Disclosures:

Name of the entity	Nature of relationship
Quess Corp Limited	Holding Company
Simpliance Technologies Private Limited	Fellow Subsidiary
Quesscorp Manpower Supply Services LLC	Fellow Subsidiary
MFX Infotech Private Limited	Fellow Subsidiary
Terrier Security Services India Private Limited	Associate of Holding Company
Heptagon Technologies Pvt Ltd	Associate of Holding Company
Allsec Technologies Limited	Subsidiary w.e.f. 3 June 2019
Tata Sons Private Limited	Entity Exercising significant influence over company
TATA Limited	Subsidiary of the entity exercising significant influence over the Company
Infiniti Retail Limited	Subsidiary of the entity exercising significant influence over the Company
TATA Capital Limited	Subsidiary of the entity exercising significant influence over the Company
TATA Capital Financial Services Limited	Subsidiary of the entity exercising significant influence over the Company
TATA Capital Housing Finance Limited	Subsidiary of the entity exercising significant influence over the Company
TATA Cleantech Capital Limited	Subsidiary of the entity exercising significant influence over the Company
TATA Securities Limited	Subsidiary of the entity exercising significant influence over the Company
TATA Housing Development Company Limited	Subsidiary of the entity exercising significant influence over the Company
Kriday Reality Private Limited	Subsidiary of the entity exercising significant influence over the Company
TATA Value Homes Limited	Subsidiary of the entity exercising significant influence over the Company
Princeton Infrastructure Private Limited	Subsidiary of the entity exercising significant influence over the Company
Arvind & Smart Value Homes LLP	Subsidiary of the entity exercising significant influence over the Company
Sohna City LLP	Subsidiary of the entity exercising significant influence over the Company
HL Promotors Private Limited	Subsidiary of the entity exercising significant influence over the Company
Sector 113 Gatevida Developers Private Limited (formerly Lemon Tree Land & Developers Private Limited)	Subsidiary of the entity exercising significant influence over the Company
Promont Hilltop Private Limited	Subsidiary of the entity exercising significant influence over the Company
Smart Value Homes (Peenya Project) Private Limited	Subsidiary of the entity exercising significant influence over the Company
Ardent Properties Private Limited	Subsidiary of the entity exercising significant influence over the Company
TATA Consultancy Services Limited	Subsidiary of the entity exercising significant influence over the Company
Tata International Limited	Subsidiary of the entity exercising significant influence over the Company
TATA Teleservices Limited	Subsidiary of the entity exercising significant influence over the Company
TATA Teleservices (Maharashtra) Limited	Subsidiary of the entity exercising significant influence over the Company
Tata Communication Limited	Subsidiary of the entity exercising significant influence over the Company
Tata Communications Transformation Services Limited	Subsidiary of the entity exercising significant influence over the Company
Tata Communications Payment Solutions Limited	Subsidiary of the entity exercising significant influence over the Company
TATA AIG General Insurance Company Limited	Subsidiary of the entity exercising significant influence over the Company
Tata Africa Holdings (SA) (Proprietary) Limited	Subsidiary of the entity exercising significant influence over the Company
Tata Realty and Infrastructure Limited	Subsidiary of the entity exercising significant influence over the Company
Smart Value Homes (Boisar) Private Limited	JV of the entity exercising significant influence over the Company
TATA Sky Limited	JV of the entity exercising significant influence over the Company
TATA Unistores Limited	JV of the entity exercising significant influence over the Company
Land kart Builders Private Limited	JV of the entity exercising significant influence over the Company
Mr. Neeraj Tandon	Chief Executive Officer (till 31 March 2021)
Mr. Arjun Ramaraju	Chief Executive Officer (w.e.f. 1 April 2021)
Mr. A. S. Krishnan	Chief Financial Officer
Mr. V. Sampath	Company Secretary

ii. Details of related party transactions

Name of the Related Party	Nature of Transaction	Amount of Transactions	
		For the year ended 31 March 2021	For the year ended 31 March 2020
Quess Corp Limited	Services rendered	530.59	26.68
	Services rendered	530.59	63.94
	Services received	1,297.87	2,050.79
	Interest on CCD	-	903.38
	Rantel Income Received	7.00	-
	Reimbursement of expenses - received	23.73	26.93
Terrier Security Service India Private Limited	Services rendered	45.72	-
	Reimbursement of expenses - received	630.61	795.71
Simpliance Technologies Private Limited	Services received	-	0.50
Heptagon Technologies Pvt Ltd	Services received	-	3.30

(All amounts in lakhs of INR, except share data and where otherwise stated)

Note 23 Related party disclosures (continued)

ii. Details of related party transactions (continued)

Name of the Related Party	Nature of Transaction	Amount of Transactions	
		For the year ended 31 March 2021	For the year ended 31 March 2020
Allsec Technologies Limited	Services rendered	113.07	-
	Services received	33.74	-
	Reimbursement of expenses - received	0.10	14.70
Quesscorp Manpower Supply Services LLC	Services received	858.09	899.48
MFX Infotech Private Limited	Rental Income Received	60.37	-
	Reimbursement of expenses - received	26.57	-
TATA Sons Private Limited	Services rendered	166.41	197.52
	Reimbursement of expenses - received	0.28	2.54
Tata Limited	Services rendered	34.20	31.69
	Reimbursement of expenses - received	2.69	0.65
Infiniti Retail Limited	Services rendered	297.62	282.31
	Purchase of property, plant and equipment	-	0.49
	Reimbursement of expenses - received	-	0.35
	Reimbursement of expenses - paid	-	2.00
TATA Consultancy Services Limited	Services rendered	803.18	1,115.35
	Reimbursement of expenses - received	14.53	36.17
Tata AIG General Insurance Company Limited	Services rendered	349.57	479.68
	Services received	109.73	116.26
	Reimbursement of expenses - received	1.60	0.75
	Claims received	1.52	-
TATA Sky Limited	Services rendered	8,503.89	12,149.86
	Reimbursement of expenses - received	497.84	528.60
TATA Capital Financial Services Limited	Services rendered	5,358.07	6,373.27
	Services received	200.23	215.72
	Reimbursement of expenses - received	281.79	358.82
	Lease Rentals paid	404.21	643.24
	Interest on term loan	-	9.97
	Purchased of Assets	30.90	139.22
TATA Capital Housing Finance Limited	Services rendered	1,844.18	1,957.26
	Reimbursement of expenses - received	89.17	64.99
TATA Housing Development Company Limited	Services rendered	62.36	69.00
TATA Value Homes Limited	Services rendered	49.46	-
	Reimbursement of expenses - received	1.44	
Kriday Reality Private Limited	Services rendered	1.19	12.52
Sector 113 Gatevida Developers Private Limited	Services rendered	17.72	17.48
Promont Hilltop Private Limited	Services rendered	9.78	8.91
Smart Value Homes (Peenya Project) Private Limited	Services rendered	17.97	10.43
Smart Value Homes (Boisar) Private Limited	Services rendered	12.61	17.66
Princeton Infrastructure Private Limited	Services rendered	3.12	2.56
HL Promotors Private Limited	Services rendered	8.04	9.09
Tata Unistore Limited	Services rendered	3,296.19	1,704.04
	Reimbursement of expenses - received	49.38	17.63
Tata Capital Limited	Services rendered	3.47	6.08
	Services received	513.55	639.46
Tata Cleantech Capital Limited	Services rendered	11.08	9.61
	Reimbursement of expenses - received	0.05	0.01
Tata Securities Limited	Services rendered	21.38	10.10
	Reimbursement of expenses - received	0.64	0.02
Ardent Properties Pvt Ltd	Services rendered	21.74	31.34
Tata Teleservices Limited	Services rendered	70.57	88.66
	Services received	29.72	14.29
	Reimbursement of expenses- paid	95.91	133.55
Tata Teleservices (Maharashtra) Limited	Services rendered	20.06	21.44
	Services received	87.99	61.78
	Reimbursement of expenses- paid	355.44	475.83
Tata International West Asia DMCC	Services received	-	0.18

(All amounts in lakhs of INR, except share data and where otherwise stated)

Note 23 Related party disclosures (continued)

ii. Details of related party transactions (continued)

Name of the Related Party	Nature of Transaction	Amount of Transactions	
		For the year ended 31 March 2021	For the year ended 31 March 2020
Tata International Limited	Services rendered	16.57	16.58
Tata Communications Limited	Services rendered	591 66	605 06
	Services received	658.57	713 31
	Reimbursement of expenses - received	30.27	51 11
	Reimbursement of expenses - paid	31 38	55 26
	Rental Income Received	23 84	22 70
Tata Communications Payment Solutions Limited	Services rendered	4.44	-
	Reimbursement of expenses - received	0 12	0 12
Tata Communications Transformation Services Limited	Services rendered	-	1.11
Tata Africa Holdings (SA) (Proprietary) Limited	Services rendered	26.37	21 31
	Reimbursement of expenses - received	6.60	4.75
Land kart Builders Private Limited	Services rendered	49.68	38.83
	Reimbursement of expenses - received	-	0.23
Tata Realty and Infrastructure Limited	Services rendered	14 60	-
Key Management Personnel:			
(i) Mr Neeraj Tandon	Remuneration	183 95	203 27
(ii) Mr A S Krishnan	Remuneration	54.51	62.43
(iii) Mr V Sampath	Remuneration	43 51	50 21

Break up for Compensation to key managerial personnel

	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term employee benefits*	268 07	302 07
Post-employment benefit*	13 90	13 84
	281.97	**315.91**

* As the future liabilities for gratuity and compensated absences is provided on an actuarial basis and payment of insurance costs are made for the Company as a whole , the amount pertaining to the key management personnel is not ascertainable, therefore, not included above

iii. Balances due to or due from related parties as on the balance sheet date

Name of the Related Party	Nature of receivable or (payable)	Balance as at	
		31 March 2021	31 March 2020
Quess Corp Limited	Trade receivables	153 49	51 46
	Trade payables	479 43	342 58
Terrier Security Services India Private Limited	Trade receivables	16 10	-
	Trade payables	118 34	142 89
Heptagon Technologies Pvt Ltd	Trade payables	-	1 28
MFX Infotech Private Limited	Trade receivables	48.48	-
Allsec Technologies Limited	Trade receivables	53 55	-
	Trade payables	13.32	14.70
Quesscorp Manpower Supply Services LLC	Trade payables	0.01	-
TATA Sons Private Limited	Trade receivables	20.37	44 90
TATA Consultancy Services Limited	Trade receivables	191 40	299 01
Tata AIG General Insurance Company Limited	Trade receivables	50 43	50 12
	Advance to Supplier	(109.71)	-
	Current Loans	10 00	10.00
TATA Sky Limited	Trade receivables	832.99	881.48
Infiniti Retail Limited	Trade receivables	49 92	36 22
TATA Capital Financial Services Limited	Trade receivables	900 61	510 23
	Trade payables	84 10	181 94
	Current Loans	37.16	37 16
TATA Capital Housing Finance Limited	Trade receivables	397 30	125 90
TATA Housing Development Company Limited	Trade receivables	44 84	64 24
TATA Value Homes Limited	Trade receivables	28 00	9 57
Kriday Reality Private Limited	Trade receivables	1 02	6 40
Sector 113 Gatevida Developers Private Limited	Trade receivables	6 30	12 82
Promont Hilltop Private Limited	Trade receivables	0 36	(1 44)
Smart Value Homes (Peenya Project) Private Limited	Trade receivables	27.48	11 89
Smart Value Homes (Boisar) Private Limited	Trade receivables	7 31	6 06
HL Promotors Pvt Ltd	Trade receivables	4.06	2 10

Conneqt Business Solutions Limited
Notes to the financial statements (continued)
(All amounts in lakhs of INR, except share data and where otherwise stated)

Note 23 Related party disclosures (continued)

iii. Balances due to or due from related parties as on the balance sheet date

Name of the Related Party	Nature of receivable or (payable)	Balance as at	
		31 March 2021	31 March 2020
Princeton Infrastructure Private Limited	Trade receivables	1 05	0 19
Tata Unistore Limited	Trade receivables	718 73	391 26
Tata Limited	Trade receivables	5 70	16 99
Tata Capital Limited	Trade receivables	1 35	2 76
	Trade payables	114.51	157 03
	Current Loans Receivables	-	9 37
Tata Cleantech Capital Limited	Trade receivables	0.38	-
	Advance to Customer	-	0 16
Tata Securities Limited	Trade receivables	3.31	1 44
Ardent Properties Pvt Ltd	Trade receivables	4 41	26 67
Tata Teleservices Limited	Trade receivables	21 34	48 63
	Advance to Supplier	-	6 54
Tata Teleservices (Maharashtra) Limited	Trade receivables	1 92	6 55
	Trade payables	14.59	28 72
Tata International Limited	Trade receivables	1 39	3 02
Tata Communications Limited	Trade receivables	184 09	298 71
	Trade payables	259 13	246 30
Tata Communications Payment Solutions Limited	Trade receivables	0 47	0 09
Tata Communications Transformation Services Limited	Trade receivables	-	1 75
Tata Africa Holdings (SA) (Proprietary) Limited	Trade receivables	16 19	18 71
Land kart Builders Private Limited	Trade receivables	27 24	15 19
Tata Realty and Infrastructure Limited	Trade receivables	13.64	1 97

(All amounts in INR lakhs, except share data and where otherwise stated)

Note 24 Financial instruments

The carrying value and fair value of financial instruments by categories as at 31 March 2021 is as follows:

Particulars	Carrying value		Fair value
	31 March 2021	31 March 2020	'Level
Financial assets			
Financial assets measured at amortised cost			
Non-current loans receivables	1,066.11	1,329.11	-
Trade receivables	9,503.09	10,643.11	-
Other financial assets (current and non-current)	7,993.65	7,556.10	-
Current loans receivables	953.21	646.94	-
Cash and cash equivalents	9,840.78	6,879.28	-
Total assets	**29,356.84**	**27,054.54**	-
Financial liabilities			
Financial liabilities not measured at fair value			
Borrowings including current maturities (current and non-current)	356.91	416.20	-
Trade payables	1,356.96	898.57	-
Other financial liabilities*	10,745.54	14,253.23	-
Total liabilities	**12,459.41**	**15,568.00**	-

*excludes current maturities of long-term borrowings

Fair value hierarchy

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The management assessed that the carrying amounts of financial assets and liabilities recognised in the financial statements approximate their fair values and hence no further details about the fair value measurements are given.

Note 25 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
a) Credit risk ;
b) Liquidity risk ; and
c) Market risk

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Credit risk on cash and cash equivalents and other bank balances and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loan represents security deposits/ loans given to suppliers, employees and others. The credit risk associated with such deposits/ loans is relatively low.

Trade receivables and unbilled revenue

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base.
The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.
The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to two months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for customers as at 31 March 2021 and 31 March 2020 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivables from customers and unbilled revenue.
Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 730 days past due. Loss rates are based on actual credit loss experience over the last eight quarters.

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

Particulars	31 March 2021	31 March 2020
Balance as at the beginning of the year	800.59	420.67
Loss allowances (reversed)/ recognised during the year	(224.29)	379.92
Balance as at the end of the year	**576.30**	**800.59**

The movement in the allowance for impairment in respect of Unbilled revenue is as follows:

Particulars	31 March 2021	31 March 2020
Balance as at the beginning of the year	32.59	-
Loss allowances recognised during the year	29.84	32.59
Balance as at the end of the year	**62.43**	**32.59**

Trade receivables of INR 9,503.09 lakhs as at March 31, 2021 (31 March 2020: INR 10,564.17 lakhs) forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment that the Management expects the collection period to be stretched in the light of the pandemic. Accordingly the ECL model has been adjusted to reflect the impact on DSO. The additional ECL on account of above assessment is INR 471.87 lakhs (31 March 2020: INR 455 lakhs).The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

(All amounts in INR lakhs, except share data and where otherwise stated)

Note 25 Financial risk management (continued)

b) Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposits and other financial instruments. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020:

As at 31 March 2021

Particulars		Contractual cash flows			
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings*	356.91	150.92	130.82	125.53	-
Trade payables	1,356.96	1,356.96	-	-	-
Other financial liabilities	10,745.54	10,745.54	-	-	-

* includes current maturities of long-term borrowings

As at 31 March 2020

Particulars		Contractual cash flows			
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings*	416.20	160.91	142.47	193.56	-
Trade payables	898.57	898.57	-	-	-
Other financial liabilities	14,253.23	14,253.23	-	-	-

* includes current maturities of long-term borrowings

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

d) 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 borrowing as at 31 March 2021 and 31 March 2020 comprises only loans at fixed interest rates, which do not expose it to significant interest rate risk.

Note 25 Financial risk management (continued)

e) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales are denominated and the respective functional currency of the Company

Exposure to currency risk

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

Particulars	Currency	31 March 2021		31 March 2020	
		Foreign currency*	INR	Foreign currency*	INR
Trade receivables	USD	473,644.99	346.28	146,928.31	111.17
	GBP	236,336.29	238.11	248,072.50	231.95
	AED	573,266.49	114.11	1,157,909.42	238.53
	QAR	16,063.73	3.21	11,718.21	2.42
	SGD	237.03	0.13	-	-
Cash and cash equivalents	USD	44,133.00	32.26	205,002.00	155.11

*Foreign currency values are in actuals and not in lakhs.

The following significant exchange rates have been applied

Currency	Year end spot rates	
	31 March 2021	31 March 2020
USD/ INR	73.11	75.67
GBP/ INR	100.75	93.50
AED/ INR	19.91	20.60
QAR/ INR	19.96	20.64
SGD/ INR	54.35	-

Sensitivity analysis

The profit or loss is sensitive to foreign exchange gain/ loss as a result of changes in foreign exchange rates.

	Impact on profit before tax	
	31 March 2021	31 March 2020
Foreign exchange rate - Increases by 5%	36.71	36.96
Foreign exchange rate - Decreases by 5%	(36.71)	(36.96)

Note 26 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company's adjusted net debt to equity ratio were as follows:

	As at 31 March 2021	As at 31 March 2020
Total liabilities	31,817.20	35,026.12
Less: Cash and bank balances	9,965.78	7,004.28
Adjusted net debt (borrowings net of cash and bank balances)	**21,851.42**	**28,021.84**
Total equity	**58,234.40**	**46,993.42**
Adjusted net debt to equity ratio	**0.38**	**0.60**

(All amounts in INR lakhs, except share data and where otherwise stated)

Note 27 Assets and liabilities relating to employee benefits

i. Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance, which are defined contribution plans The Company has no obligations other than to make the specified contributions The contributions are charged to the statement of profit and loss as they accrue The amount recognised as an expense towards contribution to provident fund and employee state insurance for the year is included in "contribution to provident and other funds" (refer note 19)

ii. Defined benefit plans

The Company provides its employees with the benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit

Reconciliation of the net defined benefit asset/ liability

The following table sets out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at 31 March 2021 and 31 March 2020:

Reconciliation of present value of defined benefit obligation

Particulars	**31 March 2021**	**31 March 2020**
Change in defined benefit obligation		
Obligation at the beginning of the year	2,007 72	1,375 81
Current service cost	408 37	280 15
Interest cost	129 09	97.29
Liability transferred in / Acquisitions	43 54	-
Benefit paid	(212 28)	(278 83)
Actuarial loss- experience	17.71	340.59
Actuarial loss- financial assumptions	66 62	192.71
Obligation at end of the year	**2,460.77**	**2,007.72**
Change in plan assets		
Plan assets at beginning of the year, at fair value	819 45	834.19
Interest income on plan assets	52 69	58 98
Re-measurement- actuarial loss	(44 38)	(44 89)
Contributions	325 00	250 00
Benefits paid	(212 28)	(278 83)
Plans assets at end of year, at fair value	**940.48**	**819.45**

Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Fair value of plan assets at the end of the year	940 48	819.45
Present value of the defined benefit obligations at the end of the year	(2,460 77)	(2,007 72)
Liability recognised in the balance sheet	(1,520 29)	(1,188 27)

Expense recognised in statement of profit and loss

Particulars	**31 March 2021**	**31 March 2020**
Service cost	408.37	280 15
Net interest on net defined benefit liability	76 40	38 31
Total	**484.77**	**318.46**

Expenses recognised in Other comprehensive income (OCI)

	31 March 2021	**31 March 2020**
Re-measurement- actuarial (gain)/loss in regard with defined benefit obligation	84 33	533 30
Re-measurement- actuarial (gain)/loss in regard with plan assets	44 38	44 89
Total	**128.71**	**578.19**

Plan assets

Plan assets comprise of the following:

	31 March 2021	**31 March 2020**
Funds managed by Life Insurance Corporation of India	940 48	819 45
	940.48	**819.45**

The Company makes annual contribution to the life insurance corporation ('LIC') of an amount advised by LIC. The Company was not informed by LIC of the investments made by them or the breakup of the plan assets in to various type of investments

Note 27 Assets and liabilities relating to employee benefits (continued)

Actuarial assumptions

Particulars	31 March 2021	31 March 2020
Expected return on plan assets	6.26%	6.43%
Discount rate	6.26%	6.43%
Salary escalation rate	8.30%	8.30%
Attrition rate	Service <5 40.8% Service >=5 2%	Service <5 40.8% Service >=5 2%
Retirement age	58	58

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Future salary escalation rate: The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

Expected rate of return on plan assets: The expected return on plan assets is based on expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 March 2021		31 March 2020	
	Increase	**Decrease**	**Increase**	**Decrease**
Gratuity Plan				
Discount rate (1 % movement)	(359.77)	445.28	(290.22)	359.81
Future salary growth (1 % movement)	431.54	(356.63)	349.32	(288.11)
Withdrawal rate (1% movement)	(98.57)	113.63	(68.48)	79.33

Maturity analysis of the benefit payments: from the fund

Projected benefits payable in future years from the date of reporting:

	31 March 2021	31 March 2020
1st Following year	32.68	58.48
2nd Following year	38.51	31.99
3rd Following year	64.43	39.86
4th Following year	50.51	63.23
5th Following year	91.95	47.76
Sum of years 6 to 10	464.23	400.47
Sum of years 11 and above	7,284.45	6,138.55

Note 28 Segment Reporting

a. Reportable Segment:

The operating segment of the Company has been identified as "Business Process Outsourcing Services includes Contact Centre Services" as the Chief Operating Decision Maker reviews the business performance at an overall Company level as one segment.

b. Geographical information:

Geographic segment of the company are services rendered within India and export of services to outside India

	For the year ended 31 March 2021	For the year ended 31 March 2020
Segment revenue		
- Within India	84,021.02	93,635.20
- Outside India	5,054.62	3,959.71
Total	**89,075.64**	**97,594.91**
Segment assets (Non-current assets)*		
- Within India	55,918.93	46,665.74
- Outside India	-	-
Total	**55,918.93**	**46,665.74**

** Segment assets excludes non-current tax assets and deferred tax assets, net*

c. Information about major customer

Revenue from one of the Company's Business processing outsourcing customer is INR 8,503.79 Lakhs (31 March 2020: INR 12,149.86 Lakhs) which constitutes 9.55% (31 March 2020: 12.45%) of the Company's total revenue.

Note 29 Earnings per share (EPS)

	For the year ended 31 March 2021	For the year ended 31 March 2020
i Nominal value of equity shares (INR per share)	10 00	10 00
ii Profit / (Loss) attributable to equity shareholders	17,837 30	(8,214 62)
iii Weighted average number of equity shares	149,463,887	141,229,789
Basic EPS (in INR)	**11.93**	**(5.82)**

	For the year ended 31 March 2021	For the year ended 31 March 2020
i Nominal value of equity shares (INR per share)	10 00	10.00
ii. Profit / (loss) attributable to equity shareholders	17,837.30	(8,214.62)
iii. Weighted average number of equity shares	160,174,846	141,229,789
Diluted EPS (in INR)*	**11.14**	**(5.82)**

*31 March 2021: None (31 March 2020: 10% Compulsory Covertible Debentures are anti dilutive in nature and the same have not been considered for calculating diluted earnings per share)

Note 30 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961 Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the domestic and international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by 30 November 2021, as required by law. The Management is of the opinion that its domestic and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation

Note 31 Leases

A. The Company leases many assets including buildings, facility assets and IT equipment. For information about leases for which the Company is a lessee refer Note 3

The following is the break-up of current and non-current lease liability as at 31 March 2021 and 31 March 2020:

Current	5,046.03	4,614.00
Non- current	10,015.63	10,589.12
	15,061.66	**15,203.12**

Amounts recognised in statement of profit or loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Amortisation on right-of-use assets	5,684 61	5,513 02
Interest on lease liabilities	1,457 31	1,605 82
Expenses relating to short-term leases	470 09	782.76
Total	**7,612.01**	**7,901.60**

Amounts recognised in the statement of cash flows

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Payment of lease liabilities	(6,377 38)	(4,566 09)
Total cash outflow on leases	**(6,377.38)**	**(4,566.09)**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	6,268 33	5,854.93
One to five years	11,153 20	11,947 42
More than five years	149 99	283 20
Total undiscounted lease liabilities	**17,571.52**	**18,085.55**

B As a lessor

Sub-letting income in respect of cancellable leases recognised in the statement of profit and loss for the year ended 31 March 2021 is INR 91 31 lakhs (31 March 20: INR 22.70 lakhs) included in 'Other Income'

Note 31 Leases (continued)

C. **Changes in accounting policies**

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

The Company applied Ind AS 116 with a date of initial application of 1 April 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below.

The Company applied Ind AS 116 using the modified retrospective approach. The details of the changes in accounting policies are disclosed below.

(i) Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under Ind AS 17. Under Ind AS 116, the Company assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 2.4.

On transition to Ind AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied Ind AS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2010.

(ii) As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Company decided to apply recognition exemptions to short-term leases of machinery and leases of IT equipment. For leases of other assets, which were classified as operating under Ind AS 17, the Company recognised right-of-use assets and lease liabilities.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at either:

— their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application – the Company applied this approach to its largest property leases, or

— an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Company applied this approach to all other leases.

The Company used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17:

— Applied a single discount rate to a portfolio of leases with similar characteristics.

— Adjusted the right-of-use assets by the amount of Ind AS 37 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review

— Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.

— Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

— Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

(iii) As a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application.

Under Ind AS 116, the Company is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset. On transition, the Company reassessed the classification of a sub-lease contract previously classified as an operating lease under Ind AS 17 and concluded that it continues to be an operating lease

The Company applied Ind AS 115 Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component.

(iv) Impacts on financial statements

On transition to Ind AS 116, the Company recognised an additional INR 17,113.29 of right-of-use assets and INR 16,825.66 of lease liabilities.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The rate applied is 10%.

The Company has applied practical expedient as per para 46A and 46B of the Indian Accounting Standard (Ind AS 116) vide Companies (Indian Accounting Standards) Amendment Rules, 2020 to all rent concessions received as a direct consequence of COVID-19 pandemic. Accordingly, the Company has recognised and amount of INR 325 lakhs in the statement of profit and loss as reduction of rent expense grouped under other expenses on account of rent concessions received during the current year.

Note 32 Contingent liabilities

	As at 31 March 2021	As at 31 March 2020
Claims against Company not acknowledged as Debt		
i. Service tax *	4,855.57	4,855.57
ii. Goods and Service Tax	126.28	79.99
ii. Other claims	305.59	305.59
	5,287.44	**5,241.15**

* The Company has received show cause notice from Directorate General of Central Excise Intelligence dated April 19, 2017 for an amount of INR 4,433.35 plus interest and penalty regarding availment of ineligible cenvat credit on services provided to the Company by the dealers of automobile companies. The Company has filed a response on 11 October 2017. The matter is pending before Central Excise and Service Tax Appellate Tribunal, Hyderabad.

The Management is of the view that the above claims are being contested by the Company and no provision is required to be made at this stage including consequential interest and penalties, if any, pending outcome of the matter.

i) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before various tax authorities. The amounts included above represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such dispute. The Company's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial conditions. The Company has accrued appropriate provision wherever required.

ii) On 28th February 2019, the Hon'be Supreme Court of India has delivered a judgement clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. In respect of the earlier periods/years, the Company has been legally advised that there are numerous interpretative challenges on the application of the judgement retrospectively. Based on such legal advice, the management believes that it is impractical at this stage to reliably measure the impact (if any). Necessary adjustments, if any, will be made as more clarity emerges on the subject.

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that there are no material foreseeable losses on such long term contracts which needs to be provided for in the books of account.

Conneqt Business Solutions Limited
Notes to the financial statements (continued)
(All amounts in INR lakhs, except share data and where otherwise stated)

Note 33 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 237.71 Lakhs (31 March 2020: INR 985.79 lakhs) [Net of Capital advances of INR Nil (31 March 2020: INR 5.45 lakhs).

Note 34 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 35 Subsequent events

(a) On 24 December 2020, Tata Sons Private Limited, the other shareholder of the Company has exercised its put option and requested Quess Corp Limited to complete the purchase of 44,839,166 equity shares as per Shareholders' agreement dated 20 November 2017. Subsequent to the reporting date, vide letter dated 16 April 2021, Quess Corp Limited informed the stock exchanges regarding the acquisition of residual 30% stake in the Company. With this acquisition, the Company has become a wholly owned subsidiary of Quess Corp Limited.

(b) On 17 May 2021, Allsec Technologies Limited, subsidiary company of the Company, had declared an interim dividend of INR. 15/- per equity share aggregating to INR. 167.70 lakhs (subject to TDS) for the 73.39% equity shares held by the Company in Allsec Technologies Limited. In view of dividend receipt and considering the financial results, the Companyproposed to declare an interim dividend of INR. 1.13/- per equity share of INR 10/- each, aggregating to INR 168.90 lakhs (subject to TDS) to its holding company, Quess Corp Limited for the financial year 2020-21. Quess Corp, 100% holding company, are having 14,94,63,887 equity shares of INR 10/- each, as on 17 May 2021.

(c) On 16 April 2021, the Board of Directors of the Company at its meeting, approved the redemption of 3,332,000 Convertible Debentures of Rs. 100/ each, aggregating INR 3,332 lakhs, out of balance 8,200,000 Convertible Debentures of INR 100/- each.

Note 36 Impact of Covid

In view of recent surge in COVID-19 cases, few states reintroduced some restrictions and the Company continues to be vigilant and cautious. The Company has considered the possible impact of COVID-19 in preparation of the financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

As per our Report of even date attached.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.: 116231W/ W- 100024

Hemant Maheshwari
Digitally signed by Hemant Maheshwari
Date: 2021.05.26 22:49:10 +05'30'

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Hyderabad
Date: 26 May 2021

for **and on behalf of the Board of Directors**
Conneqt Business Solutions Limited
CIN: U64200TG1995PLC044060

SURAJ KRISHNA MORAJE

Suraj K Moraje
Chairman
DIN: 08594844

GURUPRASAD SRINIVASAN
Digitally signed by GURUPRASAD SRINIVASAN Date: 2021.05.26 21:36:00 +05'30'

Srinivasan Guruprasad
Director
DIN: 07596207

Arjun Ramaraju
Digitally signed by Arjun Ramaraju Date: 2021.05.26 20:12:00 +05'30'

Arjun Ramaraju
Chief Executive Officer

SUBRAMANIAN KRISHNAN ARANGOTTUKARA
Digitally signed by SUBRAMANIAN KRISHNAN ARANGOTTUKARA Date: 2021.05.26 19:18:14 +05'30'

A.S. Krishnan
Chief Financial Officer

SAMPATH VISHNUBHOTLA
Digitally signed by SAMPATH VISHNUBHOTLA Date: 2021.05.26 19:18:32 +05'30'

V. Sampath
Company Secretary

Place: Bengaluru
Date: 26 May 2021

PRAVEEN JAYADEEP & Co
Chartered Accountants
No.7, 2nd Floor, 22nd Cross, Cubbonpet, Bangalore-560002 (Ph-080-40930061)

INDEPENDENT AUDITORS' REPORT

To the members of
M/s Simpliance Technologies Private Limited
Bangalore

Report on the Ind AS Financial Statements

1. Opinion

We have audited the accompanying Ind AS financial statements of Simpliance Technologies Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss for the year then ended, the statement of cash flows and the statement of changes in equity and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2021, its profit/loss, its cash flows and the changes in equity for the year ended on that date.

2. Basis for Opinion

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

3. Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

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

4. Management's Responsibility for the Ind AS Financial Statements

The management and Director of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

5. Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

6. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section143 of the Act, we give in the "Annexure A", a statement on the matters Specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we further report that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) the Balance Sheet, Statement of Profit and Loss, the cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

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

e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.

f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

   iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **Praveen Jayadeep & co.**
Chartered Accountants
FRN:-015597S

PRAVEEN KUMAR

(Praveen Kumar)
Partner
Membership No.229874
Place: Bangalore
Date: 31-05-2021
UDIN-21229874AAAADF4344

PRAVEEN JAYADEEP & Co
Chartered Accountants
No.7, 2nd Floor, 22nd Cross, Cubbonpet, Bangalore-560002 (Ph-080-40930061)

Annexure - A to the Auditors' Report:

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2021, we report that:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company there are no immovable properties are held in the name of the Company.

ii. The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

iii. The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. The Company has not accepted any deposits from the public.

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

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, GST, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute.

viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

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

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not allotted any shares through preferential allotment or private placement of shares during the year.

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

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Praveen Jayadeep & co.**

Chartered Accountants

FRN:-015597S

PRAVEEN KUMAR Digitally signed by PRAVEEN KUMAR Date: 2021.05.31 12:48:59 +05'30

(Praveen Kumar)
Partner
Membership No.229874

Place: Bangalore
Date: 31-05-2021
UDIN-21229874AAAADF4344

Annexure - B to the Auditors' Report:

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

We have audited the internal financial controls over financial reporting of Simpliance Technologies Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls.

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Praveen Jayadeep & co.**

Chartered Accountants

FRN:-015597S

PRAVEEN KUMAR Digitally signed by PRAVEEN KUMAR Date: 2021.05.31 12:49:18 +05'30'

(Praveen Kumar)

Partner

Membership No.229874

Place: Bangalore

Date:31-05-2021

UDIN-21229874AAAADF4344

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

(Amount in INR)

Balance Sheet	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,68,797	13,19,987
Goodwill	4	-	-
Other intangible assets	4	1,13,88,700	87,39,384
Intangible assets under development	4	-	-
Financial assets			
(i) Investments	5	-	-
(ii) Non-current loans	6	-	-
(iii) Other non-current financial assets	7	4,00,00,000	2,00,00,000
Deferred tax assets (net)	8	-	-
Income tax assets (net)	8	-	-
Other non-current assets	9	-	-
Total non-current assets		**5,29,57,497**	**3,00,59,371**
Current assets			
Inventories	10	-	-
Financial assets			
(i) Investments	11	-	-
(ii) Trade receivables	12	1,33,58,257	1,73,36,772
(iii) Cash and cash equivalents	13	63,80,441	39,80,810
(iv) Bank balances other than cash and cash equivalents above	14	-	-
(iv) Current loans	15	-	-
(v) Other current financial assets	16	-	-
(vi) Unbilled revenue	17	-	-
Other current assets	18	51,11,949	72,90,369
Total current assets		**2,48,50,647**	**2,86,07,951**
Total assets		**7,78,08,144**	**5,86,67,322**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	2,34,050	2,34,050
Other equity	20	6,82,06,116	5,20,02,975
Total equity		**6,84,40,166**	**5,22,37,025**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Non-current borrowings	21	-	-
(ii) Other non-current financial liabilities	22	-	-
Non-current provisions	23	-	-
Total non-current liabilities		-	-
Current liabilities			
Financial liabilities			
(ii) Current borrowings	24	-	-
(iii) Trade payables	25	-	-
(iv) Other current financial liabilities	26	13,19,716	16,58,267
Deferred income tax liabilities (net)	8	4,95,799	4,35,757
Current provisions	27	20,03,170	12,15,617
Other current liabilities	28	55,49,293	31,20,656
Total current liabilities		**93,67,978**	**64,30,297**
Total Liabilities		**93,67,978**	**64,30,297**
Total Equity and Liabilities		**7,78,08,144**	**5,86,67,322**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Praveen Jayadeep & Co**
Chartered Accountants
Firm's Registration No : 015597s

PRAVEEN KUMAR

Praveen Kumar
Partner
Membership No 229874

for and on behalf of Board of Directors of
SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

ANILPREM DSOUZA

Anil Prem DSouza
Director

HANSA SHARMA

Hansa Sharma
Director

Place: Bengaluru
Date: 31-05-2021

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

(Amount in INR)

Statement of Profit and Loss	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	29	7,50,52,006	6,63,71,120
Other income	30	20,67,755	10,46,432
Total income		**7,71,19,761**	**6,74,17,552**
Expenses			
Cost of material and stores and spare parts consumed	31	-	-
Employee benefit expenses	32	3,59,50,597	2,83,27,348
Finance costs	33	4,420	39,993
Depreciation and amortisation expense	34	56,69,296	50,73,351
Other expenses	35	1,38,42,760	1,35,07,701
Total expenses		**5,54,67,072**	**4,69,48,393**
Profit before tax		**2,16,52,689**	**2,04,69,159**
Tax expense			
Current tax	8	53,89,506	21,13,334
Adjustments of tax relating to earlier periods	8	-	(16,489)
Deferred tax	8	60,042	(63,025)
Total tax expenses		**54,49,548**	**20,33,820**
Profit for the year		**1,62,03,141**	**1,84,35,339**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans	44		
Income tax relating to items that will not be reclassified to profit or loss			
Other comprehensive income/ (expense) for the year, net of income tax		-	-
Total comprehensive income for the year		**1,62,03,141**	**1,84,35,339**
Earnings per equity share (face value of Rs 10 each)			
Basic (in Rs)	42	**692**	**788**
Diluted (in Rs)	42	**692**	**788**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **Praveen Jayadeep & Co**
Chartered Accountants
Firm's Registration No : 015597s

PRAVEEN KUMAR Digitally signed by PRAVEEN KUMAR Date: 2021.05.31 13:50:34 +05'30'

Praveen Kumar
Partner
Membership No : 229874

for and on behalf of Board of Directors of
SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

ANILPREM DSOUZA Digitally signed by ANILPREM DSOUZA

HANSA SHARMA Digitally signed by HANSA SHARMA

Anil Prem DSouza
Director

Hansa Sharma
Director

Place: Bengaluru
Date: 31-05-2021

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Statement of Changes in Equity for the year ended 31 March 2021

(A) Equity share capital

(Amount in INR)

Particulars	Note	31 March 2021	31 March 2020
Opening balance	19	2,34,050.00	2,34,050.00
Changes in equity share capital	19	-	-
Closing balance		**2,34,050.00**	**2,34,050.00**

(B) Other equity

(Amount in INR)

Particulars	Note	Reserves and surplus							Other items of other comprehensive income	Total equity attributable to equity holders of the Company
		Securities premium	Retained earnings	Capital reserve	General reserve	Stock options outstanding account	Debenture redemption reserve	Other Reserves	Remeasurement of the net defined benefit liability/asset	
Balance as of 1 April 2019		**4,48,75,950**	**-**	**-**	**(1,13,08,314)**					**3,35,67,636**
Add: Premium received on issue of equity shares	20	-	-	-	-	-	-	-	-	-
Less: Share issue expenses	20	-								-
Add: Profit for the year					1,84,35,339					1,84,35,339
Less: Premium on allotment of ESOP	20									
Add: Other comprehensive income (net of tax)										
Add: Commitment to issue shares	20									
Add: Transfer to debenture redemption reserve	20									
Balance as of 31 March 2020		**4,48,75,950**	**-**	**-**	**71,27,025**	**-**	**-**	**-**	**-**	**5,20,02,975**
Balance as of 1 April 2020		**4,48,75,950**	**-**	**-**	**71,27,025**	**-**	**-**	**-**	**-**	**5,20,02,975**
Add: Premium received on issue of equity shares	20	-								-
Less: Share issue expenses	20									-
Add: Profit for the year					1,62,03,141					1,62,03,141
Add: Share based payments	20									-
Less: Issure of Shares against commiments										-
Add: Other comprehensive income (net of tax)										-
Add: Transfer to debenture redemption reserve	20									-
Balance as of 31 March 2021		**4,48,75,950**	**-**	**-**	**2,33,30,166**	**-**	**-**	**-**	**-**	**6,82,06,116**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **Praveen Jayadeep & Co**
Chartered Accountants
Firm's Registration No.: 015597s

PRAVEEN KUMAR

Praveen Kumar
Partner
Membership No : 229874

for and on behalf of Board of Directors of
SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

ANILPREM DSOUZA Digitally signed by ANILPREM DSOUZA Date: 2021.05.31 14:29:02 +05'30'

Anil Prem DSouza
Director

HANSA SHARMA Digitally signed by HANSA SHARMA Date: 2021.05.31 13:27:32 +05'30'

Hansa Sharma
Director

Place: Bengaluru
Date: 31-05-2021

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

(Amount in INR)

Statement of Cash Flows	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities		
Profit before tax	2,16,52,689	2,04,69,159
Adjustments for:		-
Depreciation and amortisation expenses	56,69,296	50,73,351
Operating cash flows before working capital changes	**2,73,21,985**	**2,55,42,510**
Working capital adjustments:		
Changes in:		
Inventory	-	-
Trade receivables and security deposits	39,78,515	(92,05,237)
Other current, non-current, unbilled revenue and financial assets	21,78,420	(39,80,360)
Trade payables and other financial liabilities	(3,38,551)	7,03,820
Other liabilities and provisions	32,16,190	26,36,613
Cash generated from operating activities	**3,63,56,559**	**1,56,97,346**
Income taxes paid, net	(53,89,506)	(21,13,334)
Net cash provided by/ (used in) operating activities (A)	**3,09,67,053**	**1,35,84,012**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(85,67,422)	(50,23,963)
Acquisition of shares in subsidiaries	-	-
Acquisition of shares in associates	-	-
Investment in preference shares	-	-
Dividend received on mutual fund units	-	-
Bank deposits (having maturity of more than three months), net	(2,00,00,000)	(50,00,000)
Interest received on term deposits	-	-
Loans given to subsidiaries	-	-
Loans repaid by subsidiaries	-	-
Interest received on loans given to subsidiaries	-	-
Payments to erstwhile minority shareholders		
Net cash used in investing activities (B)	**(2,85,67,422)**	**(1,00,23,963)**
Cash flows from financing activities		
Loan from Directors	-	-
Proceeds from issue of Shares	-	-
Net cash provided by financing activities (C)	-	-
Net increase in cash and cash equivalents (A+B+C)	**23,99,631**	**35,60,049**
Cash and cash equivalents at the beginning of the year	39,80,810	4,20,760
Cash and cash equivalents at the end of the year (refer note 13)	**63,80,441**	**39,80,810**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **Praveen Jayadeep & Co**
Chartered Accountants
Firm's Registration No : 015597s

PRAVEEN KUMAR

Praveen Kumar
Partner
Membership No.: 229874

for and on behalf of Board of Directors of
SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

ANILPREM DSOUZA

HANSA SHARMA Digitally signed by HANSA SHARMA Date: 2021.05.31

Anil Prem DSouza
Director

Hansa Sharma
Director

Place: Bengaluru
Date: 31-05-2021

Company overview and Significant accounting policies

1 Company overview

Simpliance Technologies Pvt Ltd("the Company") is a private limited company incorporated and domiciled in India. The registered office of the Company is located at No.2, S R Complex, S G Palya, D R College PO, Thaverekere Main Road, Bangalore - 560029 Karnataka, India. The Company is engaged inproviding technology based Governance, Risk and Compliance Solutions.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2.1 Basis of accounting and preparation of Ind AS financial statements

Statement of compliance:

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost convention on the accrual basis. The IndAS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.2 Basis of measurement

The Ind AS financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following:

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);

ii. Share based payment transactions measured at fair value;

iii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO"); and

iv. Contingent consideration in business combination measured at fair value

2.3 Use of estimates and judgement

The presentation of Financial Statements in conformity with IndAS requires estimates and assumptions to be made that affect the reported amount of Assets and Liabilities as on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the Ind AS financial statements is included in the following notes:

i. **Contingent liabilities:** Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs (except, in the extremely rare circumstances where no reliable estimate can be made).

ii. **Income taxes:** Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Availability of future taxable profits against which deferred tax amount can be used.

iii. **Property, plant and equipment:** Useful life of asset.

iv. **Other estimates:** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.4 Functional and presentation currency

Items included in the Ind AS financial statements of Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is also the company's functional currency.

2.5 Property, plant and equipment:

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of the items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Written Down Value Method('WDV'), and is recognized in the statement of profit and loss. Depreciation for assets purchased/ sold during the year is proportionately charged. The Company has considered the estimated useful life for items of property, plant and equipment as per Part C of Schedule II of the Companies Act, 2013.

Asset category	Estimated useful life
Furniture and Fixtures	10 years
Computer equipment	3 years
Office equipment	5 years
Software & Applications	6 years

The assets residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial yearend. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in progress'.

2.6 Intangible assets

(i) **Goodwill:** There are no such goodwill purchases during the year.

(ii) Other intangible assets

Internally generated: Research and development

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software includes employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit and loss as and when incurred

(iv) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortization expenses in statement of profit and loss.

The estimated useful lives of intangibles are as follows:

Asset category	Estimated useful life
Software (owned)	6 years

Amortisation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each financial year.

2.7 Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

2.8 Inventories

The nature of Business of company is service oriented. Hence, Inventory is not applicable.

2.9 Revenue recognition

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

When the outcome of the contract cannot be measured reliably, revenue is recognised only to the extent that expenses incurred are eligible to be recovered. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration.

When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

2.10 Other income

Other income is comprised primarily of Consultancy fees charges to clients.

2.11 Employee benefits

(a) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement of the net defined benefit liability/ asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(b) Short-term benefit plans

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if the company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employees, and the amount of obligation can be estimated reliably.

(c) Compensated absences

The employees of the company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

(d) Termination benefits

Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.12 Taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss.

Current tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets unrecognized or recognized, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.13 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

(i) Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Group from the contract is lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognizes any impairment loss on the assets associated with the contract.

2.14 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.15 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ 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.

2.17 Earnings per share

The basic earnings per share is computed by dividing the net profit/ (loss) attributable to owners of the company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.18 Other Income

Other income mostly comprises interest income on deposits. Interest income is recognised using the effective interest method.

2.19 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3 Property, plant and equipment

(Amount in INR)

Particulars	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Plant and machinery	Computer equipment	Total
Gross carrying amount as at 1 April 2019		**22,145.00**	**-**	**87,010.00**	**-**	**15,67,603.68**	**16,76,758.68**
Additions on merger							-
Additions during the year		1,09,600.00		64,900.00		12,62,287.70	14,36,787.70
Disposals during the year							-
Balance as at 31 March 2020	**-**	**1,31,745.00**	**-**	**1,51,910.00**	**-**	**28,29,891.38**	**31,13,546.38**
Additions during the year						13,06,077.51	13,06,077.51
Disposals during the year							-
Balance as at 31 March 2021		**1,31,745.00**		**1,51,910.00**		**41,35,968.89**	**44,19,623.89**
Accumulated depreciation as at 1 April 2019		**6,453.00**	**-**	**63,114.00**	**-**	**9,56,511.00**	**10,26,078.00**
Additions on merger							-
Depreciation for the year		24,291 00		14,680 00		7,28,510.00	7,67,481.00
Accumulated depreciation on deletions							-
Balance as at 31 March 2020	**-**	**30,744.00**	**-**	**77,794.00**	**-**	**16,85,021.00**	**17,93,559.00**
Depreciation for the year		54,777 00		-		10,02,491 00	10,57,268.00
Accumulated depreciation on deletions							-
Balance as at 31 March 2021		**85,521.00**		**77,794.00**		**26,87,512.00**	**28,50,827.00**
Net Carrying amount							
As at 31 March 2020	**-**	**46,224.00**	**-**	**74,116.00**	**-**	**14,48,456.89**	**15,68,796.89**
As at 31 March 2019	**-**	**1,01,001.00**	**-**	**74,116.00**	**-**	**11,44,870.38**	**13,19,987.38**
As at 1 April 2019	**-**	**15,692.00**	**-**	**23,896.00**	**-**	**6,11,092.68**	**6,50,680.68**

There has been no impariment loss recognised during the year or previous year

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Notes to the Standalone financial statements for the year ended 31 March 2021

4 Intangible assets and Intangible assets under development

(Amount in INR)

Particulars	Goodwill (refer note 4.1)	Other intangible assets: Brand value of business acquired (refer note 4.2)	Other intangible assets: Computer software	Other intangible assets: Computer software -others	Total other intangible assets	Intangible assets under development (refer note 4.3)
Gross carrying amount as at 1 April 2019			**1.80.66.950.40**	**1.69.854.56**	**1.82.36.804.96**	
Additions on merger			-			-
Additions during the year			35,87,175.00	-	35,87,175.00	
Disposals for the year						-
Balance as at 31 March 2020	-	-	2,16,54,125.40	1,69,854.56	2,18,23,979.96	-
Additions during the year			72,61,344.49	-	72,61,344.49	-
Disposals for the year						-
Balance as at 31 March 2021			2,89,15,469.89	1,69,854.56	2,90,85,324.45	
					-	
Accumulated amortisation as at 1 April 2019	-		**86,57,675.00**	**1,21,051.00**	**87,78,726.00**	-
Additions on merger	-					
Amortization for the year	-		42,86,690.00	19,180.00	43,05,870.00	-
Accumulated amortization on deletions	-					-
Balance as at 31 March 2020	-	-	1,29,44,365.00	1,40,231.00	1,30,84,596.00	-
Amortization for the year			46,12,028.00		46,12,028.00	-
Accumulated amortization on deletions			-		-	-
Balance as at 31 March 2021			1,75,56,393.00	1,40,231.00	1,76,96,624.00	
Net Carrying amount						
As at 31 March 2020	-	-	1,13,59,076.89	29,623.56	1,13,88,700.45	-
As at 31 March 2019	-	-	87,09,760.40	29,623.56	87,39,383.96	-
As at 1 April 2019	-	-	94,09,275.40	48,803.56	94,58,078.96	-

5 Non-current investments

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
I. Unquoted equity instruments - trade			
Investment in subsidiaries at cost			
Investments in associates at cost			
Total unquoted investments in equity instruments	-	-	-
II. Unquoted preference shares			
Investment in preference shares at fair value			
Total unquoted investments in preference shares	-	-	-
Total non-current investments	-	-	-
Aggregate value of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	-	-	-

6 Non current loans

(Amount in INR)

	Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
	Unsecured, considered good			
10	Security deposits			
		-	-	-

7 Other non-current financial assets

(Amount in INR)

	Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
10	Bank deposits (due to mature after 12 months from the reporting date)	4,00,00,000	2,00,00,000	1,50,00,000
		4,00,00,000	**2,00,00,000**	**1,50,00,000**

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Notes to the Standalone financial statements for the year ended 31 March 2021

8 **Taxes**

A Amount recognised in profit or loss

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
In respect of the current period	53,89,506	-
Excess provision related to prior years (refer note (i) below		
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences		
Increase/ reduction of tax rate		
Income tax expense reported in the Statement of profit and loss	53,89,506	-

(i) As per the amendment in the Finance Act 2016, deduction under Section 80JJAA of Income Tax Act, 1961 was extended across all sectors subject to fulfilment of conditions as stipulated in the said Section. The amendment was first applicable for the financial year ended 31 March 2017.
Since the provision was subject to a number of clarifications and interpretations, the Company had obtained an opinion from an external advisor establishing its eligibility and method to compute deduction under Section 80JJAA in the previous quarter. Resultantly, the Company had accounted for 80JJAA deduction and the related deduction for the year ended 31 March 2021 in the current year.

B Income tax recognised in other comprehensive income

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability/ asset:		
Before tax		
Tax (expense)/ benefit	-	
Net of tax	-	-

C Reconciliation of effective tax rate

(Amount in INR)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020
Profit before tax			
Tax using the Company's domestic tax rate			
Effect of:			
Tax exempt income			
Non-deductible expenses			
Effective tax rate		0.00%	-
Less: Excess provisions relating to earlier years		-	-
Income tax expense reported in the Statement of profit and loss		0.00%	-

D The following table provides the details of income tax assets and income tax liabilities as of 31 March 2021, 31 March 2020 and 1 April 2019

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Income tax assets	-	-	-
Income tax liabilities	4,95,799	4,35,757	5,15,271
Net income tax liability at the end of the year	4,95,799	4,35,757	5,15,271.00

E Deferred tax liability, net

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Deferred tax asset and liabilities are attributable to the following:			
Deferred tax asset:			
Impairment loss allowance on financial assets			
Provision for employee benefits			
Provision for disputed claims			
Provision for rent escalation			
Others			
Deferred tax liabilities:			
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	4,95,799	4,35,757	5,15,271
Net deferred tax Liability	4,95,799	4,35,757	5,15,271.00

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Notes to the Standalone financial statements for the year ended 31 March 2021

F Recognised deferred tax assets and liabilities
Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR)

For the year ended 31 March 2021	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax asset on:				
Short depreciation provided for in the books over the depreciation allowed under the Income tax laws	4,35,757	60,042	-	4,95,799
Gross deferred tax liability	4,35,757	60,042	-	4,95,799
Deferred tax assets on:				
Impairment loss allowance on financial assets				-
Provision for employee benefits				-
Provision for disputed claims				-
Provision for rent escalation				-
Others				-
Gross deferred tax assets	-	-	-	-
Net deferred tax Liability	4,35,757	60,042	-	4,95,799

(Amount in INR)

For the year ended 31 March 2020	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax liability on:				
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	5,15,271	(79,514)	-	4,35,757
Gross deferred tax liability	5,15,271.00	(79,514)	-	4,35,757
Deferred tax assets on:				
Impairment loss allowance on financial assets				
Provision for employee benefits				
Provision for disputed claims				
Provision for rent escalation				
Others				
Gross deferred tax assets	-	-	-	-
Net deferred tax Liability	5,15,271.00	(79,514)	-	4,35,757

8 Deferred income tax liabilities (net)

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Deferred tax asset and liabilities are attributable to the following:			
Deferred tax asset on liabilities:			
Impairment loss allowance on financial assets			
Provision on employee benefits- Gratuity			
Provision on employee benefits- Compensated absences			
Deffered Tax on Bonus			
Provision for disputed Claims			
Interest on Service Tax			
Provision for rent Escalation			
Present Valuation of Financial Instruments			
Deferred Tax others			
Deferred tax asset on assets:			
Deffered tax on fixed assets	4,95,799	4,35,757	5,15,271
Net deferred tax assets	4,95,799	4,35,757	5,15,271

8 Income tax assets (net)

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance income tax			
Minimum alternate tax credit entitlement	-		
	-	-	-

9 Other non-current assets

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(Unsecured and considered good)			
Taxes paid under protest			
Provident fund payments made under protest			
Prepaid expenses			
Capital advances			
	-	-	-

10 Inventories

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Valued at lower of cost and net realizable value			
Raw material and consumables			
Stores and spares			
	-	-	-

11 Current investments

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Investments in liquid mutual fund units		-	-
	-	-	-

12 Trade receivables

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Unsecured			
Considered good	1,33,58,257	1,73,36,772	81,31,535
Considered doubtful			
	1,33,58,257	1,73,36,772	81,31,535
Loss allowance [refer note 37]			
Unsecured considered good			
Doubtful			
	-	-	-
Net trade receivables	1,33,58,257	1,73,36,772	81,31,535
All trade receivables are current			

Of the above, trade receivables from related party are as below:

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables from related parties	40,25,111	1,07,75,919	
Less: Loss allowance			
Net trade receivables	40,25,111	1,07,75,919	-

13 Cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Cash and cash equivalents			
Cash in hand			
Cheque in hand			
Balances with banks			
In current accounts	63,80,441	39,80,810	4,20,760
In deposit accounts (with original maturity of 3 months)			
Cash and cash equivalents in balance sheet	63,80,441	39,80,810	4,20,760
Bank overdraft used for cash management purpose			
Cash and cash equivalent in the statement of cash flow	63,80,441	39,80,810	4,20,760

14 Bank balances other than cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
In deposit accounts (mature within 12 months from the reporting date)			
	-	-	-

15 Current loans

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Unsecured, considered good			
Security deposits			
Other loans and advances			
Loans to employees*			
Loans to group entities (refer note 42)			
	-	-	-

*There is no loss allowance required to be created for loans to employees as these are in the nature of advance given to employees for operating purpose.

16 Other current financial assets

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Interest accrued but not due			
Interest receivable from related parties (refer note 42)			
	-	-	-

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Notes to the Standalone financial statements for the year ended 31 March 2021

17 Unbilled revenue

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Unbilled revenue*			
	-	-	-

*includes unbilled revenue billable to related parties (refer note 42)

18 Other current assets

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advances to suppliers			
Travel advances to employees			
Other advances	30,42,880		
Prepaid expenses	8,96,194	4,65,308	
Balances with government authorities(TDS)	11,72,875	68,25,061	33,10,009
Due from related parties*			
	51,11,949	72,90,369	33,10,009

* includes receivables from related parties (refer note 42)

19 Equity share capital

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Authorised			
100000 (31 March 2021: 100000) equity shares of par value of Rs 10 each*	10,00,000	10,00,000	10,00,000
	10,00,000	10,00,000	10,00,000
Issued, subscribed and paid-up			
Nil (31 March 2021: 23,405) equity shares of par value of Rs 10 each, fully paid up	2,34,050	2,34,050	2,00,000
	2,34,050	2,34,050	2,00,000

19.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in INR	Number of shares	Amount in INR
Equity shares				
At the commencement of the year	23,405	2,34,050	23,405	2,34,050
Add: Shares issued on exercise of employee stock options (refer note 46)				-
Add: Shares issued on during the year	-	-	-	-
Add: Shares issued on Institutional Private Placement			-	-
At the end of the year	23,405	2,34,050	23,405	2,34,050

19.2 Shares held by Holding Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in INR	Number of shares	Amount in INR
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	12,405	1,24,050	12,405	1,24,050
	12,405	1,24,050	12,405	1,24,050

19.3 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	12,405	53.00%	12,405	53.00%
Anil Prem D'Souza	2,810	12.01%	2,810	12.01%
Hansa Sharma	1,650	7.05%	1,650	7.05%
Madhu Damodaran	1,701	7.27%	1,701	7.27%
Preetha Chrisma D'Souza(Representing Cbensol as Partner)	2,278	9.73%	2,278	9.73%
Subramanyam Raju	1,100	4.70%	1,100	4.70%
Veena Nataraju	1,297	5.54%	1,297	5.54%
Others	164	0.70%	164	0.70%
	23,405	100.00%	23,405	100.00%

19.4 The Company has not made any buy back of shares or issued any shares for consideration other than cash, during the period of five years immediately preceding the balance sheet date. However the Company has issued bonus shares in the previous financial year and equity shares have been issued under Employee Stock option plan for which only exercise price has been received in cash (refer note 46)

(Values in numbers)

Particulars	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Bonus shares issued					
Shares issued on exercise of employee stock options (refer note 46)					

20 Other equity*

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Securities premium account (refer note 20.1)	4,48,75,950	4,48,75,950	4,48,75,950
Stock options outstanding account (refer note 20.2)			
Capital reserve account			
Debenture redemption reserve (refer note 20.3)			
General reserve account	71,27,025	(1,13,08,313)	(1,47,94,580)
Other comprehensive income			
Retained earnings			
Balance in statement of profit and loss at the end of the period*	1,62,03,141	1,84,35,339	34,86,267
	6,82,06,116	5,20,02,975	3,35,67,637

* For detailed movement of reserves refer Statement of Changes in Equity.

20.1 Securities premium

Securities premium is used to record the premium received on issue of shares.

20.2 Share option outstanding account

The stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme

* For detailed movement of reserves refer Statement of changes in Equity.

21 Non-current borrowings

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Secured			
Non convertible debentures (refer note 21.2)			
Unsecured			
Vehicle loan			
Total borrowings	-	-	-
Less: Current maturities of long-term borrowings (refer note 26)	-		
Total non-current borrowings	-	-	-

Terms of repayment schedule

21.1 Terms and condition of outstanding borrowings are as follows:

(Amount in INR)

Particulars	Coupon/ Interest rate	Year of maturity	Carrying amount as at 31 March 2021	Carrying amount as at 31 March 2020	Carrying amount as at 1 April 2019
Secured non-convertible debentures					
Unsecured vehicle loan					
Total borrowings			-	-	-

21.2 Non-convertible debentures

(Amount in INR)

Particulars	Amount
Proceeds from issue of non- convertible debentures	
Less: Transaction costs	
Net proceeds	-
Add: Accrued transaction costs as at March 2020	
Carrying amount of liability at 31 March 2020	-
Add: Accrued transaction costs as at July 2020	
Carrying amount of liability at 31 March 2021	-

22 Other non-current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Payable to erstwhile minority shareholders*			
Non-controlling interests put option			
	-	-	-

23 Non-current provisions

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Provision for employee benefits			
Provision for gratuity			
Others			
Provision for disputed claims			
Provision for rent escalation			
	-	-	-

23.1 The disclosures of provisions movement as required under the provisions of Ind AS 37 as follows:

Provision for disputed claims

(Amount in INR)

Particulars	Amount
Balance as at 1 April 2019	-
Provision recognized/(reversed)	-
Provision utilized	-
Balance at the end of 31 March 2020	-
Provision recognized/(reversed)	
Provision utilized	
Balance at the end of 31 March 2021	-

24 Current borrowings

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Loans from related parties, Unsecured	-	-	-
Loans from bank repayable on demand			
Secured			
Cash credit and overdraft facilities (refer note 24.1)			
Bill discounting facility from bank (refer note 24.2)			
Working capital loan (refer note 24.3)			
Bank overdraft (refer note 13)	-		
	-	-	-

25 Trade payables

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Dues to micro, small and medium enterprises (refer note 45)			
Trade payables to related parties (refer note 42)			
Other trade payables			
	-	-	-

All trade payables are current.
The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 37

26 Other current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current maturities of long-term borrowings (refer note 21)			
Balances payable to government authorities	13,19,716	16,58,267	9,54,446
Amount payable to related parties	-	-	-
Interest accrued and not due			
Financial guarantee liability			
Capital creditors			
Other Payables			
Payable to erstwhile minority shareholders			
Accrued salaries and benefits			
Provision for bonus and incentive*			
Uniform deposits			
	13,19,716	16,58,267	9,54,446

27 Current provisions

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Provision for employee benefits			
Provision for gratuity (refer note 44)	20,03,170	12,15,617	6,02,923
Provision for compensated absences			
Other provisions			
Provision for warranty			
Provision for onerous contracts			
	20,03,170	12,15,617	6,02,923

28 Other current liabilities

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Income received in advance (Deferred Revenue)	8,60,717	2,48,433	1,11,293 75
Advance received from customers			
Balances payable to government authorities			
Provision for expenses*	46,88,577	28,72,223	9,85,444
Provision for rent escalation			
Amount payable to related parties			
Book overdraft			
	55,49,293	31,20,656	10,96,738

*includes amount payable to related parties (refer note 42)

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
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29 Revenue from operations

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Software sales and maintenance	7,50,52,006	6,63,71,120
	7,50,52,006	**6,63,71,120**

30 Other income

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income under the effective interest method on:	-	-
Deposits with banks	16,98,767	10,10,042
Interest income on present valuation of financial instruments	-	-
Consultancy Fee Received	-	-
Profit on sale of property, plant and equipment and intangible assets	-	-
Dividend income on mutual fund units	-	-
Dividend income on other investments	-	-
Interest on loans given to related parties (**refer note 42**)	-	-
Rent from letting out properties	-	-
Liabilities no longer required written back	-	-
Change in fair value of contingent consideration	-	-
Interest on Income Tax Refund	3,68,988	36,390
Miscellaneous income	-	-
	20,67,755	**10,46,432**

31 Cost of material and stores and spare parts consumed

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory at the beginning of the year		
Add: Purchases		
Less: Inventory at the end of the year		
Cost of materials and stores and spare parts consumed		

32 Employee benefits expense

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	3,28,28,305	2,56,22,987
Contribution to provident and other funds	14,78,037	11,96,621
Expenses related to post-employment defined benefit plan	6,83,521	5,72,632
Expenses related to compensated absences	-	-
Staff welfare expenses	9,60,733	9,35,108
Expense on employee stock option scheme		-
	3,59,50,597	**2,83,27,348**

33 Finance costs

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense	-	11,996
Bank Charges & Credit Card Charges	4,420	27,997
	4,420	**39,993**

34 Depreciation and amortisation expense

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 3)	10,57,268	7,67,481
Amortisation of intangible assets (refer note 3)	46,12,028	43,05,870
	56,69,296	**50,73,351**

35 Other expenses

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Bad debts-Written off	-	3,46,700
Books & Typing Charges	650	9,656
Consultancy Fee Paid	47,57,257	42,31,208
Couruer Charges	18,601	14,734
Online Sales charges	23,177	17,248
Professional Tax	2,500	2,500
Rates & Taxes	32,923	-
Round Off	2	(78)
Software Development Charges	50,37,939	15,22,810
Subscription charges	5,88,683	1,14,218
Telephone & Mobile Phone Expenses	5,00,374	3,92,424
IT Maintenance	3,77,979	1,36,959
Repairs & maintenance	-	70,774
Rent-Office	12,40,000	16,22,000
Sales & Marketing Expenses	11,58,329	21,62,292
Printing and stationery	61,330	82,699
Travelling and conveyance	13,017	27,51,558
	1,38,12,760	**1,34,77,701**

35.1 Payment to auditors (net of service tax; included in legal and professional fees)

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit fees	30,000	30,000
Tax audit fees	-	-
	30,000	**30,000.00**

35.2 Details of CSR expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility ("CSR") activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds required to be spent and funds spent during the year are explained

(Amount in INR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Gross amount required to be spent by the Company during the year		
b) Amount spent during the year		
i) Construction or acquisition of any asset		
ii) On purpose other than i) above		

40 Capital commitments

(Amount in Reporting Currency)

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
	-	-

41 Contingent liabilities and commitments (to the extent not provided for)

(Amount in Reporting Currency)

Particulars	As at 31 March 2021	As at 31 March 2020
Corporate guarantee given as security for loan availed by related party [refer note (i)]	-	-
Bonus [refer note (__)]	-	-
Provident fund [refer note (__)]	-	-
Direct and Indirect tax matters [refer note (__)]	-	-
Any other, if any [refer note (_)]	-	-
	-	-

(___) pertains to note references for any decriptive note given below. Please give respective note reference based on any notes included below.

(i) The Company has given guarantee to banks for the loans given to related party to make good any default made by the related party in payment to banks.
Movement of Corporate Guarantee given to related party during the year is as follows:

(Amount in Reporting Currency)

Related party	As at 1 April 2020	Given during the financial year	Settled /expired during the financial year	As at 31 March 2021
	-	-	-	-
Total	-	-	-	-

Movement of Corporate Guarantee given to subsidiaries during the previous year

Related party	As at 1 April 2020	Given during the financial year	Settled /expired during the financial	As at 31 March 2021
	-	-	-	-
Total	-	-	-	-

42 Earnings per share

(Amount in Reporting Currency except number of shares and per share data)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Nominal value of equity shares	2,34,050	2,34,050
Net profit after tax for the purpose of earnings per share	1,62,03,141	1,84,35,339
Weighted average number of shares used in computing basic earnings per share	23,405	23,405
Basic earnings per share	692	788
Weighted average number of shares used in computing diluted earnings per share	23,405	23,405
Diluted earnings per share	692	788

Computation of weighted average number of shares

(Amount in numbers)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Number of equity shares outstanding at beginning of the year	**23,405**	**23,405**
Number of equity shares Alloted during the year	-	-
Add: Weighted average number of equity shares issued during the year		
Weighted average number of shares outstanding at the end of year for computing basic earnings per share	**23,405**	**23,405**
Add: Impact of potentially dilutive equity shares		
Weighted average number of shares outstanding at the end of year for computing diluted earnings per share	**23,405**	**23,405**

43 Earnings in foreign currency

(Amount in Reporting Currency)

Particulars	**For the year ended 31 March 2021**	**31 March 2020**
Staffing and recruitment services	-	-
Operation and maintenance	-	-
Software and solution business	-	-
Any other, please specify below	-	-
	-	-
	-	-

44 Expenditure in foreign currency

(Amount in Reporting Currency)

Particulars	**31 March 2021**	**31 March 2020**
Sub-contractor charges	-	-
Recruitment and training expenses	-	-
Rent	-	-
Power and fuel	-	-
Repairs & maintenance	-	-
- buildings	-	-
- plant and machinery	-	-
- others	-	-
Legal and professional fees	2,89,197.38	-
Rates and taxes	-	-
Printing and stationery	-	-
Consumables	-	-
Travelling and conveyance	-	-
Communication expenses	-	-
Equipment hire charges	-	-
Insurance	-	-
Database access charges	-	-
Bank charges	-	-
Business promotion and advertisement expenses	-	-
Expenditure on corporate social responsibility	-	-
Miscellaneous expenses	-	-
	2,89,197.38	**-**

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2021

C Major customer

List of the customers of the Company has revenue which is more than 10 % of the Company's total revenue

1) Coachieve Solutions Private Limited	-	1,65,73,557
2) Amazon	1,19,08,475	-
3) Allsec Technologies Limited (KA)	3,26,07,978	2,57,63,887

45 Related party disclosures

(i) Name of related parties and description of relationship:

C'BENSOL	Entity which Key Managerial Personnel has Significant Influence
Quess Corp Limited	Other Related Party
Key executive management personnel	
Name	**Designation**
Hansa Sharma	Directors
Anil Prem D'souza	Directors

(ii) Related party transactions during the year

(Amount in Reporting Currency)

Particulars		31 March 2021	31 March 2020
Revenue from operations			
	From Allsec Technologies Limited	3,26,07,978	2,57,63,887
	From Coachieve Solutions Pvt Ltd	-	1,65,73,557
	From Terrier Security Services pvt Ltd	1,61,780	-
	From Quess Corp Limited	52,04,848	-
Other expenses			
	Salary to Anil Prem D'souza	23,77,116	23,77,116
	Salary to Hansa Sharma	16,70,388	15,01,860
	Consultancy Charges to Allsec Technologies Limited	31,11,978	-
	Office Rent to Quess Corp Limited	12,40,000	-
Finance costs			
- Interest expense		-	-
- Interest income		-	-
Payment made by related parties on behalf of the Company		-	-
Purchase consideration			
- Purchase consideration paid		-	-
- Additional consideration		-	-
Loans given to related parties		-	-
Repayment of loans taken from related parties		-	-
Guarantees provided to banks on behalf of associates		-	-
Purchase of intangible asset		-	-
Any other, please specify		-	-

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in Reporting Currency)

Particulars		As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables (gross of loss allowance)				
	From Allsec Technologies Ltd	26,43,529	1,07,19,777	
	From Quess Corp Ltd	13,81,582	96,642	
	From Terrier Security Services pvt Ltd	10,006	-	-
Trade payables				
	Allsec Technologies Ltd (Consultancy Charges)	3,93,331	10,41,035	
	Quess Corp Ltd (Rent & Consultancy Charges)	11,47,503	-	
		15,40,834	**10,41,035**	-
Unbilled revenue		-	-	-
Consideration payable		-	-	-
Contingent consideration payable		-	-	-
Current borrowings		-	-	-
Current loans				
Unbilled revenue		-	-	-
Guarantee outstanding		-	-	-
Any other, please specify		-	-	-

(v) Compensation of key managerial personnel*

(Amount in Reporting Currency)

Particulars	For the period from 1 April 2020 to 31 March 2021	For the period from 1 April 2019 to 31 March 2020
		-
		-
	-	-

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since provision for these are based on an actuarial valuation carried out for the Company as a whole

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date except for "Contingent consideration payable" where the payments will be settled as per the terms of the SPA. None of the balances are secured.

46 Leases

Operating Leases

The Company has taken on lease offices and residential premises under operating leases. The leases typically run for a period of one to ten years, with an option to renew the lease after that period. Lease payments are renegotiated at the time of renewal

The Company has purchased vehicle from HDFC Bank Ltd on finance lease. The total future minimum lease payments at the balance sheet date, element of interest included in such payments, and present value of these minimum lease payments are as follows:

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

(Amount in Reporting Currency)

Particulars	As at 31 March 2021	As at 31 March 2020
Payable within 1 year	-	-
Payable between 1-5 years	-	-
Payable later than 5 years	-	-

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2021	31 March 2020
Total rental expense relating to operating lease	-	-
- Non-cancellable	-	-
- Cancellable	-	-

The Company has purchased assets under finance lease. The lease agreement is for a period of 36 months. The minimum lease payments and their present values for the finance lease, for the following periods are as follows:

(Amount in Reporting Currency)

Particulars	As at 31 March 2021	As at 31 March 2020
Payable within 1 year	-	-
Payable between 1-5 years	-	-
Payable later than 5 years	-	-
Total	-	-
Less: Finance charges	-	-
Present value of minimum lease payments	-	-

47 **Assets and liabilities relating to employee benefits**
This section is applicable to Indian entities

(Amount in Reporting Currency)

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Scheme is funded through an insurance policy with SBI life insurance at Global technology solutions division and with LIC at all other divisions. The Company accrued gratuity under the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date and the maximum payment is restricted to (Amount).

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Net defined benefit liability, gratuity plan	-	-	-
Liability for compensated absences	-	-	-
Total employee benefit liability	-	-	-
Current	20,03,170	12,15,617	6,02,923
Non-current	-	-	-
	20,03,170	12,15,617.00	6,02,923.00

For details about employee benefit expenses, see note __.

B Reconciliation of net defined benefit liability/ asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its components:

(Amount in Reporting Currency)

Particulars	31 March 2021	31 March 2020
Change in defined benefit obligation		
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	12,15,617	6,02,923
Additions through business combination	-	-
Current service cost	7,87,553	6,12,694
Interest cost	-	-
Past service cost	-	-
Benefit settled	-	-
Actuarial (gains)/ losses recognised in other comprehensive income		-
- Changes in experience adjustments	-	-
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	-	-
Obligation at the end of the year	20,03,170	12,15,617
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	-	-
Additions through business combination	-	-
Interest income on plan assets	-	-
Remeasurement- actuarial gain/(loss)	-	-
Return on plan assets recognised in other comprehensive income	-	-
Contributions	-	-
Benefits settled	-	-
Plan assets as at the end of the year	-	-
Net defined benefit liability	20,03,170	12,15,617

C i) Expense recognised in profit or loss

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	7,87,553	6,12,694
Interest cost	-	-
Past service cost	-	-
Interest income	-	-
Net gratuity cost	**7,87,553**	**6,12,694**

ii) Remeasurement recognised in other comprehensive income

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability	-	-
Remeasurement of the net defined benefit asset	-	-
	-	-

D Plan assets

(Amount in Reporting Currency)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Funds managed by insurer	-	-	-
	-	-	-

E Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest rate			
Discount rate			
Future salary growth			
Attrition rate			
Rate of return on planned asset			
Average duration of defined benefit obligation (in years)	-	-	-

F Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Core employees

(Amount in Reporting Currency)

	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-	-	-	-	-	-
Future salary growth (1% movement)	-	-	-	-	-	-
Attrition rate (1% movement)	-	-	-	-	-	-

Associate employees

(Amount in Reporting Currency)

	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-	-	-	-	-	-
Future salary growth (1% movement)	-	-	-	-	-	-
Attrition rate (1% movement)	-	-	-	-	-	-

48 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum However, the Company does not have any amounts payable to such enterprises as at 31 March 2021 based on the information received and available with the Company Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006

49 **Taxes**

A **Amount recognised in profit or loss**

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
In respect of the current period	53,89,506	21,13,334
Excess provision related to prior years (refer note (i) below)	-	-
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	-	-
Increase/ reduction of tax rate	-	-
Income tax expense reported in the Statement of Profit and Loss	**53,89,506**	**21,13,334**

B **Income tax recognised in other comprehensive income**

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability/ asset		
Before tax	-	-
Tax (expense)/ benefit	-	-
Net of tax	-	-

C **Reconciliation of effective tax rate**

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2021		31 March 2020	
	Rate	Amount	Rate	Amount
Profit before tax		2,16,52,689		2,04,69,159
Tax using the Company's domestic tax rate	25 168%	53,89,506	25 168%	21,13,334
Effect of:				
Tax exempt income	0 00%	-	0 00%	-
Non-deductible expenses	0.00%	-	-	-
Unrecognised tax losses	0 00%	-	-	-
Deferred tax credit for earlier periods	0 00%	-	-	-
Difference in enacted tax rate	0 00%	-	-	-
Effective tax rate	**0.00%**	**53,89,506**	**0.00%**	**21,13,334**
Less: Excess provision related to prior years	-	-	0.00%	-
Income tax expense reported in the Statement of Profit and Loss	**0.00%**	**53,89,506**	**0.00%**	**21,13,334**

D **The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2019, 31 March 2018 and 1 April 2017**
Non-current tax assets (net)

(Amount in Reporting Currency)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Income tax assets	-	-	-
Income tax liabilities	-	-	-
Net income tax assets at the end of the year	-	-	-

Current tax liabilities (net)*

(Amount in Reporting Currency)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Income tax assets	53,89,506	21,13,334	-
Income tax liabilities	53,89,506	21,13,334	-
Net income tax liabilities at the end of the year	-	-	-

*For current tax liabilities above, there is no legally enforceable right to set off against the non-current tax assets and accordingly disclosed separately

Notes to the financial statements for the year ended 31 March 2021

E Deferred tax assets, net

(Amount in Reporting Currency)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Deferred tax asset and liabilities are attributable to the following:			
Deferred tax assets:			
Impairment loss allowance on financial assets	-	-	-
Provision on employee benefits- Gratuity	-	-	-
Provision on employee benefits- Compensated absences	-	-	-
Deffered Tax on Bonus	-	-	-
Provision for disputed Claims	-	-	-
Interest on Service Tax	-	-	-
Provision for rent Escalation	-	-	-
Present Valuation of Financial Instruments	-	-	-
Deferred Tax others	-	-	-
	-	-	-
Deffered tax on fixed assets	-	-	-
Minimum alternate tax credit entitlement	-	-	-
Net deferred tax assets	-	-	-

F Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in Reporting Currency)

For the year ended 31 March 2021	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:					
Impairment loss allowance on financial assets	-	-	-	-	-
Provision for employee benefits	-	-	-	-	-
Provision for disputed claims	-	-	-	-	-
Provision for rent escalation	-	-	-	-	-
Others	-	-	-	-	-
Fixed assets	4,35,757	-	60,042	-	4,95,799
MAT credit entitlement					
Gross deferred tax assets					
Net deferred tax Liabilities	**4,35,757**	-	**60,042**	-	**4,95,799**

(Amount in Reporting Currency)

For the year ended 31 March 2020	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:					
Impairment loss allowance on financial assets	-	-	-	-	-
Provision for employee benefits	-	-	-	-	-
Provision for disputed claims	-	-	-	-	-
Provision for rent escalation	-	-	-	-	-
Others	-	-	-	-	-
Fixed assets	5,15,271	-	(79,514)	-	4,35,757
MAT credit entitlement					
Net deferred tax Liabilities	**5,15,271**	-	**(79,514)**	-	**4,35,757**

G Unrecognised deferred tax assets/ (liabilities)

The Company does not have unrecognised deferred tax liabilities

Unrecognised deferred tax assets related primarily to business losses. These unexpired business losses will expire based on the year of origination as follows:

(Amount in Reporting Currency)

As at 31 March 2021	Unabsorbed business losses
2021	-
2022	-
2023	-
2024	-
2025	-
Thereafter	-
	-

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

Payment to auditors (net of service tax; included in legal and professional fees)

Amount In INR

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit fees	30,000	30,000
Tax audit fees	-	-
Others	38,200	50,150
Reimbursement of expenses	-	-
	68,200	**80,150**

MFXCHANGE HOLDINGS, INC.

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended March 31, 2021 and 2020

Williams Overman Pierce, LLP
CPAs • Advisors

MFXCHANGE HOLDING, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
MFXchange Holdings, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of MFXchange Holdings, Inc. and Subsidiary which are comprised of the consolidated balance sheet as of March 31, 2021, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Basis for Adverse Opinion

As more fully described in Note 1 to the consolidated financial statements, the Company has not consolidated its subsidiary, Brainhunter Systems Ltd. In our opinion, accounting principles generally accepted in the United States of America require such investment to be consolidated in these financial statements. The investment in Brainhunter Systems Ltd. is accounted for on a cost basis. Had Brainhunter Systems Ltd. been consolidated, many elements in the accompanying consolidated financial statements would have been materially affected. The effects on the consolidated financial statements of the failure to consolidate have not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the consolidated financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of MFXchange Holdings, Inc. as of March 31, 2021, or the results of its operations or its cash flows for the year then ended.

Prior Period Financial Statements

The consolidated financial statements of MFXchange Holdings, Inc. as of March 31, 2020 were audited by other auditors whose report dated May 22, 2020 expressed an adverse opinion on those consolidated financial statements.

Williams Overman Pierce, LLP

Raleigh, North Carolina
May 25, 2021

MFXCHANGE HOLDING, INC.
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2021 AND 2020

	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 908,390	$ 2,700,318
Accounts receivable	1,755,919	3,213,175
Contract assets	709,982	1,349,648
Prepaid expenses	1,077,587	1,406,394
Loan receivable related party, current portion	5,079,695	6,804,405
Total current assets	9,531,573	15,473,940
Property and equipment, net	334,451	1,007,239
Capital work-in-progress	1,969,942	-
Right-to-use assets, net	898,444	2,035,475
Software costs, net	685,762	761,652
Loan receivable related party, long-term portion	1,072,817	1,282,854
Investment in unconsolidated subsidiary	2,690,101	2,690,101
Deferred tax assets	771,809	1,334
Other assets	254,384	726,491
Total assets	$ 18,209,283	$ 23,979,086
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 1,861,285	$ 4,734,650
Accrued expenses	3,475,693	3,916,027
Contract liabilities	498,867	2,281,727
Capital lease, current portion	460,384	913,878
Lease liability, current portion	389,976	1,223,914
Term loan facility, current portion	5,133,786	7,799,867
Total current liabilities	11,819,991	20,870,063
Term loan facility, long-term portion	3,841,173	4,514,221
Lease liability, long-term portion	557,140	919,822
Capital lease, long-term portion	691,482	257,391
Total liabilities	16,909,786	26,561,497
Commitments and Contingencies (See Note 12)		
Class A redeemable preferred stock, unlimited shares authorized, 1 share issued and outstanding as of March 31, 2021 and 2020	7,123	7,123
Class B redeemable preferred stock, unlimited shares authorized, 1 share issued and outstanding as of March 31, 2021 and 2020	2,690,101	2,690,101
Redeemable noncontrolling interest	3,551,412	3,551,412
Stockholders' deficit:		
Common stock, unlimited authorized, 1,211 and 1,095 issued and outstanding as of March 31, 2021 and 2020, respectively	2,544,492	229,050
Additional paid-in-capital	37,019,210	37,019,210
Accumulated deficit	(44,512,841)	(46,079,307)
Total stockholders' deficit	(4,949,139)	(8,831,047)
Total liabilities and stockholders' deficit	$ 18,209,283	$ 23,979,086

See accompanying notes to consolidated financial statements.

MFXCHANGE HOLDING, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

	2021	2020
Revenue, net	$ 31,806,741	$ 33,441,266
Operating expenses:		
Salaries and related benefits	9,396,833	10,273,343
Outside services	10,057,973	10,242,055
Hardware and software costs	6,561,196	5,835,452
Depreciation and amortization	1,190,817	2,054,040
General and administrative	1,713,794	1,897,244
Facility costs	915,563	1,103,080
Total operating expenses	29,836,176	31,405,214
Income from operations	1,970,565	2,036,052
Other income (expense):		
Financing expenses, net	(585,448)	(68,489)
Income before benefit from (provision for) income taxes	1,385,117	1,967,563
Benefit from (provision for) income taxes	181,349	(21,600)
Net income	$ 1,566,466	$ 1,945,963

See accompanying notes to consolidated financial statements.

MFXCHANGE HOLDING, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

	Common Stock		Additional	Accumulated	
	Shares	Amount	Paid-in Capital	Deficit	Total
Balance, as of April 1, 2019	1,095	$ 229,050	$ 37,019,210	$ (48,025,270)	$ (10,777,010)
Net income for the year ended March 31, 2020		-	-	1,945,963	1,945,963
Balance, as of March 31, 2020	1,095	229,050	37,019,210	(46,079,307)	(8,831,047)
Equity infusion	116	2,315,442	-	-	2,315,442
Net income for the year ended March 31, 2021		-	-	1,566,466	1,566,466
Balance, as of March 31, 2021	1,211	$ 2,544,492	$ 37,019,210	$ (44,512,841)	$ (4,949,139)

See accompanying notes to consolidated financial statements.

MFXCHANGE HOLDING, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,566,466	$ 1,945,963
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,190,817	2,054,040
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	1,457,256	(925,920)
Contract assets	639,666	536,250
Prepaid expenses	328,807	287,290
Deferred tax assets	(770,475)	-
Other asset	472,107	(158,177)
Right-to-use assets and liabilities, net	(59,589)	2,882
Increase (decrease) in:		
Accounts payable	(2,873,365)	(760,456)
Accrued expenses	(440,334)	(1,958,885)
Contract liabilities	(1,782,860)	1,338,946
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(271,504)	2,361,933
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from loans to related party	1,934,747	850,000
Purchase of property and equipment	(1,051,873)	(71,937)
Purchase of intangibles	(351,409)	(211,680)
Loan to related party	-	(8,007,778)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	531,465	(7,441,395)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of ICICI loan	(3,339,129)	-
Proceeds from equity infusion	2,315,442	-
Net proceeds from ICICI loan	-	12,314,089
Net payments from loan to related party	-	72,732
Payment of line of credit - related party	-	(4,000,000)
Principal payments on notes payable and capital lease obligations	(1,028,202)	(2,456,009)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(2,051,889)	5,930,812
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,791,928)	851,350
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,700,318	1,848,968
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 908,390	$ 2,700,318

See accompanying notes to consolidated financial statements.

MFXCHANGE HOLDING, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

	2021	2020
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	$ 212,775	$ 327,156
Income taxes paid	$ 149,272	$ 199,336
SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS		
Assumed capital lease obligations on software and equipment purchases	$ 1,008,799	$ 437,614
Right-to-use assets and lease liability recorded upon adoption of ASC 842	$ -	$ 3,015,260
Right-to-use assets and lease liability recorded during the period	$ 70,695	$ 307,568
Class B redeemable preferred stock issued in acquisition of unconsolidated subsidiary	$ -	$ 2,690,101
Redeemable noncontrolling interest issued for repayment of related party payable	$ -	$ 3,551,412

See accompanying notes to consolidated financial statements.

MFXCHANGE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business and Organization

MFXchange Holdings, Inc., (the "Company") a Canadian corporation, was incorporated on December 17, 2001. The Company together with its subsidiary MFXchange US, Inc. provides customized datacenter and infrastructure services including private cloud offerings, across various industries. In addition, the Company provides end-to-end commercial technology applications and business process outsourcing solutions to the property and casualty insurance industry. On January 24, 2019, the Company acquired 100% of the equity interest in Brainhunter Companies LLC ("Brainhunter"), from a related party. Brainhunter was organized on December 19, 2012 in the United States, and provides primarily staffing and consulting services in the information technology and engineering sectors.

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements follows.

Basis of Presentation

The consolidated financial statements include the Company and its wholly-owned subsidiaries, and reflect all adjustments (all of which are normal and recurring in nature) that, in the opinion of management, are necessary for a fair presentation of the period presented. All inter-company balances and transactions have been eliminated in consolidation.

Investment in Unconsolidated Subsidiary

On April 1, 2019, the Company acquired an eighty-one percent (81%) interest in Brainhunter Systems Ltd. from Quess Corp (USA), a related party, for one share of Class B redeemable preferred stock. On the date of acquisition, the investment was valued at $2,690,101. As of March 31, 2021 and 2020, the carrying value of this investment was $2,690,101.

Accounting principles generally accepted in the United States ("U.S. GAAP") requires that, typically majority-owned subsidiaries should be consolidated in the financial statements. The Company has not consolidated Brainhunter Systems Ltd. and its subsidiaries. The investment in Brainhunter Systems Ltd. is accounted for on a cost basis. Had Brainhunter Systems Ltd. been consolidated, certain elements in the accompanying unaudited consolidated financial statements would have been materially affected. The effects on the accompanying consolidated financial statements of the failure to consolidate have not been determined.

Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events that affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Significant items subject to such estimates include revenue recognition, the useful lives of property and equipment, contract assets (unbilled revenue), allowance for doubtful accounts, valuation allowance for deferred tax assets, capitalized software, investments, long-lived assets, contract liabilities (deferred revenue), and commitments and contingencies. These estimates and assumptions are based on management's best estimates and judgment. Management regularly evaluates its estimates and assumptions using historical experience and other factors; however, actual results could differ significantly from these estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Company recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, *Revenue Recognition* ("Topic 606"). A five step analysis must be met as outlined in Topic 606 before revenue can be recognized: (1) identify the contract with the customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations, and (5) recognize revenue when (or as) performance obligations are satisfied. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required.

The Company derives a significant amount of its revenues from recurring revenue streams, consisting primarily of (1) colocation, which includes the licensing of cabinet space and power; (2) interconnection offerings; (3) managed infrastructure services, and (4) application management services. The remainder of the Company's revenues are from non-recurring revenue streams which primarily consists of professional services.

The Company's customers generally execute contracts with terms of one year or longer, which are referred to as recurring revenue contracts or long-term contracts. These contracts generally commit the customer to a minimum monthly level of usage with additional charges applicable for actual usage above the monthly minimum commitment. The Company defines usage as customer data sent or received using its content delivery service, or content that is hosted or cached by the Company at the request or direction of its customer. The Company recognizes the monthly minimum as revenue each month provided that an enforceable contract has been signed by both parties, the service has been delivered to the customer, the fee for the service is fixed or determinable, and collection is reasonably assured. Should a customer's usage of the Company's services exceed the monthly minimum commitment, the Company recognizes revenue for such excess in the period of the usage. For annual or other non-monthly period revenue commitments, the Company recognizes revenue monthly based upon the customer's actual usage each month of the commitment period and only recognizes any remaining committed amount for the applicable period in the last month thereof.

Revenue from bandwidth and equipment sales are recognized on a gross basis in accordance with the accounting standard related to reporting revenue gross as a principal versus net as an agent, primarily because the Company acts as the principal in the transaction, takes title to products and services and bears inventory and credit risk. To the extent the Company does not meet the criteria for recognizing bandwidth and equipment services as gross revenue, the Company records the revenue on a net basis.

The Company occasionally guarantees certain service levels, such as uptime, as outlined in individual customer contracts. To the extent that these service levels are not achieved, the Company reduces revenue for any credits given to the customer as a result. The Company generally has the ability to determine such service level credits prior to the associated revenue being recognized, and historically, these credits have generally not been significant. There were no significant service level credits issued during the years ended March 31, 2021 and 2020.

Contract liabilities (deferred revenue) consists of payments received in advance of revenue recognition and are recognized as the revenue recognition criteria are met. Amounts are recorded as contract liabilities, and accounts receivable, when the Company has a legal right to enforce the contract.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cost of Revenue

Cost of revenues consists primarily of fees paid to network providers for bandwidth and backbone, costs incurred for non-settlement free peering and connection to internet service provider networks, and fees paid to data center operators for housing network equipment in third party network data centers, also known as co-location costs. Cost of revenues also includes leased warehouse space and utilities, depreciation of network equipment used to deliver the Company's content delivery services, payroll and related costs, and share-based compensation for its network operations, and professional services personnel.

The Company enters into contracts for bandwidth with third party network providers. These contracts generally commit the Company to pay minimum monthly fees plus additional fees for bandwidth usage above contracted minimums. A portion of the global computing platform traffic delivery is completed through direct connection to internet service provider networks, called peering.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash, cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents with high quality financial institutions. The Company is exposed to credit risk for cash held in financial institutions in the event of a default to the extent that such amounts recorded on the balance sheet are in excess of amounts that are insured by the Federal Deposit Insurance Corporation ("FDIC").

Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

The Company performs ongoing credit evaluations of its customers. Accounts receivable are recorded at invoiced amounts, net of the Company's estimated allowances for doubtful accounts. The allowance for doubtful accounts is estimated based on an assessment of the Company's ability to collect on customer accounts receivable. The Company regularly reviews the allowance by considering certain factors such as historical experience, industry data, credit quality, and age of accounts receivable balances and current economic conditions that may affect a customer's ability to pay. In cases where the Company is aware of circumstances that may impair a specific purchaser's ability to meet their financial obligations, the Company records a specific allowance against amounts due from the customer and thereby reduces the net recognized receivable to the amount the Company reasonably believes will be collected. There is judgment involved with estimating the Company's allowance for doubtful accounts and if the financial condition of its customers were to deteriorate, resulting in their inability to make the required payments, the Company may be required to record additional allowances or charges against revenues. The Company writes-off accounts receivable against the allowance when it determines a balance is uncollectible and no longer actively pursues collection of the receivable. The Company's accounts receivables are not collateralized by any security. Based upon the review of the outstanding accounts receivable, the Company has not recorded any reserve for allowance for doubtful accounts as of March 31, 2021 and 2020.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Maintenance and repairs that do not extend the life or improve an asset are expensed in the period incurred. The estimated useful lives of property and equipment are as follows:

Computer hardware	3 - 7 years
Furniture and fixtures	5 - 7 years
Leasehold improvements	Shorter of the lease term or estimated useful life

Fair Value of Financial Instruments

The Company's short-term financial instruments, including cash, accounts receivable, contract assets, prepaid expenses, other assets, accounts payable, accrued expenses and contract liabilities, consist primarily of instruments without extended maturities, the fair value of which, based on management's estimates, reasonably approximate their book value. The fair value of the Company's capital leases and other debt obligations are based on management estimates and reasonably approximates their book value.

Capital Work-In-Progress

Capital work-in-progress includes the cost of property and equipment that has been purchased and is currently being installed. Once installed and ready for use, the Company will begin to depreciate the costs over its estimated useful life.

Software Costs

In accordance with ASC 985-20, *Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed*, the Company capitalizes certain costs related to the development of new software products or the enhancement of existing software products for use in our product offerings. These costs are capitalized from the point in time that technological feasibility has been established, as evidenced by a working model or detailed working program design to the point in time that the product is available for general release to customers. Capitalized development and software purchased costs are amortized on a straight-line basis over the estimated economic lives of the products, beginning when the product is placed into service. The Company periodically evaluates whether events or circumstances have occurred that indicate that the remaining useful lives of the capitalized software development costs should be revised or that the remaining balance of such assets may not be recoverable.

Long-Lived Assets

The Company follows FASB ASC 360-10-15-3, *Impairment or Disposal of Long-lived Assets*, which established a "primary asset" approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long-lived asset to be held and used. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Investments

The Company holds an investment in a privately-held company which has no readily determinable fair value. Since the Company does not have significant influence, the investment is accounted for using the cost method. The Company assesses its long-term investments for other-than-temporary impairment by considering factors including, but not limited to, current economic and market conditions, operating performance of the companies, including current earnings trends and undiscounted cash flows, and other company-specific information. The fair value determination, particularly for investments in privately-held companies, requires significant judgment to determine appropriate estimates and assumptions. Changes in these estimates and assumptions could affect the calculation of the fair value of the investments and determination of whether any identified impairment is other-than-temporary. As of March 31, 2021 and 2020, the carrying value of this investment was $250,000 and $266,977, respectively, and are included in other assets in the accompanying consolidated balance sheets (see Note 5). During the year ended March 31, 2021, the Company recorded an impairment of $16,977 related to this investment. There were not impairments recorded during the year ended March 31, 2020.

Foreign Currency Translation

The Company translates the foreign currency financial statements of its foreign subsidiaries in accordance with the requirements of FASB ASC 830-10, *Foreign Currency Translation.* Assets and liabilities are translated at current exchange rates, and related revenue and expenses are translated at average exchange rates in effect during the period. Resulting translation adjustments are recorded as a separate component in stockholders' deficit, where applicable. The functional currency of the Company and its subsidiaries is the U.S. Dollar. Foreign currency transaction gains and losses are included in the accompanying consolidated statements of operations.

Income Taxes

The Company follows FASB ASC Subtopic 740-10, *Income Taxes* ("ASC 740-10"), for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements

There are various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company's financial position, results of operations or cash flows.

Reclassifications

Certain reclassifications have been made to conform prior period data to the current presentation.

NOTE 2 – SOFTWARE COSTS

Capitalized software costs primarily include third party software. As of March 31, 2021 and 2020, the carrying value of software costs were $685,762 and $761,652, respectively. During the years ended March 31, 2021 and 2020, the Company recorded amortization expense related to software assets totaling $427,300 and $424,748, respectively.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of March 31:

	2021	2020
Hardware cost	$ 10,190,323	$ 10,119,761
Leasehold improvements	2,752,339	2,749,149
Furniture and equipment	377,725	377,725
Total cost	13,320,387	13,246,635
Less: accumulated depreciation	(12,985,936)	(12,239,396)
Property and equipment, net	$ 334,451	$ 1,007,239

Depreciation expense was $746,540 and $1,629,293 for the years ended March 31, 2021 and 2020, respectively.

NOTE 4 – RIGHT-TO-USE ASSETS AND LEASE LIABILITY

The Company leases certain of its properties under leases that expire on various dates through March 2024. In addition, the Company has entered into several agreements to lease office equipment and other software that are classified as operating leases that expire on various dates through 2021.

In adopting ASC Topic 842, *Leases* ("Topic 842"), the Company has elected the 'package of practical expedients', which permit it not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. The Company did not elect the use-of-hindsight or the practical expedient pertaining to land easements; the latter is not applicable to the Company. In addition, the Company elected not to apply ASC Topic 842 to arrangements with lease terms of 12 months or less.

NOTE 4 – RIGHT-TO-USE ASSETS AND LEASE LIABILITY (continued)

In determining the length of the lease term to its long term lease, the Company determined not to consider embedded renewal options of 5 years and two consecutive periods of 5 years each in the Ridgefield Park, New Jersey and Bridgewater, New Jersey leases primarily due to i) the renewal rate is at future market rate to be determined and ii) Company does not have significant leasehold improvements that would restrict its ability to consider relocation.

At lease commencement dates, the Company estimated the lease liability and the right of use assets at present value using the Company's estimated incremental borrowing rate of 4% and determined their initial present values, at inception, of $3,015,260.

On April 1, 2019, upon adoption of ASC Topic 842, the Company recorded right to use assets of $2,909,881, lease liability of $3,015,260 and eliminated accrued rent of $105,379.

Right-to-use assets are summarized below as of March 31:

	2021	2020
Office leases	$ 2,592,843	$ 2,734,362
Equipment and software lease	553,781	483,086
Right-to-use assets	3,146,624	3,217,448
Less: accumulated amortization	(2,248,180)	(1,181,973)
Right to use assets, net	$ 898,444	$ 2,035,475

During the years ended March 31, 2021 and 2020, the Company recorded $1,113,735 and $1,277,304, respectively, as lease expense in the accompanying consolidated statements of operations.

Lease liabilities are summarized below as of March 31:

	2021	2020
Office leases	$ 905,098	$ 1,932,656
Equipment and software lease	42,018	211,080
Total lease liability	947,116	2,143,736
Less: short-term portion	(389,976)	(1,223,914)
Long-term portion	$ 557,140	$ 919,822

The maturity for the remaining term of the lease liability is as follows:

Year ending March 31:	
2022	$ 389,976
2023	557,140
Total lease liability	$ 947,116

NOTE 4 – RIGHT-TO-USE ASSETS AND LEASE LIABILITY (continued)

Lease expense was comprised of the following for the years ended March 31:

	2021	2020
Building lease expense	$ 780,012	$ 952,200
Equipment lease expense	333,723	325,104
Total lease expense	$ 1,113,735	$ 1,277,304

NOTE 5 – OTHER ASSETS

Other assets consisted of the following as of March 31:

	2021	2020
Investment (see Note 1)	$ 250,000	$ 266,976
Foreign tax withholdings	-	455,131
Security deposits	4,384	4,384
Total	$ 254,384	$ 726,491

Section 126 of the Income Tax Act, Canada, provides that a foreign tax credit is available to a taxpayer who is a resident of Canada and provides relief from double taxation on certain income i.e. relief from paying full tax on income in Canada and the foreign country. It is a method by which income taxes paid to a foreign jurisdiction offset Canadian income tax as provided in Section 126 of the Act. Paragraph 126(2)(a) permits unused foreign tax credits to be carried forward for ten taxation years and carried back for three taxation years and is calculated for each country separately. Reasonable efforts have to be made by the Company's Canadian operations to claim a refund of withholding tax paid in Colombia & Uruguay. If it is not possible to get a refund then the Company will claim the tax withheld as a credit against Canadian income taxes payable and as calculated as per provision of Section 126 of the Act. Accordingly, the Company has classified these balances as foreign tax withholdings of $0 and $455,131 as of March 31, 2021 and 2020, respectively.

NOTE 6 – ACCRUED EXPENSES

Accrued expenses consisted of the following as of March 31:

	2021	2020
Salaries and benefits	$ 582,876	$ 1,183,709
Other accrued expenses	2,892,817	2,732,318
Total	$ 3,475,693	$ 3,916,027

NOTE 7 – TERM LOAN AND WORKING CAPITAL FACILITY

On November 22, 2019, the Company entered into a Term Loan ("Term Loan") and Working Capital Facility ("Facility") with ICICI Bank Canada. The Term Loan contains a maximum borrowing limit of 7,500,000 Canadian Dollars ("CND") and the Facility has a maximum borrowing limit of 12,500,000 CND, both maturing on November 30, 2024. Borrowings under the Term Loan are to be repaid quarterly starting at 2.5% to 6.25% over the term of the loan. Borrowings under the working capital facility are due on the maturity date. Interest is charged at a percentage per annum that is an aggregate of the Canadian Dollar Offered Rate ("CDOR") and CDOR plus 2.5%. As of March 31, 2021, the balance outstanding under the Term Loan, including accrued interest, was $4,847,265 (6,463,101 CND) and the balance outstanding under the Working Capital Facility, including accrued interest, was $4,127,694 (5,187,891 CND). The Company advanced $6,152,512 of the proceeds received to Brainhunter Systems Ltd., a related party (see Note 10). The agreement contains certain customary events of default including a subjective acceleration clause if a "material adverse effect" occurs in the Company's business that could result in an event of default. The Company believes that the likelihood of the lender exercising this right is remote.

The future payments for the Term Loan and Working Capital Facility are as follows:

Year ending March 31:		
2022	$	4,823,968
2023		1,396,790
2024		1,396,790
2025		1,047,593
Total term loan and working capital facility	$	8,665,141

NOTE 8 – CAPITAL LEASE OBLIGATONS

The Company has entered into several agreements to lease certain computer hardware and software that are classified as capital leases. Capital leases consisted of the following as of March 31:

		2021		2020
Capital lease obligation	$	1,151,866	$	1,171,269
Less: current portion of capital lease		(460,384)		(913,878)
Long-term portion of capital lease	$	691,482	$	257,391

The maturity for the remaining term of the capital lease obligations is as follows:

Year ending March 31:		
2022	$	460,384
2023		438,881
2024		252,601
Total	$	1,151,866

NOTE 9 – STOCKHOLDERS' DEFICIT

Common Stock

The Company has an unlimited number of authorized common shares. As of March 31, 2021, the Company has 1,211 shares of common stock issued and outstanding.

Class A Redeemable Preferred Stock

On January 24, 2019, the Company filed a Certificate of Amendment which authorizes the issuance of an unlimited number of shares of Class A redeemable preferred stock. The Class A preferred stock shall be entitled to receive non-cumulative annual dividends at the discretion of the directors and the shares do not have voting rights. The Company may redeem the Class A preferred stock upon giving ten (10) days written notice. The holder of the Class A preferred stock shall be entitled to require the Company to redeem at any time the whole or part of such holder's Class A preferred shares. Upon redemption, the Company shall pay to the holders of the Class A preferred stock to be redeemed, in respect of each share to be redeemed, an amount equal to the sum of (i) all dividends declared thereon and unpaid and (ii) the Class A preferred stock redemption amount defined as the amount equal to the aggregate net fair market value of the consideration received by the Company on the issuance of all Class A preferred shares, divided by the number of all such shares issued as consideration therefor, provided that if, after the date on which the Class A preferred stock was issued, the Company pays to the holder of the Class A preferred stock a return of capital (otherwise than on a redemption of such shares), the Class A preferred stock redemption amount of each Class A preferred share shall thereafter be reduced by the amount resulting from dividing the amount so paid to the holder as a return of capital, by the number of Class A preferred shares issued and outstanding on the date of such return of capital.

On January 24, 2019, the Company issued 1 share of Class A redeemable preferred stock upon the acquisition of Brainhunter.

Class B Redeemable Preferred Stock

On March 20, 2019, the Company amended its Articles to authorize the issuance of an unlimited number of shares of Class B redeemable preferred stock. The Class B preferred stock shall be entitled to receive non-cumulative annual dividends at the discretion of the directors. The holders of the Class B preferred stock have voting rights. The Company may redeem the Class B preferred stock upon giving ten (10) days written notice. The holder of the Class B preferred stock shall be entitled to require the Company to redeem at any time the whole or part of such holder's Class B preferred shares. Upon redemption, the Company shall pay to the holders of the Class B preferred stock to be redeemed, in respect of each share to be redeemed, an amount equal to the sum of (i) all dividends declared thereon and unpaid and (ii) the Class B preferred stock redemption amount defined as the amount equal to the aggregate net fair market value of the consideration received by the Company on the issuance of all Class B preferred shares, divided by the number of all such shares issued as consideration therefor, provided that if, after the date on which the Class B preferred stock was issued, the Company pays to the holder of the Class B preferred stock a return of capital (otherwise than on a redemption of such shares), the Class B preferred stock redemption amount of each Class B preferred share shall thereafter be reduced by the amount resulting from dividing the amount so paid to the holder as a return of capital, by the number of Class B preferred shares issued and outstanding on the date of such return of capital. On April 1, 2019, the Company issued 1 share of Class B redeemable preferred stock upon the acquisition of Brainhunter Systems Ltd. As of March 31, 2021, the Company has 1 share of Class B redeemable preferred stock issued and outstanding.

NOTE 9 – STOCKHOLDERS' DEFICIT (continued)

Class C Redeemable Preferred Stock

On March 20, 2019, the Company amended its Articles to authorize the issuance of an unlimited number of shares of Class C redeemable preferred stock. The Class C preferred stock shall be entitled to receive non-cumulative annual dividends at the discretion of the directors and the shares do not have voting rights. The Company may redeem the Class C preferred stock upon giving ten (10) days written notice. The holder of the Class C preferred stock shall be entitled to require the Company to redeem at any time the whole or part of such holder's Class C preferred shares. Upon redemption, the Company shall pay to the holders of the Class C preferred stock to be redeemed, in respect of each share to be redeemed, an amount equal to the sum of (i) all dividends declared thereon and unpaid and (ii) the Class C preferred stock redemption amount defined as the amount equal to the aggregate net fair market value of the consideration received by the Company on the issuance of all Class C preferred shares, divided by the number of all such shares issued as consideration therefor, provided that if, after the date on which the Class C preferred stock was issued, the Company pays to the holder of the Class C preferred stock a return of capital (otherwise than on a redemption of such shares), the Class C preferred stock redemption amount of each Class C preferred share shall thereafter be reduced by the amount resulting from dividing the amount so paid to the holder as a return of capital, by the number of Class C preferred shares issued and outstanding on the date of such return of capital. As of March 31, 2021 there were no shares of Class C redeemable preferred stock issued and outstanding.

Liquidation Rights

If the Company is liquidated, dissolved or wound-up or its assets are otherwise distributed among the shareholders by way of repayment of capital, whether voluntary or involuntary (a) the holders of the Class A, Class B and Class C preferred stock shall be entitled to receive all declared and unpaid dividends, and the redemption amount applicable to each Class of preferred stock prior to any distribution of assets of the Company among the common stockholders, (b) the holders of the Class A, Class B and Class C preferred stock shall not be entitled to share any further in the distribution of the assets of the Company, (c) if there are insufficient assets to satisfy (a) then (i) the holders of the Class A preferred stock shall receive their entitlement prior to the holders of the Class B and Class C preferred stock, (ii) the holders of the Class B preferred stock shall receive their entitlement prior to the holders of the Class C preferred stock, and (iii) the holders of the Class C preferred stock receive their entitlement, and (d) thereafter the common stockholders shall be entitled to receive any remaining assets of the Company.

NOTE 10 – OTHER RELATED PARTY TRANSACTIONS

Accounts Payable

The Company uses a related party vendor MFX Infotech Private Limited to provide infrastructure and database technology services. As of March 31, 2021 and 2020, accounts payable and accrued expenses of $464,671 and $3,268,484, respectively, were the total outstanding amounts payable to this related party vendor.

Loan Receivable Related Party

The Company has a loan receivable of $6,152,512 as of March 31, 2021 from Brainhunter Systems, Ltd. for the advance of proceeds received from the Term Loan and Working Capital Facility (see Note 7).

NOTE 10 – OTHER RELATED PARTY TRANSACTIONS (continued)

As of March 31, 2021 and 2020, the Company also had other related party balances as follows:

	2021	2020
Accounts receivable from Quess Corp (USA)	$ -	$ 755,171
Loan and advance to Brainhunter Systems Ltd.	6,152,512	8,087,259
Accounts payable to Allsec Technologies Ltd.	(55,474)	-
Accounts payable to Quess Corp Limited	(87,520)	-
Accounts payable to Brainhunter Systems Ltd.	-	(42,203)
Due from related parties, net	$ 6,009,518	$ 8,800,227

NOTE 11 – COVID-19

On March 11, 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus ("COVID-19") outbreak, which led to a global health emergency. The extent of the public-health impact of the outbreak is currently unknown and rapidly evolving, and the related health crisis could adversely affect the global economy, resulting in an economic downturn. In assessing the recoverability of receivables including contract assets, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited consolidated financial statements. Management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognized in the accompanying consolidated financial statements. Accordingly, no adjustments have been made to the consolidated financial statements. The impact of the global health pandemic may be different from that estimated as of the date of approval of these audited consolidated financial statements and the Company will continue to closely monitor any material charges to future economic conditions.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Redeemable Noncontrolling Interest

On March 27, 2020, MFXchange US, Inc. ("MFXUS"), a subsidiary of the Company, entered into a debt conversion agreement with Brainhunter Systems, Ltd. ("Holder") to convert $3,551,412 in amounts owed into 100 shares of Series B Preferred Stock of MFXUS. The Series B Preferred Stock is redeemable by the MFXUS or the Holder for $3,551,412 along with any dividends declared. The Series B is not entitled to any mandatory dividends and is not convertible into MFXUS common stock or any other security. The Company has 81% ownership in the Holder (see Note 1).

Concentrations

The Company had three and two customers that accounted for approximately 35% and 38% of the Company's revenues for the years ended March 31, 2021 and 2020, respectively. The Company had four and three customers that accounted for approximately 43% and 41% of total accounts receivable as of March. 31, 2021 and 2020, respectively.

NOTE 12 – COMMITMENTS AND CONTINGENCIES (continued)

The Company utilized two major suppliers for outside services totaling approximately 50% and 47% of the Company's total expenditures for outside services for the years ended March 31, 2021 and 2020, respectively. The Company's two major suppliers accounted for approximately 28% and 52% of total accounts payable and accrued expenses as of March 31, 2021 and 2020, respectively.

NOTE 13 – INCOME TAXES

As of March 31, 2021 and 2020, the tax effects of temporary differences and carryforwards that gave rise to significant portions of the deferred tax assets and liabilities were as follows:

	2021	2020
Net operating loss carry forwards	$ 3,902,000	$ 3,465,000
Accrual and reserves	4,474,000	4,229,000
Total assets	8,376,000	7,694,000
Less: valuation allowance	(7,604,191)	(7,692,666)
Net deferred tax assets	$ 771,809	$ 1,334

As of March 31, 2021, MFXchange US, Inc. had federal net operating loss carryforwards ("NOL's") of approximately $18.2 million that will be available to reduce future taxable income, if any. At March 31, 2021, MFXchange Holdings, Inc. had Canadian NOL's of $1.26 million and capital loss allowance deductions of approximately $12.6 million available to reduce future taxable income, if any. The Company performs an analysis each year to determine whether the expected future income will more likely than not be sufficient to realize the deferred tax assets. The Company's recent operating results and projections of future income weighed heavily in the Company's overall assessment. As of March 31, 2021 and 2020, a net deferred tax benefit (asset) of $771,809 and $1,334, respectively, has been reported in the consolidated financial statements since the potential tax benefit is offset by a valuation allowance.

The change in valuation allowance for the years ended March 31, 2021 and 2020 was a decrease of $88,475 and $425,400, respectively, due to the continued likelihood that realization of any future benefit from deductible temporary differences and net operating loss carryforwards may not be sufficiently assumed.

Pursuant to the Internal Revenue Code Section 382 ("Section 382"), certain ownership changes may subject the net operating loss carryforwards ("carryforwards") to annual limitations which could reduce or defer the tax benefits recorded as of March 31, 2021 and 2020, and there was no change to the unrecognized tax benefits during the years ended March 31, 2021 and 2020. Section 382 imposes limitations on a corporation's ability to utilize carryforwards if it experiences an ownership change. An ownership change may result from transactions increasing the ownership of certain stockholders in the stock of a corporation by more than 50 percentage points over a three-year period. In the event of an ownership change, utilization of the carryforwards would be subject to an annual limitation under Section 382 determined by multiplying the value of its stock at the time of the ownership change by the applicable long-term tax-exempt rate. Any unused annual limitation may be carried over to later years. The imposition of this limitation on its ability to use the carryforwards to offset future taxable income could cause the Company to pay U.S. federal income taxes earlier than if such limitation were not in effect and could cause such carryforwards to expire unused, reducing or eliminating the benefit of such carryforwards.

NOTE 13 – INCOME TAXES (continued)

The Company has not completed a Section 382 study on the net operating loss carryforwards of Brainhunter Ltd. as of January 24, 2019, date of acquisition, and has not included the net operating losses in the calculation of deferred tax assets as they would be offset by a full valuation allowance.

As of March 31, 2020, open tax years include the tax years ended December 31, 2016 through December 31, 2020.

The Company applies the standard relating to accounting for uncertainty in income taxes (ASC 740-10), which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company is required to recognize in the consolidated financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. There were no significant unrecognized tax benefits recorded as of March 31, 2021 and 2020, and there was no change to the unrecognized tax benefits during the years ended March 31, 2021 and 2020.

NOTE 14 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Assets and liabilities that are measured at fair value are reported using a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs.

The three levels of inputs used to measure fair value are as follows:

> Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date of identical, unrestricted assets or liabilities.
>
> Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
>
> Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As of March 31, 2021 and 2020, the Company did not identify any non-recurring assets and liabilities that are required to be presented in the balance sheet at fair value in accordance with ASC Topic 825, *Financial Instruments*.

NOTE 15 – SUBSEQUENT EVENTS

The Company has evaluated events and transactions for potential recognition or disclosure through May 25, 2021, which is the date the financial statements were available to be issued. No subsequent events were noted.

INDEPENDENT AUDITOR'S REPORT

To,
The Members
MFX Infotech Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **MFX Infotech Private Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

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Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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

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

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

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

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

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

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auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2) As required by Section 143 (3) of the Act, we report that;
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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

   d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

   e. On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act;

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

   g. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, no remuneration is paid/ provided for remuneration by the Company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

      i. The Company does not have any pending litigations which would impact its financial position;

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

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

For **Vasan and Sampath LLP**
Chartered Accountants
Firm Registration Number- 004542S/S20070

Sd/-
Unnikrishnan Menon
Partner
Membership number: 205703
UDIN: 21205703AAAACR4692

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

Place: Bengaluru
Date: 25th May,2021

ANNEXURE - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MFX Infotech Private Limited of even date)

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

b. The company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified at reasonable intervals although the same was not carried out in the current financial year. In our opinion, the periodicity is reasonable having regard to the size of the company and the nature of its assets. In our opinion, the periodicity is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification;

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties as at March 31, 2021;

ii. The Company's operations does not involve inventory. Consequently, comment on clause (ii) of the Order is not applicable;

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Consequently, comment on clause (iii) of the Order is not applicable;

iv. The Company has not given any loans, investments, guarantees, and security covered by provisions of Section 185 and 186 of the Act. Consequently, comment on clause (iv) of the Order is not applicable;

v. The Company has not accepted any deposits from the public. Consequently, comment on clause (v) of the order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Consequently, comment on clause (vi) of the order is not applicable;

vii. According to the information and explanations given to us and on the basis of our examination of the records of the Company:

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing material undisputed statutory dues including provident fund, employee state insurance, income-tax, goods and service tax, cess and other statutory dues, during the year with the appropriate authorities, except dues of Professional Tax remittances where registrations are under process.

As explained to us, the Company did not have any undisputed amounts outstanding as at last day of the financial year for a period of more than six months from the date they became payable, except contribution towards Professional tax amounting to INR 18 Lakh.

b) According to the information and explanations given to us, there are no material dues of provident fund, employee state insurance, income-tax, goods and service tax, cess which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

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CHARTERED ACCOUNTANTS

Nature of the statute	Nature of dues	Amount (INR)	Period to which the Amount Relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	2,75,89,528	FY 2015-2016	Income Tax Appellate Tribunal

viii. The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders;

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

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;

xi. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not paid/Provided for managerial remuneration during the year and accordingly the clause regarding the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act, is not applicable;

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Consequently, comment on clause (xii) of the Order is not applicable;

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Consequently, comment on clause (xiv) of the Order is not applicable;

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

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Consequently, comment on clause (xvi) of the Order is not applicable.

For **Vasan and Sampath LLP**
Chartered Accountants
Firm Registration Number- 004542S/S20070

Sd/-
Unnikrishnan Menon
Partner
Membership number: 205703
UDIN: 21205703AAAACR4692

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

Place: Bangalore
Date: 25th May,2021

ANNEXURE B - to the Independent Auditors' Report
(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MFX Infotech Private Limited of even date)

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

We have audited the internal financial controls over financial reporting of **MFX Infotech Private Limited** ("the Company") as of **March 31, 2021** in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

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

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2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Vasan and Sampath LLP**
Chartered Accountants
Firm Registration Number- 004542S/S20070

Sd/-
Unnikrishnan Menon
Partner
Membership number: 205703
UDIN: 21205703AAAACR4692

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

Place: Bangalore
Date: 25th May,2021

(Amounts in INR)

MFX Infotech Private Limited

(Wholly Owned Subsidiry of Quess corp Limited)

Balance Sheet as at	Note	31 Mar 2021	31 Mar 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	57,97,682	3,36,79,399
Other intangible assets	4	23,19,667	57,29,500
Financial assets			
(i) Non-current loans	5	-	1,22,87,163
Deferred tax assets (net)	6	2,00,10,559	2,31,03,762
Income tax assets (net)	6	73,03,118	3,02,94,796
Other non-current assets	7	-	18,25,060
Total non-current assets		**3,54,31,026**	**10,69,19,681**
Current assets			
Financial assets			
(i) Trade receivables	8	4,30,19,126	23,30,12,995
(ii) Cash and cash equivalents	9	8,45,27,722	4,25,02,989
(iii) Bank balances other than cash and cash equivalents above	10	5,47,065	5,00,000
(iv) Current loans	11	87,81,279	15,000
(v) Unbilled revenue	12	3,38,47,234	6,51,85,865
Other current assets	13	50,19,768	43,30,422
Total current assets		**17,57,42,194**	**34,55,47,271**
Total assets		**21,11,73,220**	**45,24,66,953**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,00,00,000	1,00,00,000
Other equity instruments	15	-	12,06,12,000
Other equity	16	3,27,21,963	2,54,07,926
Total equity attributable to equity holders of the Company		**4,27,21,963**	**15,60,19,926**
Non-controlling interests		-	-
Total equity		**4,27,21,963**	**15,60,19,926**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Non-current borrowings		-	-
(ii) Other non-current financial liabilities	17	-	1,16,06,122
Non-current provisions	18	3,05,22,711	2,44,13,720
Total non current liabilities		**3,05,22,711**	**3,60,19,842**
Current liabilities			
Financial liabilities			
(i) Borrowings	19	2,19,33,000	4,76,68,950
(ii) Trade payables	20	87,75,095	10,26,54,480
(iii) Other current financial liabilities	21	8,20,56,400	9,26,77,096
Current provisions	22	57,68,355	45,16,940
Other current liabilities	23	1,93,95,696	1,29,09,719
Total current liabilities		**13,79,28,546**	**26,04,27,185**
Total Liabilities		**16,84,51,257**	**29,64,47,027**
Total Equity and Liabilities		**21,11,73,220**	**45,24,66,953**

The notes referred to above form an integral part of the financial statements
As per our report of even dated attached

for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703
Place: Bengaluru
Date:

25/5/21

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
MFX Infotech Private Limited

Kundan Kumar Lal
Director
DIN: 06446995
Place: Bengaluru
Date:

Raghuthaman Abhinandan
Additional Director
DIN: 07675547
Place: Bengaluru
Date:

(*Amounts in INR*)

MFX Infotech Private Limited

Statement of profit and loss	Note	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
Income			
Revenue from operations	24	70,84,96,281	65,39,81,857
Other income	25	25,99,661	1,85,64,720
Total income		**71,10,95,942**	**67,25,46,577**
Expenses			
Cost of material and stores and spare parts consumed	26	67,56,880	49,58,448
Employee benefit expenses	27	61,58,94,284	64,03,82,047
Finance costs	28	20,11,675	98,94,754
Depreciation and amortisation expense	29	1,56,59,271	1,91,47,299
Other expenses	30	6,08,64,775	6,63,55,501
Total expenses		**70,11,86,885**	**74,07,38,049**
Profit before share of profit of equity accounted investees and income ta		**99,09,057**	**(6,81,91,472)**
Share of profit of equity accounted investees (net of income tax)		-	-
Profit before tax		**99,09,057**	**(6,81,91,472)**
Tax expense			
Current tax		-	-
Adjustments of tax relating to earlier periods		-	-
Deferred tax		(29,67,820)	1,64,64,639
Income tax expenses		**(29,67,820)**	**1,64,64,639**
Profit for the year		**69,41,237**	**(5,17,26,834)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		4,98,183	(14,89,055)
Other comprehensive income for the period		-	-
Income tax relating to items that will not be reclassified to profit or loss		(1,25,383)	3,74,765
Share of Other Comprehensive Income in Associates and Joint Venture		-	-
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Total comprehensive income for the period		**73,14,037**	**(5,28,41,123)**
Profit attributable to			
Owners of the Company		69,41,237	(5,17,26,834)
Non-controlling interests		-	-
Total profit for the year		**69,41,237**	**(5,17,26,834)**
Other comprehensive income attributable to			
Owners of the Company		3,72,800	(11,14,290)
Non-controlling interests		-	-
Total other comprehensive income attributable to		**3,72,800**	**(11,14,290)**
Total comprehensive income attributable to :			
Equity holders of the parent		73,14,037	(5,28,41,123)
Non-controlling interests		-	-
Earnings Per Equity Share (face value of Rs. 10 each)			
Basic		6.94	(51.73)
Diluted		5.37	(36.70)

The notes referred to above form an integral part of the financial statements
As per our report of even dated attached

for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703
Place: Bengaluru
Date: 25/5/21

VASAN & SAMPATH LLP * CHARTERED ACCOUNTANTS * BANGALORE INDIA

for and on behalf of Board of Directors of
MFX Infotech Private Limited

Kundan Kumar Lal
Director
DIN: 06446995
Place: Bengaluru
Date:

Raghuthaman Abhinandan
Additional Director
DIN: 07675547
Place: Bengaluru
Date:

MFX Infotech Private Limited
Statement of Changes in Equity for the year ended 31 March 2021

(Amount in Rs.)

Particulars	Share Capital	Other Equity			Total Equity attributable to Equity holders of
		Retained Earnings	Other Items of Other	Other Reserves	
Balance as of 1 April 2019	1,00,00,000	7,44,47,583	27,51,466	10,50,000	**8,82,49,049**
Add: Profit for the Period	-	(5,17,26,834)	-	-	**(5,17,26,834)**
Less: Re-measurement gains / (losses) on defined benefit plans	-	-	(11,14,290)	-	**(11,14,290)**
Balance as of 31 March 2020	**1,00,00,000**	**2,27,20,749**	**16,37,177**	**10,50,000**	**3,54,07,926**

Balance as of April 1, 2020	1,00,00,000	2,27,20,749	16,37,177	10,50,000	**3,54,07,926**
Add: Profit for the Period	-	69,41,237	-	-	**69,41,237**
Less: Re-measurement gains / (losses) on defined benefit plans	-	-	3,72,800	-	**3,72,800**
Balance as of 31 March 2021	**1,00,00,000**	**2,96,61,986**	**20,09,977**	**10,50,000**	**4,27,21,963**

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703
Place: Bengaluru
Date: 25/5/21

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
MFX Infotech Private Limited

Kundan Kumar Lal
Director
DIN: 06446995
Place: Bengaluru
Date:

Raghuthaman Abhinandan
Additional Director
DIN: 07675547
Place: Bengaluru
Date:

Statement of Cash Flows	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities		
Profit before tax	99,09,057	(6,81,91,472)
Adjustments for:		
Depreciation and amortisation expenses	1,56,59,271	1,91,47,299
Unrealised Foreign Exchange Loss/(Gain)	71,80,350	(1,38,91,083)
Finance costs	20,11,675	98,94,754
Impairment loss allowance on financial asset, net	11,51,346	48,97,980
Re-measurement of the net defined benefit liability/asset (net of tax)	3,72,800	(11,14,290)
Operating cash flows before working capital changes	**3,62,84,499**	**(4,92,56,811)**
Working capital adjustments		
Changes in inventories and trade receivables	17,93,42,534	7,54,02,710
Changes in loans, other financial assets and other assets	3,56,10,953	(1,53,27,155)
Changes in trade payables and other financial liabilities	(7,72,99,177)	39,95,485
Changes in other liabilities and provisions	22,40,260	1,44,20,332
Cash generated from operating activities	**17,61,79,070**	**2,92,34,561**
Income tax paid, net	2,29,91,678	84,80,334
Net cash (used in) / provided by operating activities (A)	**19,91,70,748**	**3,77,14,895**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(32,71,326)	(1,06,76,027)
Net cash used in by investing activities (B)	**(32,71,326)**	**(1,06,76,027)**
Cash flows from financing activities		
Proceeds/ (Repayment) of Debenture	(12,06,12,000)	**68,19,143**
Proceeds from borrowings	(2,29,06,650)	(1,14,00,600)
Lease liablity Paid_IND As 116	(94,40,054)	(1,75,11,444)
Finance cost paid	(8,68,919)	(65,70,088)
Net cash used in by financing activities (C)	**(15,38,27,623)**	**(2,86,62,989)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	4,20,71,798	(16,24,121)
Cash and cash equivalents at the beginning of the year	**4,30,02,989**	**4,46,27,109**
Cash and cash equivalents at the end of the year (refer note 9)	**8,50,74,787**	**4,30,02,989**

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703
Place: Bengaluru
Date: 25/5/21

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
MFX Infotech Private Limited

Kundan Kumar Lal
Director
DIN: 06446995
Place: Bengaluru
Date:

Raghuthaman Abhinandan
Additional Director
DIN: 07675547
Place: Bengaluru
Date:

3. Property, plant and equipment

Particulars	Leasehold improvements	Office equipment	Computer equipment	ROU Building*	Total
Gross carrying amount					
Opening Balance	15,18,622	52,88,863	1,47,38,216	-	**2,15,45,701**
Movement in Opening	-	-	-	4,13,87,681	**4,13,87,681**
Addition	3,90,345	1,43,677	44,12,506	-	**49,46,528**
Closing gross carrying amount at 31 Mar 2020	**19,08,967**	**54,32,540**	**1,91,50,722**	**4,13,87,681**	**6,78,79,911**
Opening Balance	19,08,967	54,32,540	1,91,50,722	4,13,87,681	**6,78,79,911**
Movement in Opening	-	-	-	-	-
Addition	11,74,409	2,02,500	18,94,417	-	**32,71,326**
Deletion	(19,08,967)	-	(11,20,446)	(4,13,87,681)	**(4,44,17,094)**
Closing gross carrying amount at 31 Mar 2021	**11,74,409**	**56,35,040**	**1,99,24,693**	**-**	**2,67,34,142**
Opening Balance	10,03,037	35,99,102	1,04,51,073	-	**1,50,53,212**
Addition	2,33,062	8,98,022	30,26,831	1,49,89,384	**1,91,47,299**
Closing accumulated depreciation as at 31 Mar 2020	**12,36,099**	**44,97,124**	**1,34,77,904**	**1,49,89,384**	**3,42,00,511**
Opening Balance	12,36,099	44,97,124	1,34,77,904	1,49,89,384	**3,42,00,511**
Addition	9,12,939	6,09,651	32,32,156	74,94,692	**1,22,49,438**
Deletion	(19,08,967)	-	(11,20,446)	(2,24,84,076)	**(2,55,13,489)**
Closing accumulated depreciation as at 31 Mar 2021	**2,40,071**	**51,06,775**	**1,55,89,614**	**0**	**2,09,36,460**
Net Carrying amount					
As at 31 Mar 2021	**9,34,338**	**5,28,265**	**43,35,079**	**(0)**	**57,97,682**
As at 31 Mar 2020	**6,72,868**	**9,35,416**	**56,72,818**	**2,63,98,297**	**3,36,79,399**

***(Refer note -33)**

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4. Intangible assets

Particulars	Computer software	Total
Gross carrying amount		
Opening Balance	2,90,027	2,90,027
Addition	57,29,500	57,29,500
Deletion	-	-
Closing gross carrying amount at 31 Mar 2020	**60,19,527**	**60,19,527**
Opening Balance	60,19,527	60,19,527
Addition	-	-
Deletion	-	-
Closing gross carrying amount at 31 Mar 2021	**60,19,527**	**60,19,527**
Opening Balance	2,90,027	2,90,027
Addition	-	-
Deletion	-	-
Closing accumulated depreciation as at 31 Mar 2020	**2,90,027**	**2,90,027**
Opening Balance	2,90,027	2,90,027
Addition *	34,09,833	34,09,833
Deletion	-	-
Closing accumulated depreciation as at 31 Mar 2021	**36,99,860**	**36,99,860**
Net Carrying amount		
As at 31 Mar 2021	**23,19,667**	**23,19,667**
As at 31 Mar 2020	**57,29,500**	**57,29,500**

* Amortization during the year includes INR. 15L towards acclerated amortization on Intangibles due to reestimation of useful life of Intangibles

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5 **Non current loans**

Particulars	31 Mar' 2021	31 Mar 2020
Unsecured, considered good		
Security deposits	-	1,22,87,163
	-	**1,22,87,163**

6 **Deferred tax assets (net)**

Particulars	31 Mar '2021	31 Mar 2020
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset on liabilities:		
Impairment loss allowance on financial assets	3,56,131	13,88,039
Provision on employee benefits- Gratuity	70,10,752	56,11,835
Provision on employee benefits- Compensated absences	21,22,983	16,69,433
Deferred Tax on Loss during the year	83,30,804	1,46,61,449
Deferred Tax on IND AS 116	-	2,02,000
Deferred Tax others	21,89,889	(4,28,994)
Net deferred tax assets	**2,00,10,559**	**2,31,03,762**

Income tax assets (net)

Particulars	31 Mar '2021	31 Mar 2020
Advance income tax	73,03,118	3,02,94,796
	73,03,118	**3,02,94,796**

7 **Other non-current assets**

Particulars	31 Mar '2021	31 Mar 2020
Unsecured and considered good		
Prepaid expenses	-	18,25,060
	-	**18,25,060**

8 **Trade receivables**

Particulars	31 Mar' 2021	31 Mar 2020
Unsecured		
Considered good*	4,30,19,126	23,30,12,995
Considered doubtful	14,15,017	55,15,096
	4,44,34,143	**23,85,28,091**
Loss allowance		
Less : Allowance for Credit Loss	(14,15,017)	(55,15,096)
	(14,15,017)	**(55,15,096)**
Net trade receivables	**4,30,19,126**	**23,30,12,995**

*Includes Receivables from Related Parties, refer note 38

9 **Cash and cash equivalents**

Particulars	31 Mar '2021	31 Mar 2020
Cash and cash equivalents		
Balances with banks		
In current accounts	8,45,27,722	4,25,02,989
Cash and cash equivalent in the statement of cash flow	**8,45,27,722**	**4,25,02,989**

10 **Other bank balances**

Particulars	31 Mar '2021	31 Mar 2020
In deposit accounts (mature within 12 months from the reporting date)	5,47,065	5,00,000
	5,47,065	**5,00,000**

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11 Current loans

Particulars	31 Mar '2021	31 Mar 2020
Unsecured, considered good		
Security deposits	86,56,200	15,000
Loans to employees	1,25,079	-
	87,81,279	**15,000**

12 Unbilled revenue

Particulars	31 Mar '2021	31 Mar 2020
Unbilled revenue	3,38,47,234	6,51,85,865
	3,38,47,234	**6,51,85,865**

13 Other current assets

Particulars	31 Mar '2021	31 Mar 2020
Advances other than capital advances		
Travel advances to employees	2,32,266	3,49,383
Other advances	-	7,62,481
Prepaid expenses	19,35,637	18,59,481
Balances with government authorities	28,51,865	13,59,077
	50,19,768	**43,30,422**

14 Share capital

Particulars	31 Mar '2021	31 Mar 2020
Authorised		
20,00,000 (31 March 2020 : 20,00,000) equity shares of par value	2,00,00,000	2,00,00,000
	2,00,00,000	**2,00,00,000**
Issued, subscribed and paid-up		
10,00,000 (31 March 2020 : 10,00,000) equity shares of par value	1,00,00,000	1,00,00,000
Share Application money	-	-
	1,00,00,000	**1,00,00,000**

14.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2021	As at 31 March 2020
	Number of Shares	**Number of Shares**
Equity shares		
At the commencement of the year	10,00,000	10,00,000
At the end of the year	**10,00,000**	**10,00,000**

14.2 Shares held by Holding Company

Particulars	As at 31 March 2021	As at 31 March 2020
	Number of Shares	**Number of Shares**
Equity shares		
Equity shares of par value Rs 10 each		
Quess Corp Limited	9,99,999	9,99,999
	9,99,999	**9,99,999**

14.3 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021	As at 31 March 2020
	% held	**% held**
Equity shares		
Equity shares of par value Rs 10 each		
Quess Corp Limited	9,99,999	9,99,999

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16 Other equity*

Particulars	31 Mar '2021	31 Mar 2020
Other comprehensive income	20,09,977	16,37,177
Other Equity- Corporate Guarantee	10,50,000	10,50,000
Retained earnings	2,96,61,986	2,27,20,749
	3,27,21,963	**2,54,07,926**

**for detailed movement of reserves, refer Statement of changes in Equity*

17 Other non-current financial liabilities

Particulars	31 Mar '2021	31 Mar 2020
Lease liability	-	1,16,06,122
	-	**1,16,06,122**

18 Non-current provisions

Particulars	31 Mar '2021	31 Mar 2020
Provision for gratuity (refer note 39)	2,49,48,720	2,00,17,876
Provision for compensated absences (refer note 40)	55,73,991	43,95,844
	3,05,22,711	**2,44,13,720**

19 Current borrowings

Particulars	31 Mar '2021	31 Mar 2020
Loans from bank repayable on demand		
Secured		
Bill discounting facility from bank	2,19,33,000	4,76,68,950
	2,19,33,000	**4,76,68,950**

*The Company has availed packing credit in foreign currency (PCFC) & post shipment credit in foreign currency (PSFC) facilities from Yes bank Limited and utilised Rs. 21,933,000 (Previous Year: Rs 47,668,950) of PSFC. The facility is secured by way of pari passu first charge on the entire current assets of the Company. The rate of interest is bank's base rate plus 2.25%-2.50% p.a.

20 Trade payables

Particulars	31 Mar '2021	31 Mar 2020
Trade payables	87,75,095	10,26,54,480
	87,75,095	**10,26,54,480**

As on 31 March 2021 and 31 March 2020, there are no outstanding amounts due to micro and small enterprises. There are no interests due or outstanding on the same.
* Includes trade payables to related parties . Refer note 38

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21 Other current financial liabilities

Particulars	31 Mar '2021	31 Mar 2020
Lease liability	-	1,55,94,781
Other Payables		
Accrued salaries and benefits	4,88,53,371	5,47,72,010
Provision for expenses	3,32,03,029	2,23,10,306
	8,20,56,400	**9,26,77,096**

22 Current provisions

Particulars	31 Mar '2021	31 Mar 2020
Provision for employee benefits		
Provision for gratuity (refer note 40)	29,07,098	22,79,627
Provision for compensated absences (refer note 40)	28,61,257	22,37,313
	57,68,355	**45,16,940**

23 Other current liabilities

Particulars	31 Mar '2021	31 Mar 2020
Income received in advance	8,31,750	-
Advance received from customers*	84,12,504	30,50,314
Balances payable to government authorities	1,01,51,442	98,59,405
	1,93,95,696	**1,29,09,719**

* Includes Advance from related parties . Refer note 38

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MFX Infotech Private Limited
Notes to the financial statements for the year ended 31 March 2021

6 Income tax

Income Tax Assets/Liabilities in the Balance Sheet are as follows :-

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax/(Provision for Income Tax) net	73,03,119	3,02,94,796

A Amount recognized in Profit or Loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current income tax:		
In respect of the current period	-	-
Short provision of tax relating to earlier years	-	-
Deferred tax		
Origination & reversal of temporary differences		
Increase/Reduction of Tax rate		
In respect of the current period	29,67,820	(1,64,64,639)
Income tax expense reported in the statement of profit and loss	**29,67,820**	**(1,64,64,639)**

B Income tax recognized in Other comprehensive Income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit Liability/Asset		
Before tax	4,98,183	(14,89,055)
Tax (expense)/Benefit	(1,25,383)	3,74,765
Net of Tax	**3,72,800**	**(11,14,290)**

C Reconciliation of effective tax rate

Particulars	Tax Rate %	For the year ended 31 March 2021	Tax Rate %	For the year ended
Profit before tax		99,09,057		(6,81,91,472)
Tax using company's domestic tax rate	25.17%	24,93,911	25.17%	(1,71,62,430)
Effect of:				
Expenses disallowed for tax purpose(net)		16,25,141		25,76,485
Deferred tax assets		29,67,820		(1,64,64,639)
Income from other sources		(36,259)		-
Loss to be carried forward for future years		-		1,45,85,945
Loss to be (set-off) against earlier years		(40,82,794)		
Effective tax rate	**29.95%**	**29,67,820**	**24.14%**	**(1,64,64,639)**
Add: Short/(excess) provision for prior year	0.00%	-	0.00%	-
Total income tax expense	**29.95%**	**29,67,820**	**24.14%**	**(1,64,64,639)**

The tax rates under Indian Income Tax Act, for the year ended March 31, 2021 and March 31, 2020 is 25.17%. and 25.17%

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D **The following table provides the details of income tax assets and income tax liabilities as of 31 March 2021, 31 March 2020:-**

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax assets	2,39,31,560	4,69,23,238
Income tax liabilities	1,66,28,441	1,66,28,441
Net income tax assets/(liability) at the end	**73,03,119**	**3,02,94,797**

E **Deferred tax (net)**

Deferred tax relates to the following:-

Particulars	Balance sheet	
	As at 31 March 2021	As at 31 March 2020
Excess of depreciation provided for in books of accounts	10,40,082	(7,53,363)
Provision for compensated absence	21,22,983	16,69,433
Provision for Gratuity	70,10,752	56,11,835
ROU Assets (WDV)	-	(66,43,923)
ROU Liabality (WDV)	-	68,45,923
Others	-	3,24,369
Unabsorbed depreciation	11,49,807	-
Income Tax Losses	83,30,804	1,46,61,449
Impairment loss allowance on Financial assets	3,56,131	13,88,039
Net deferred tax assets/ (liabilities)	**2,00,10,559**	**2,31,03,762**

F **Recognised deferred tax assets and liabilities**

Movement of deferred tax assets / liabilities presented in the balance sheet

As at 31 March 2021

Particulars	Opening balance	Recognized in Profit or loss	Recognized in OCI	Closing Balance
Excess of depreciation provided for in books of accounts	(7,53,363)	17,93,445		**10,40,082**
Provision for compensated absence	16,69,433	4,53,550		**21,22,983**
Provision for Gratuity	56,11,835	13,98,917		**70,10,752**
ROU Assets (WDV)	(66,43,923)	66,43,923		-
ROU Liabality (WDV)	68,45,923	(68,45,923)		-
Others	3,24,369	(1,98,986)	(1,25,383)	-
Unabsorbed depreciation	-	11,49,807		**11,49,807**
Income Tax Losses to be carried forward	1,46,61,449	(63,30,645)	-	**83,30,804**
Impairment loss allowance on Financial assets	13,88,039	(10,31,908)		**3,56,131**
	2,31,03,762	**(29,67,820)**	**(1,25,383)**	**2,00,10,559**

As at 31 March 2020

Particulars	Opening balance	Recognized in Profit or loss	Recognized in OCI	Closing Balance
Excess of depreciation provided for in books of accounts	5,51,243	(13,04,606)		**(7,53,363)**
Provision for compensated absence	16,61,872	7,561		**16,69,433**
Provision for Gratuity	35,88,068	20,23,767		**56,11,835**
ROU Assets (WDV)	-	(66,43,923)		**(66,43,923)**
ROU Liabality (WDV)	-	68,45,923		**68,45,923**
Others	2,48,197	(2,98,593)	**3,74,765**	**3,24,369**
Income Tax Losses	-	1,46,61,449	-	**1,46,61,449**
Impairment loss allowance on Financial assets	2,14,978	11,73,061		**13,88,039**
	62,64,358	**1,64,64,639**	**3,74,765**	**2,31,03,762**

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15. **Notes to the financial statements in relation of compulsorily convertible debentures**

(a) Reconciliation of the number of compulsorily convertible debentures outstanding at the beginning and at the end of the reportin

Particulars	As at 31 March 2021		As at 31 March 2020	
	No.	Amount	No.	Amount
Number of compulsorily convertible debentures (CCDs) outstanding at the beginning of the year	1,20,612	12,06,12,000	-	-
Debentures Issued During the Year			1,20,612	12,06,12,000
Debentures redeemed During the Year*	1,20,612	12,06,12,000	-	-
Number of compulsorily convertible debentures (CCDs) outstanding at the end of the year.	**-**	**-**	**1,20,612**	**12,06,12,000**

(b) The rights, preferences and restrictions attaching to compulsorily convertible debentures issued to Quess Corp Limited, holding

The Company had one class of compulsorily convertible debentures of Rs 1000 per CCD.These CCDs are unsecured and carry a discretionary coupon of 10% per annum. The CCDs shall have a tenure of 10 years from the date of issue. The holder of these CCDs shall have the right to convert any or all of the CCDs, any time during the tenure of CCDs. CCDs outstanding at the end of the tenure shall be automatically be converted into Equity shares of the Company. These CCDs shall be converted into 4,09,493 equity shares at an issue price INR 294.54 each having a face value of INR 10 each.
*The CCDs were redemeed during the year by passing special resolution dated 17th December' 2020.

(c) Particulars of compulsorily convertible debentures held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Quess Corp Limited, holding company	-	1,20,612

(d) CCD holders holding more than 5% of compulsorily convertible debentures along with the total number of CCDs held at the beginning and at the end of the reporting period is as given below

Particulars	**As at 31 March 2021**		**As at 31 March 2020**	
	% of holding	**No.**	**% of holding**	**No.**
Quess Corp Limited	0.00%	-	100.00%	1,20,612

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Notes to the financial statements for the year ended 31 Mar 2021

24 Revenue from operations

Particulars	For the year ended 31 Mar '2021	For the year ended 31 Mar 2020
Sale of services		
Software sales and maintenance	70,09,53,624	64,79,79,204
Sale of License	75,42,657	60,02,653
Total sale of services	**70,84,96,281**	**65,39,81,857**

25 Other income

Particulars	For the year ended 31 Mar '2021	For the year ended 31 Mar 2020
Interest income under the effective interest method on:		
Cash and cash equivalents	47,065	-
Interest income on present valuation of financial instruments	7,56,797	11,55,600
Interest on tax refunds due	16,51,731	-
Profit on sale of property, plant and equipment and intangible assets	1,44,068	-
Foreign exchange gain	-	1,73,18,105
Miscellaneous income	-	91,015
	25,99,661	**1,85,64,720**

26 Cost of material consumed

Particulars	For the year ended 31 Mar '2021	For the year ended 31 Mar 2020
Cost of materials	67,56,880	49,58,448

27 Employee benefits expense

Particulars	For the year ended 31 Mar '2021	For the year ended 31 Mar 2020
Salaries and wages	57,64,78,123	59,88,21,287
Contribution to provident and other funds	2,92,71,343	2,98,93,802
Expenses related to post-employment defined benefit plan	79,46,229	65,24,619
Expenses related to compensated absences	18,02,091	(5,28,904)
Staff welfare expenses	3,96,498	56,71,243
	61,58,94,284	**64,03,82,047**

28 Finance costs

Particulars	For the year ended 31 Mar '2021	For the year ended 31 Mar 2020
Interest expense on financial liabilites measured at amortised cost	11,42,756	33,44,741
Other borrowing costs	8,68,919	65,50,013
	20,11,675	**98,94,754**

*Includes Interest to Related Parties, refer note 38

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29 **Depreciation and amortisation expense**

Particulars	For the year ended	
	31 Mar '2021	31 Mar 2020
Depreciation and Amortisation	1,22,49,438	1,91,47,299
Amortisation of intangible assets	34,09,833	-
	1,56,59,271	**1,91,47,299**

30 **Other expenses**

Particulars	For the year ended	
	31 Mar '2021	31 Mar 2020
Sub-contractor charges	1,64,81,238	84,18,369
Rent	1,56,11,210	86,76,284
Power and Fuel	32,33,095	64,40,476
Repairs & maintenance		
- buildings	15,80,422	39,78,804
- plant and machinery	-	14,250
- others	3,30,666	9,16,846
Legal and professional fees*	13,77,396	43,96,786
Rates and taxes	17,37,871	23,11,013
Technological support services	36,99,376	24,06,846
Printing and stationery	(3,15,039)	4,15,126
Travelling and conveyance	32,86,241	1,78,08,629
Communication expenses	35,37,319	48,80,273
Impairment loss on financial assets	(41,00,079)	47,34,777
Equipment hire charges	14,30,589	2,86,500
Insurance	3,28,400	2,51,751
Bank charges	50,686	88,151
Bad debts written off	52,51,425	-
Business promotion and advertisement expenses	20,000	1,36,331
Foreign exchange loss, net	75,83,098	-
Miscellaneous expenses	(2,59,138)	1,94,290
	6,08,64,775	**6,63,55,501**

*Legal and professional fees includes payments made to auditors as below:

Particulars	For the year ended	
	31 Mar '2021	31 Mar 2020
Statutory Audit fees	2,80,000	2,80,000
Others Certification fees	34,500	-
	3,14,500	**2,80,000**

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31 Financial instruments - fair value and risk management

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

Particulars	Carrying amount	Fair value		
	31-Mar-21	Level 1	Level 2	Level 3
Financial assets				
Amortised cost				
Trade receivable	4,30,19,126	-	-	-
Cash and cash equivalents	8,50,74,787	-	-	-
Loans	87,81,279	-	-	-
Unbilled	3,38,47,234			
Other assets	-	-	-	-
Total financial assets	**17,07,22,426**	**-**	**-**	**-**

Particulars	Carrying amount	Fair value		
	31-Mar-21	Level 1	Level 2	Level 3
Financial liabilities				
Amortised cost				
Lease Liability	-	-	-	-
Loans and borrowings	2,19,33,000	-	-	-
Trade payables	87,75,095	-	-	-
Other liabilities	8,20,56,400	-	-	-
Total financial liabilities	**11,27,64,495**	**-**	**-**	**-**

Particulars	Carrying amount	Fair value		
	31-Mar-20	Level 1	Level 2	Level 3
Financial assets				
Amortised cost				
Trade receivable	23,30,12,995	-	-	-
Cash and cash equivalents	4,30,02,989	-	-	-
Loans	1,23,02,163	-	-	-
Other assets	6,51,85,865	-	-	-
Total financial assets	**35,35,04,013**	**-**	**-**	**-**

Particulars	Carrying amount	Fair value		
	31-Mar-20	Level 1	Level 2	Level 3
Financial liabilities				
Amortised cost				
Lease Liability	1,16,06,122			
Loans and borrowings	4,76,68,950	-	-	-
Trade payables	10,26,54,480	-	-	-
Other liabilities	9,26,77,096	-	-	-
Total financial liabilities	**25,46,06,648**	**-**	**-**	**-**

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Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference shares included in level 3.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

A Financial Assets:

1) Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B Financial Liabilities:

1) **Borrowings**: It includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

2) **Trade payables and other liabilities:** Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

3) **Financial liability:** The fair value of financial liability has been determined by discounting consideration payable on commitment to sell. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of this put option.

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32 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Board of Directors of MFX Infotech Private Limited has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customer. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 31 March 2020 and 31 March 2021 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivables from customers and unbilled revenue.

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired if the payments are more than 360 days past due. Loss rates are based on actual credit loss experience over the last six quarters. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The loss rates considers the credit risk of the customers and have been adjusted to reflect the Management's view of economic conditions over the expected collection period of the receivables.

At 31 March 2021, the Company's most significant customer, a MFXchange US, Inc accounted for Rs 33,972,122 of the trade and other receivables carrying amount (31 March 2020 : Rs 215,530,542).

Impairment

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers :-

As at 31 March 2021

Particulars	Gross carrying amount	Expected credit loss rate	Expeeted credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	3,62,19,765	0.87%	3,16,208	No	3,59,03,557
Past due 1–90 days	53,30,299	1.62%	86,453	No	52,43,846
Past duc 91–180 days	54,044	4.78%	2,583	No	51,461
Past duc 181–270 days	24,09,954	20.98%	5,05,689	NA	19,04,265
Past duc 271–360 days	73,160	51.43%	37,627	No	35,533
Above 360 days	3,46,920	100.00%	3,46,920	NA	-
	4,44,34,142		**12,95,480**		**4,31,38,662**

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Notes to the financial statements for the year ended 31 March 2021

As at 31 March 2020

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	14,07,83,272	0.013%	18,147	No	14,07,65,125
Past due 1–90 days	8,35,74,083	0.038%	31,664	No	8,35,42,419
Past due 91–180 days	67,69,382	0.241%	16,339	No	67,53,043
Past due 181–270 days	15,36,866	5.294%	81,356	NA	14,55,510
Past due 271–360 days	-	15.881%	-	No	-
Above 360 days	58,64,488	91.527%	53,67,590	NA	4,96,898
	23,85,28,091		**55,15,096**		**23,30,12,995**

Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates. The Company's objective is to maintain a balance between cash outflow and inflow. The company believes that the working capital is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

Financing arrangement

The Company maintains the following line of credit:

(i) The Company has taken bill discounting facilities from banks having interest rate of Base rate+2.25%-2.50%. The facility is secured by way of pari passu first charge on the entire current assets of the Company and corporate guarantee from Holding company.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March, 2021 and 31 March 2020 :-

Particulars	Carrying amount	As at 31 March 2021		
		Less than 1 year	1-2 years	2 years and above
Borrowings	2,19,33,000	2,19,33,000	-	-
Trade payables	87,75,095	87,75,095	-	-
Other financial liabilities	8,20,56,400	8,20,56,400	-	-

Particulars	Carrying amount	As at 31 March 2020		
		Less than 1 year	1-2 years	2 years and above
Borrowings	4,76,68,950	4,76,68,950	-	-
Trade payables	10,26,54,480	10,26,54,480	-	-
Other financial liabilities	10,42,83,218	9,26,77,096	1,16,06,122	-

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Company companies.

Exposure to currency risk

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

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Foreign currency	Amount in Reporting Currency	Foreign currency	Amount in Reporting Currency
Trade receivables	USD	4,64,671	3,39,72,122	29,29,288	22,16,44,576
		4,64,671	**3,39,72,122**	**29,29,288**	**22,16,44,576**

The following significant exchange rates have been applied

Particulars	Year end spot rate	
	31 March 2021	31 March 2020
USD/ INR	73.110	75.665

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Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the USD against INR at 31 March 2021 and 31 March 2020 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
USD (2% movement)	6,79,442	(6,79,442)	5,08,440	(5,08,440)
31 March 2020				
USD (2% movement)	44,32,892	(44,32,892)	33,17,221	(33,17,221)

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 borrowing comprises of invoice discounting facility which carries fixed rate of interest and borrowings from holding company, which do not expose it to significant interest rate risk.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:-

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	2,19,33,000	4,76,68,950
Total borrowings	**2,19,33,000**	**4,76,68,950**

Sensitivity analysis

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2021				
Variable rate borrowings	(2,19,330)	2,19,330	(1,64,129)	1,64,129
31 March 2020				
Variable rate borrowings	(4,76,690)	4,76,690	(3,56,716)	3,56,716

The sensitivity analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.a

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

The capital structure is as follows :-

Particulars	As at 31 March 2021	As at 31 March 2020
Gross debt	2,19,33,000	4,76,68,950
Less: Cash and cash equivalents	8,50,74,787	4,30,02,989
Adjusted net debt	(6,31,41,787)	46,65,961
Total equity	4,27,21,963	15,60,19,926
Less: Effective portion of cash flow hedges and cost of hedging	-	-
Total equity	4,27,21,963	15,60,19,926
Net debt to equity ratio	**(1.48)**	**0.03**

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33 INDAS -116 - Lease

Lease liability

Particulars	As at 31 March 2021	As at 31 March 2020
Current lease liability	-	1,55,94,781
Non-current lease liability	-	1,16,06,122
Total	**-**	**2,72,00,903**

The following is the movement in lease liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Operating lease recognised on adoption of Ind AS 116	2,72,00,903	4,13,87,681
Reclassification on adoption of Ind AS 116		
Less: Deletion	(1,89,03,605)	-
Add: Finance cost accrued during the period	11,42,756	33,24,666
Less: Payment of lease obligation	(94,40,054)	(1,75,11,444)
Carrying amount as at 31 March 2021	(0)	2,72,00,903

Amount recognised in PL

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense (included in finance cost)	11,42,756	33,24,666
Expenses relating to short-term lease (included in other expenses	86,93,550	-
Expenses relating to lease of low value assets that are not included above (included in other expenses)	-	-
	98,36,306	**33,24,666**

The table below provides details regarding the contractual maturities of lease

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	-	1,55,94,781
One to five years	-	1,16,06,122
More than five years	-	-
	-	**2,72,00,903**

Rental expense recorded for short-term leases was	94,40,054	1,75,11,444

Note :During the year ended March 31st 2021, Lease agreements which were part of Ind AS – 116 scope, has been terminated prior to the earlier estimated tenure & due to which Ind AS – 116 applicablity also ceased with regard to these agreements. Accordingly ROU Gross Block & correspondingly accumulated depreciation has been account for.`

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34 Revenue from Contracts with customers

(i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by geography for each of our business segments for the year ended 31 March 2021. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Year ended March 31, 2021

Particulars	Amount
Revenues by Geography	
India	38,50,56,732
United States of America	30,66,87,776
Others	1,67,51,773
Total	70,84,96,281

(ii) Trade Receivables and Contract Balances

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR)

Particulars	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in 'Trade and other receivables'	4,30,19,126	23,30,12,995
Contract assets	3,38,47,234	6,51,85,865
Contract liabilities	8,31,750	-

The contract assets(unbilled revenue) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date.The contract assets are transferred to receivables when the rights become unconditional.
The contract liabilities (unearned revenue) primarily relate to the advance consideration received from customer, for which revenue is

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2021

(Amount in INR)

Particulars	For the year ended 31 March 2021
Balance at the beginning	6,51,85,865
Add : Revenue recognized during the period	70,84,96,281
Less : Invoiced during the period	73,98,34,912
Balance at the end	3,38,47,234

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for (i) contracts with an original expected duration of one year or less and (ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2021, other than those meeting the exclusion criteria mentioned above, is NIL.

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35 Contingent liabilities and Capital commitment

Particulars	31 March 2021	31 March 2020
Contingent liabilities		
Bank Gaurantee*	5,00,000	5,00,000
Income tax Demand **	2,75,89,530	-
Capital Commitments	-	14,69,508
	2,80,89,530	**19,69,508**

*National health authority - Yes bank gaurantee: Bank Gaurantee In favour of National health authority by Yes bank Ltd. On behalf of MFXI Am
** During the year ended March 31, 2021, the Company had received the final assessment order for Assessment Year 2016-17 under the Income Tax Act, 1961. In the assessment order, a demand of Rs. 2.75 crores had been raised, arising on account transfer pricing adjustment in respect of transactions entered into with the Associated Enterprises. The Company is in the process of filing an appeal before relevant appellate authority. The Management including tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

36 Unhedged foreign currency exposure

Foreign currency exposures on account of trade receivables/ trade payables not hedged by derivative instruments are as follows:

Particulars		31 March 2021		31 March 2020	
	Currency	Foreign currency	Amount in Rs	Foreign currency	Amount in Rs
Trade receivables	USD	4,64,671	3,39,72,122	29,29,288	22,16,44,576
		4,64,671	**3,39,72,122**	**29,29,288**	**22,16,44,576**

37 Earnings in foreign currency

Particulars	31 March 2021	31 March 2020
Software sales and service	30,63,15,447	31,86,84,248
	30,63,15,447	**31,86,84,248**

Expenditure in foreign currency

Particulars	31 March 2021	31 March 2020
Travelling and conveyance	-	10,96,018
License Fee	58,89,347	49,58,448
	58,89,347	**60,54,466**

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38 Related party disclosures

(i) Name of related parties and description of relationship:

- Entities having significant influence	Fairfax Financial Holdings Limited Fairfax (US) Inc. HWIC Asia Fund Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (upto 6 December 2019) Fairfax (US) Inc. Net Resources Investments Private Limited National Collateral Management Services Limited
- Subsidiaries, associates and joint venture	Refer note (ii)

Key management personnel:
The Company has also entered into transactions with the key management personnel. The Key management personnel are mentioned below:

- Entity in which key managerial personnel have significant influence	Careworks foundation

Key executive management personnel

Raghuthaman Abhinandan	Additional Director	Effective from 1st April'21
Kundan Kumar Lal	Director	
Subramanian Ramakrishnan	Director	Effective till 31st March"21

(ii) List of fellow subsidiaries (including step-subsidiaries), associates and joint venture

Name of the entity	Nature of relation	Country of domicile
Brainhunter Systems Ltd.	Subsidiary	Canada
Mindwire Systems Limited	Subsidiary	Canada
Quess (Philippines) Corp.	Subsidiary	Philippines
Quess Corp (USA) Inc.	Subsidiary	USA
Quesscorp Holdings Pte. Ltd.	Subsidiary	Singapore
Quess Corp Vietnam LLC	Subsidiary	Vietnam
Quessglobal (Malaysia) SDN. BHD.	Subsidiary	Malaysia
Quess Corp Lanka (Private) Limited	Subsidiary	Sri Lanka
Comtel Solutions Pte. Ltd.	Subsidiary	Singapore
MFXchange Holdings, Inc.	Subsidiary	Canada
MFXchange US, Inc.	Subsidiary	USA
MFX Chile SpA	Subsidiary	Chile
Dependo Logistics Solutions Private Limited	Subsidiary	India
Excelus Learning Solutions Private Limited	Subsidiary	India
Conneqt Business Solution Limited	Subsidiary	India
Vedang Cellular Services Private Limited	Subsidiary	India
Golden Star Facilities and Services Private Limited	Subsidiary	India
Comtelpro Pte. Limited.	Subsidiary	Singapore
Comtelink Sdn. Bhd	Subsidiary	Malaysia
Monster.com (India) Private Limited	Subsidiary	India
Monster.com.SG PTE Limited	Subsidiary	Singapore
Monster.com HK Limited	Subsidiary	Hong Kong
Agensi Pekerjaan Monster Malaysia SDN. BHD.	Subsidiary	Malaysia
Quesscorp Management Consultancies	Subsidiary	Dubai, UAE
Quesscorp Manpower Supply Services LLC	Subsidiary	Dubai, UAE
Qdigi Services Limited	Subsidiary	India
Greenpiece Landscapes India Private Limited	Subsidiary	India
Simpliance Technologies Private Limited	Subsidiary	India
Allsec Technologies Limited	Subsidiary	India
Allsectech Inc., USA	Subsidiary	USA
Allsectech Manila Inc., Philippiness	Subsidiary	Philippines
Retreat Capital Management Inc., USA	Subsidiary	USA
Trimax Smart Infraprojects Private Limited	Subsidiary	India
Quess Corp Services Limited	Subsidiary	Bangladesh
Terrier Security Services (India) Private Limited	Subsidiary	India
Quess East Bengal FC Private Limited	Subsidiary	India
Heptagon Technologies Private Limited	Associate	India
Quess Recruit, Inc.	Associate	Philippines
Agency Pekerjaan Quess Recruit SDN. BHD.	Associate	Malaysia
Stellars Log Technovation Private Limited	Associate	India
Himmer Industrial Services (M) SDN. BHD.	Joint venture	Malaysia

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Notes to the financial statements for the year ended 31 March 2021

(iii) Related party transactions during the year/period

Particulars	31 March 2021	31 March 2020
Revenue from operations	**69,30,30,050**	**63,18,22,024**
MFXchange US, Inc	30,39,25,735	31,18,91,423
Quess Corp Limited	36,31,74,232	29,89,85,985
Brainhunter Systems Limited, Canada	1,71,24,102	1,48,30,040
MFXchange Holdings, Inc	3,72,329	39,53,572
Heptagon Technologies Private Limited	27,16,279	-
Terrier Security Services (India) Private Limited	2,57,600	-
Allsec Technologies Limited	51,29,743	8,88,315
Expenses incurred by related parties on behalf of the Company	25,655	**21,36,604**
Quess Corp Limited	25,655	21,36,604
Interest on unsecured loans	-	**37,74,073**
Quess Corp Limited	-	37,74,073
Rendering of services by related parties	**1,01,78,660**	**38,59,974**
Terrier Security Services India Pvt Ltd	7,61,838	25,47,474
Heptagon Technologies Private Limited	-	9,87,900
Monster.com (India) Private Limited	3,80,700	3,24,600
Thomas Cook India Ltd	-	13,090
Conneqt Business Solution Limited	86,93,550	-
Allsec Technologies Limited	3,42,572	-

(iv) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars	31 March 2021	31 March 2020
Trade receivables	**3,93,24,252**	**22,46,70,436**
MFXchange US, Inc	3,39,72,122	21,55,30,542
Brainhunter Systems Limited, Canada	13,36,851	87,63,055
Heptagon Technologies	32,05,209	-
Allsec Technologies Ltd	8,10,070	-
Unbilled revenue	**3,32,85,662**	**6,35,93,506**
Quess Corp Limited	3,25,30,592	3,02,35,881
MFXchange US, Inc	-	3,17,79,300
Brainhunter Systems Limited, Canada	-	12,00,000
MFXchange Holdings Inc	-	3,78,325
Allsec Technologies Ltd	7,55,070	-
Provision for expenses	-	**1,85,326**
Quess Corp Limited	-	1,85,326
Trade payables	**49,93,569**	**10,20,04,474**
Conneqt Business Solution Limited	48,48,099	-
Allsec Technologies Ltd	1,45,470	-
Quess Corp Limited	25,655	10,12,41,592
Terrier Security Services India Pvt Ltd	-	6,78,642
Monster.com (India) Private Limited	-	84,240
Advance received from Quess	84,12,504	-
Outstanding Bank Guarantees provided by holding company		
Quess Corp Limited	6,00,00,000	6,00,00,000

(v) Compensation of key managerial personnel

There is no compensation paid to Key Managerial Personnel during the year (Previous Year : NIL)

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INDIA
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39 Gratuity

The following table sets out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at 31 March 2021 and 31 March 2020

Particulars	31 March 2021	31 March 2020
Change in defined benefit obligation		
Obligation at the beginning of the year	2,22,97,499	1,30,20,838
Past service cost	1,69,678	-
Current service cost	65,51,051	54,67,247
Interest cost	12,25,500	10,60,374
Benefit settled	(9,39,817)	(3,05,809)
Laiblity TRFR IN	(9,49,910)	15,65,794
Actuarial (gain) / loss- Experience	(4,98,183)	14,89,055
Obligation at end of the year	**2,78,55,818**	**2,22,97,499**

Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	31 March 2021	31 March 2020
Present value of the defined benefit obligations at the end of the year	2,78,55,818	2,22,97,499
Liability recognised in the balance sheet	**2,78,55,818**	**2,22,97,499**
Current	29,07,098	22,79,627
Non-current	2,49,48,720	2,00,17,876

Gratuity cost for the year

Particulars	31 March 2021	31 March 2020
Current service cost	65,51,051	54,67,247
Past service cost	1,69,678	-
Net interest on net defined benefit liability/(asset)	12,25,500	10,60,374
Re-measurement- actuarial gain/(loss) recognised on OCI	(4,98,183)	14,89,055
Net gratuity cost	**74,48,046**	**80,16,676**

Seusitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

	31 March 2021		31 March 2020	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	2,58,79,442	3,01,14,922	2,06,73,392	2,41,55,682
Future salary growth(1% movement)	2,99,71,458	2,59,36,822	2,40,54,238	2,07,10,088

Assumptions

	Core employees		Associate employees	
Particulars	**31-Mar-21**	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
Discount rate	4.95%	5.50%	3.96%	-
Estimated rate of return on plan assets	NA	NA	NA	-
Salary increase	9% & 7.5%	9% & 7.5%	6.00%	-
Attrition rate	12.5% & 50%	12.5% & 50%	80.00%	-
Retirement age	58 years	58 years	58 years	-
Mortality Rate	LIC(2012-14) published table of Mortality- Rates 100% of IALM 2012-14	LIC(2012-14) published table of Mortality- Rates 100% of IALM 2012-14	LIC(2012-14) published table of Mortality- Rates 100% of IALM 2012-14	-

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CHARTERED ACCOUNTANTS

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Maturity profile of defined benefit obligation :-

Particulars	31 March 2021	31 March 2020
Within 1 year	29,07,098	22,79,627
2-5 years	1,21,78,715	93,53,771
6-10 years	1,00,65,425	90,22,974
>10 years	1,79,39,157	1,63,09,916
	4,30,90,395	**3,69,66,288**

40 Compensated absence

The Company has accounted the cost of compensated absences based on the actuarial valuation report obtained as at 31 March 2021 and has estimated a compensated absence liability of Rs.8,435,248 (Previous Year: Rs.6,633,157) under Projected Unit Credit Method as per IND AS 19. During the year, the Company has accounted in the incremental liability accounted in previous year in the statement of profit and loss for the year

Key Assumptions used in the valuation of Compensated absence are as given below

Assumptions

Particulars	31 March 2021	31 March 2020
Discount rate	4.95%	5.50%
Estimated rate of return on plan assets	NA	NA
Salary increase	9% & 7.5%	9% & 7.5%
Attrition rate	12.5% & 50%	12.5% & 50%
Retirement age	58 years	58 years
Mortality Rate	LIC(2012-14) published table of Mortality- Rates 100% of IALM 2012-14	LIC(2012-14) published table of Mortality- Rates 100% of IALM 2012-14

Set out below is the movement in provision balances in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent A

Particulars	Privilege Leave
Balance as at 1 April 2019	60,32,202
Add: Additions during the year	11,29,859
Less: Utilisation/reversal during the year	5,28,904
Closing balance as at 31 March 2020	**66,33,157**
Balance as at 1 April 2020	66,33,157
Less: Utilisation/reversal during the year	(18,02,091)
Closing balance as at 31 March 2021	**84,35,248**

41 Earnings per Share

Profit after Tax and Other Comprehensive Income	69,41,237 -	5,17,26,834
No.of Equity Shares	10,00,000	10,00,000
No.of Equity Shares - CCD	2,91,694	4,09,493
Earnings per Share(EPS)	**6.94**	**(51.73)**
Diluted	5.37	(36.70)

42 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum.

The company does not have any transactions with MSMED companies and hence balance payable is NIL as on 31 March 2021 (Previous Year:NIL).Also the Company has not received any claims for Interest from any supplier under Micro, Small and Medium Enterprises Development Act ,2006

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43 Segment Reporting

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The company is engaged in the business of Software Support Services and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The company's management is of the opinion that the company does not have secondary segments and hence segment reporting is not applicable.

44 Transfer Pricing

The company's management is of the opinion that its international transactions with related parties entered during the previous year are at arms' length and is compliant with the transfer pricing legislation as per independent accountant's report for the year ended 31 March 2020.The company is in the process of compiling the documentation of transfer pricing for the year ended 31 March 2021. The company's management believes that the Company's transactions with the related parties continue to be at arms' length and that the aforesaid legislation will not have any impact on the financial statements. particularly on the amount of tax expense and that of the provision for taxation.

45 Amalgamation of Company

The Board of Directors of the Company at its meeting held on 18 February 2020 had considered and approved the Scheme of Amalgamation ("Scheme AAA") among Quess Corp Limited ("Transferee Company") MFX Infotech Private Limited ("MFXI") ("Transferor Companies") and their respective shareholders and creditors, subject to the approval of shareholders and other regulatory authorities as may be applicable under the Companies Act, 2013. On 19 March 2021, Regional Director, South-East region, Hyderabad had rejected the Scheme AAA vide Order no. 3/Kar/CP.No.25/RD(SER)/CAA-11/233/2020 based on non-fulfillment of provisions under Section 233(1)(b) of the Companies Act, 2013 ("Act"). The Company will consider a fresh Scheme of Amalgamation under the provisions of Section 230-232 of the Act and will secure approval of the Board in the ensuing Board meeting.

46 Covid 19 Assessment

In assessing the recoverablity of receivables including unbilled receivables,Contract assets & cost,Intangibles assets & certain investment,The company has considered internal & external information upto the date of approval these audited financials including credit reports & economic forecast. The company has performed Sensitive analysis on the assumptions used & based on current indicators of future Economic condition, the compant expects to recover the carrying amount of these assets. the impact of global health pandemic may be different from that estimate as at the date of approval of these audited financials & the company will continue to closely moniter any material changes to future economic

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for **Vasan & Sampath**
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 25/5/21

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for and on behalf of Board of Directors of
MFX Infotech Private Limited

Kundan Kumar La	**Raghuthaman Abhinandan**
Director	**Additional Director**
DIN: 06446995	DIN: 07675547
Place: Bengaluru	Place: Bengaluru
Date:	Date:

INDEPENDENT AUDITOR'S REPORT TO ACCOMPANY INCOME TAX RETURN (TENTATIVE)

The Shareholders and the Board of Directors
Quess (Philippines) Corp.
(A Wholly-Owned Subsidiary of Quess Corp. Limited)
6th Floor, Salustiana D. Ty Tower Condominium
104 Paseo de Roxas Street cor. Perea Street
Legaspi Village, Makati City

The accompanying unaudited statement of financial position of Quess (Philippines) Corp. (the "Company") as at March 31, 2021, and the related unaudited statement of income for the fiscal year then ended were prepared from the Company's books. These financial statements are subject to adjustments as may be disclosed upon the completion of our audit of the said statements, which is currently in progress. Since the audit of the accompanying financial statements has not yet been completed, we are unable to express, and we do not express, an opinion on them.

In compliance with Revenue Regulations No. V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal member of the Company.

ROXAS CRUZ TAGLE AND CO.

Jarred D. Pereña
Partner
CPA Certificate No. 0109297
Tax Identification No. 243-146-342
SEC Accreditation No. 109297-SEC, Group A, issued on February 27, 2020, effective until February 26, 2023
BIR Accreditation No. 08-001682-015-2019, issued on October 22, 2019, effective until October 21, 2022
PTR No. 8531374, issued on January 5, 2021, Makati City

July 15, 2021
Makati City

QUESS (PHILIPPINES) CORP.
(A Wholly-Owned Subsidiary of Quess Corp. Limited)

STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2021 and 2020

	Note	**2021**	2020
ASSETS			
Current Assets			
Cash	*5*	**₱53,922,149**	₱7,895,977
Receivables, net	*6*	**89,073,709**	157,883,335
Due from related parties	*18*	**2,863,580**	4,664,704
Prepayments and other current assets	*7*	**17,332,427**	7,772,468
Total Current Assets		**163,191,865**	178,216,484
Noncurrent Assets			
Investment in an associate	*8*	**250,000**	250,000
Property and equipment, net	*9*	**1,479,512**	1,327,811
Total Noncurrent Assets		**1,729,512**	1,577,811
		₱164,921,377	₱179,794,295

	Note	**2021**	2020
LIABILITIES AND EQUITY			
Current Liabilities			
Payables	*10*	**₱30,591,133**	₱21,627,770
Due to a related party	*18*	**79,156,478**	106,548,278
Total Current Liabilities		**109,747,611**	128,176,048
Noncurrent Liability			
Deferred tax liability, net	*17*	**485,606**	1,860,478
Total Liabilities		**110,233,217**	130,036,526
Equity			
Share capital	*11*	**10,000,000**	10,000,000
Retained earnings	*12*	**44,688,160**	39,757,769
Total Equity		**54,688,160**	49,757,769
		₱164,921,377	₱179,794,295

See Notes to the Financial Statements.

QUESS (PHILIPPINES) CORP.
(A Wholly-Owned Subsidiary of Quess Corp. Limited)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MARCH 31, 2021 and 2020

	Note	**2021**	2020
REVENUES	*13*	**₱194,599,864**	₱323,748,640
COST OF SERVICES	*14*	**(169,195,789)**	(265,635,556)
GROSS PROFIT		**25,404,075**	58,113,084
OTHER OPERATING INCOME, NET	*15*	**(570,372)**	4,302,775
INCOME FROM OPERATIONS		**24,833,703**	62,415,859
GENERAL AND ADMINISTRATIVE EXPENSES	*16*	**(14,688,101)**	(36,007,618)
INCOME BEFORE TAX		**10,145,602**	26,408,241
PROVISION FOR INCOME TAX	*17*	**(5,215,211)**	(8,596,876)
		₱4,930,391	₱17,811,365

See Notes to the Financial Statements.

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(Incorporated in Malaysia)
Company Registration No : 201801003383 (1265396 M)

REPORTS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(Incorporated in Malaysia)

REPORTS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

CONTENTS

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31st March 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to carry on the business as private employment agency, to recruit and place a worker to another employer. There have been no significant changes in these activities during the financial year.

FINANCIAL RESULTS

	RM
Net loss for the financial year	(107,801)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES

The Company did not issue any new shares during the financial year.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Guruprasad Srinivasan
Kogilavani a/p Periyasamy
Muhunthan a/l Krishnan
Vijay Sivaram

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit by reason of a contract made by the Company or by a related corporation with the director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object was to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES

According to the register of directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, the interest of directors in office at the end of the financial year in shares in the Company were as follows:-

	Number of Ordinary Shares			
	As at 1.4.2020	**Bought**	**Sold**	**As at 31.3.2021**
Kogilavani a/p Periyasamy	62,500	-	-	62,500
Muhunthan a/l Krishnan	65,000	-	-	65,000

No other directors held any interest in shares in the Company during and at the end of the financial year.

DIRECTORS' REMUNERATION

No director's remuneration was paid or payable for directors and past directors of the Company during the financial year.

No indemnities have been given or insurance premium paid for director or officers of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts have been written off and adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realized in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

At the date of this report, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability in respect of the Company which has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the respective financial statements misleading.

In the opinion of the directors:

(a) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

Total amount paid to or receivable by auditors as remuneration for their services as auditors is disclosed in Note 11 to the financial statements.

There are no indemnity and insurance purchased for the auditors of the Company during the financial year.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 16 to the financial statements.

Company Registration No: 201801003383 (1265396 M)

AUDITORS

The auditors, Messrs HALS & Associates have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on

Signed on behalf of the Board of Directors

GURUPRASAD SRINIVASAN	)	Directors
VIJAY SIVARAM	)	

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2021

	Note	2021 RM	2020 RM
ASSETS			
CURRENT ASSETS			
Trade receivables		76,684	-
Deposit		250,000	250,000
Cash and cash equivalents	7	181,271	1,935
Total current assets		507,955	251,935
TOTAL ASSETS		507,955	251,935
EQUITY			
Share capital	8	250,000	250,000
Accumulated losses		(224,782)	(116,981)
Total equity		25,218	133,019
CURRENT LIABILITIES			
Other payables and accruals		70,174	4,663
Amount due to a related party	9	412,563	114,253
Total current liabilities		482,737	118,916
TOTAL LIABILITIES		482,737	118,916
TOTAL EQUITY AND LIABILITIES		507,955	251,935

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 16.

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2021

	Note	2021 RM	2020 RM
REVENUE	10	256,124	-
Less : COST OF SERVICE		(228,956)	-
GROSS PROFIT		27,168	-
Administrative expenses		(134,969)	(108,102)
Loss before taxation	11	(107,801)	(108,102)
Taxation	12	-	-
Loss for the year		(107,801)	(108,102)

Vijay Sree

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 16.

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2021

	Share Capital RM	Accumulated Losses RM	Total Equity RM
Balance at 31st March 2019	250,000	(8,879)	241,121
Non-owner changes in equity			
Loss for the year	-	(108,102)	(108,102)
Total comprehensive loss for the year	-	(108,102)	(108,102)
Balance at 31st March 2020	250,000	(116,981)	133,019
Non-owner changes in equity			
Loss for the year	-	(107,801)	(107,801)
Total comprehensive loss for the year	-	(107,801)	(107,801)
Balance at 31st March 2021	250,000	(224,782)	25,218

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 16.

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

	Note	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		RM	RM
Loss before taxation		(107,801)	(108,102)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES		(107,801)	(108,102)
Increase in receivables		(76,684)	(250,000)
Increase in payables		363,821	110,037
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		179,336	(248,065)
CASH FLOW FROM FINANCING ACTIVITY			
Issue of share capital		-	250,000
NET CASH GENERATED FROM FINANCING ACTIVITY		-	250,000
Net increase in cash and cash equivalents		179,336	1,935
Cash and cash equivalents at beginning of the year		1,935	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	7	181,271	1,935

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 16.

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2021

1. GENERAL

The financial statements of the Company are presented in Ringgit Malaysia (RM) which is the Company's functional currency. All financial information is presented in RM.

The Company was incorporated and domiciled in Malaysia as a private company limited by shares. It is resident in Malaysia with its registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur and the principal place of business at Unit 25-13A, Level 25, Q Sentral, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are to carry on the business as private employment agency, to recruit and place a worker to another employer. There have been no significant changes in these activities during the financial year.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") issued by Malaysian Accounting Standards Board's ("MASB") and the provisions of the Companies Act 2016.

4. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Company have been approved by the Board of Directors for issuance on.............................

5. BASIS OF PREPARATION

5.1 Basis of Measurement

The financial statements of the Company have been prepared using cost bases (which include historical cost and amortised cost) and fair value bases.

5.2 Critical Judgements and Estimates Uncertainty

The preparation of the financial statements in conformity with MPERS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognized in the financial statements other than as disclosed below:-

A. Estimation Uncertainty

(a) **Measurement of Income Taxes**

Significant judgement is required in determining the Company's provision for current and deferred taxes because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities in each jurisdiction, the amounts might be different for the initial estimates of the taxes payables. Such differences may impact the current and deferred taxes in the period where such determination is made. The Company will adjust for the differences as over or under provision of current or deferred taxes in the current period in which those differences arise.

6. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Initial recognition and measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when the Company becomes a party to the contractual provisions of the instruments.

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss, transaction cost are expensed to profit or loss when incurred) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instruments.

(ii) Subsequent measurement

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss, and (ii) financial assets at amortised costs.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 6a(v).

After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method.

(iii) Fair Value Measurement of Financial Instruments

All other financial assets or liabilities not measured at amortised cost or cost less impairment are measured at fair value with changes recognised in profit or loss.

The fair value is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique.

(iv) **Recognition of Gains and Losses**

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognized in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognized in profit or loss only when the financial asset or financial liability is derecognized or impaired, and through the amortization process of the instruments.

(v) **Impairment and Uncollectibility of Financial Assets**

The Company applies the incurred loss model to recognise impairment losses of financial assets. At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset (except for financial assets measured at fair value through profit or loss) or a group of financial assets is impaired.

An impairment loss is measured as follows:-

* For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

* For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

(vi) **Derecognition**

A financial asset or part of it is derecognized when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of financial asset, the difference between the carrying amount of the financial asset derecognized and the consideration received, including any newly created rights, and obligations, is recognized in profit or loss.

A financial liability or part of it is derecognized when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(b) **Equity instruments**

Ordinary shares classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(c) **Income Tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is provided by the balance sheet liability method based on all taxable temporary differences by comparing carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax is not recognized if the temporary differences arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time the transaction, affects neither accounting profit nor taxable profits.

Deferred tax is measured at the tax rates that is expected to be applied to the temporary differences when they reverse, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

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

Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

(d) **Employee Benefits**

(i) **Short term employee benefits**

Short term employee benefits in respect of wages, salaries, social security contributions, paid annual leaves, paid sick leaves, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed in the financial period when employees have rendered their services to the Company.

Bonuses are recognised as an expense when there is a present, legal or constructive obligations to make such payments, as a result of past services provided by employees and when a reliable estimate can be made of the amount of the obligations.

(ii) **Defined contribution plan**

The Company makes contributions to a statutory provident fund and recognise the contribution payable as an expense in the financial year in which the employees render their services. Once the contributions have been paid, the Company have no further payment obligations.

(e) **Cash and Cash Equivalents**

Cash and cash equivalents consists of cash in hand, bank balances, deposits with bank and highly liquid investments with maturing within three months from the date of acquisition which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

7. CASH AND CASH EQUIVALENTS

	2021 RM	2020 RM
Cash at bank	181,271	1,935

8. SHARE CAPITAL

	2021 No.	2020 No.	2021 RM	2020 RM
Issued and fully paid:				
Ordinary shares				
At beginning/end of the year	250,000	250,000	250,000	250,000

The ordinary share of the Company has no par value. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company.

9. AMOUNT DUE TO A RELATED PARTY

The amount due to a shareholder represent loan/advances made, are unsecured, interest free and payable on demand.

10. REVENUE

Revenue represents the invoiced value of services rendered net of discounts.

11. LOSS BEFORE TAXATION

	2021 RM	2020 RM
Loss from operations before taxation is stated after charging:-		
Audit fee	4,000	2,000
Employee benefits		
- salary cost and others	112,248	86,017
- defined contribution plan ("EPF")	15,608	10,131

12. TAXATION

There is no charge to taxation as the Company had no chargeable income during the financial year.

The tax rate is 24% on the chargeable income of the Company.

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:-

	2021 RM	2020 RM
Loss before taxation	(107,801)	(108,102)
Taxation at Malaysian Statutory tax rate of 24%	(25,872)	(25,944)
Expenses not deductible for tax purposes	-	25,944
Deferred tax assets not recognised	25,872	-
Tax expense for the year	-	-

The Company has available unabsorbed tax losses of RM107,800 (2020 : RM Nil) for utilization against future taxable income.

Pursuant to the Finance Act 2018, the unabsorbed tax losses can only be carried forward up to seven consecutive years of assessment and any amount not utilized will be disregarded. The unabsorbed tax losses amounting to RM107,800 will expire in year of assessment 2027.

As at 31st December 2021, the Company had potential deferred tax benefits arising from temporary differences as follows:-

	2021 RM	2020 RM
Unabsorbed tax losses	25,800	-

The effect of the above differences were not included in the financial statements as there is no assurance that future taxable income will be sufficient to allow the benefits to be realised. The above are subject to the approval of the tax authorities.

13. FINANCIAL INSTRUMENTS

13.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorized as follows:-

(a) Financial assets and financial liabilities measured at amortised cost ("AC").

2021		
Financial assets	**Carrying Amount RM**	**AC RM**
Trade receivables	76,684	76,684
Deposit	250,000	250,000
Cash and cash equivalents	181,271	181,271
	507,955	507,955
Financial liabilities		
Other payables and accruals	70,174	70,174
Amount due to a related party	412,563	412,563
	482,737	482,737

2020		
Financial assets	**Carrying Amount RM**	**AC RM**
Deposit	250,000	250,000
Cash and cash equivalents	1,935	1,935
	251,935	251,935
Financial liabilities		
Other payables and accruals	4,663	4,663
Amount due to a related party	114,253	114,253
	118,916	118,916

14. EMPLOYEES

The number of employees at end of the financial year is as follows:

	2021 No.	2020 No.
Employees	3	3

15. GOING CONCERN

At the year end, the Company has accumulated losses of RM224,782. The Company has incurred a net loss of RM107,801 during the financial year.

The financial statements of the Company have been prepared on a going concern basis in view of:-

(i) the availability or continued financial support from its shareholders;

(ii) realisation of assets by the Company is expected to be undertaken in the ordinary course of business; and

(iii) the Company is not expected to cease its operation in the foreseeable future.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

16. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 11 March 2020, the World Health Organisation declared the outbreak of a coronavirus ("COVID-19") as a pandemic. COVID-19 is an unprecedented event, which continues to cause a high-level of uncertainty and volatility. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries.

Before these financial statements were made out, the Board of Directors had considered the impact of COVID-19 outbreak in Malaysia, which would have affected the financial position, performance and cash flow of the Company as ended on the reporting date thereon.

The Management concluded that the impact from this COVID-19 outbreak has not significantly affected the fair value of the financial assets/liabilities and non-financial assets/(liabilities) of the Company, that were presented on the reporting date.

The above events or any subsequent event have restricted the Company's ability to ascertain the impact of any future event that would affect the financial position, performance and cash flow of the Company for the next twelve months. The Management will continuously monitor the impact of COVID-19 and will be taking appropriate and timely measures to minimize the impact of the outbreak on the Company's operation and financial position.

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2)
OF THE COMPANIES ACT 2016**

We, GURUPRASAD SRINIVASAN and VIJAY SIVARAM being the directors of AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD., do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 5 to 16 are drawn up so as to give a true and fair view of the financial position of the Company as at 31st March 2021 and financial performance of the Company for the financial year ended 31st March 2021 in accordance with the Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated

GURUPRASAD SRINIVASAN

VIJAY SIVARAM

**STATUTORY DECLARATION PURSUANT TO SECTION 251(1)
OF THE COMPANIES ACT 2016**

I, VIJAY SIVARAM, Passport. No. Z 3290208, the director primarily responsible for the financial management of AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD., do solemnly and sincerely declare that the financial statements set out on pages 5 to 16 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Notaries Act 1952.

Subscribed and solemnly declared by the abovenamed at

Before me,

VIJAY SIVARAM

B.M. CHANDRASHEKAR ★ GOVT. OF KARNATAKA ★ NOTARY BANGALORE No. LAW 408 LCL 98

ATTESTED BY ME
B. M. CHANDRASHEKAR, B. A. LL. B
NOTARY PUBLIC
No. 82, 5th Cross Vasanthnagar
BANGALORE — 560 052

Company Registration No: 201801003383 (1265396 M)

HALS & Associates
Chartered Accountants
AF No: 0755

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Agensi Pekerjaan Quess Recruit Sdn Bhd which comprise the statement of financial position as at 31st March 2021 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 5 to 16.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2021 and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 15 to the financial statements which indicates that the Company incurred a net loss of RM107,801 during the year ended 31st March 2021. As stated in Note 15 these events or conditions along with other matters as set forth in Note 15 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement on auditing 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 financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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 the directors.

* Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HALS & ASSOCIATES
A.F. 0755
CHARTERED ACCOUNTANTS

Lim Kian Keong
Bil 02043/09/2022 J
Partner

KUALA LUMPUR

DATE:

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(Incorporated in Malaysia)

The page which follows does not

form part of the Statutory

financial statements of the Company

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(Incorporated in Malaysia)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021

	2021 RM	2020 RM
REVENUE	256,124	-
Less : COST OF SERVICES	(228,956)	-
GROSS PROFIT	27,168	-
Less: ADMINISTRATIVE EXPENSES		
Audit fee	4,000	2,000
Bank charges	196	61
Claims	-	166
EPF, Socso and EIS	17,801	11,558
Filing and secretarial fee	766	7,231
License fee	-	500
Identification fee	-	150
Printing and stationery	491	659
Travelling	579	-
Tax fee	1,081	1,187
Salary and allowance	110,055	84,590
	134,969	108,102
LOSS BEFORE TAXATION	(107,801)	(108,102)

ALLSECTECH, INC.

FINANCIAL STATEMENTS

MARCH 31, 2021 AND 2020

ALLSECTECH INC

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March 31, 2021 and 2020

RAVI VENKATARAMAN, CPA LLC
CERTIFIED PUBLIC ACCOUNTANT
14 COURTSIDE LANE
PRINCETON, NJ 08540

TEL: (609) 452-7770 **FAX: (732) 823-1405**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Allsectech, Inc.
Princeton, NJ

We have audited the accompanying financial statements of Allsectech Inc (a Delaware Corporation),. which comprise the balance sheets as of March 31, 2021 and 2020 and the related statements of income, cash flows, and stockholder's equity for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements.
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's 'preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

RAVI VENKATARAMAN, CPA LLC
CERTIFIED PUBLIC ACCOUNTANT
14 COURTSIDE LANE
PRINCETON, NJ 08540

TEL: (609) 452-7770 **FAX: (732) 823-1405**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allsectech, Inc. as of March 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

R. Venkataraman
Ravi Venkataraman, CPA
April 20, 2021
Princeton, New Jersey

ALLSECTECH, INC.
BALANCE SHEETS
AS OF MARCH 31

ASSETS	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	$ 588,650	$ 1,577,491
Treasury Bonds-Manila		-
Accounts Receivable	787,196	262,786
Accounts Receivable - Affiliate	-	-
Restricted Cash	6,275	6,272
Security Deposit	28,319	8,598
Interest Due from RCM	-	-
Loan to Affiliate	-	-
Accrued Income	-	-
Advance for Consultancy Services	-	-
Due from Factor		-
Prepaid expenses	46,526	69,633
Other Asset	18,409	26,957
Total Current Assets	**1,475,374**	**1,951,738**
PROPERTY AND EQUIPMENT		
Property and Equipment	-	354,802
Accumulated Depreciation	-	(350,540)
Net Property and Equipment	-	**4,262**
Total Assets	**$ 1,475,374**	**$ 1,956,000**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 8,946	$ 27,694
Accounts Payable - Affiliate	704,274	412,878
Accrued Expenses	204,695	98,824
Accrued Income Taxes		
Loan from parent	-	-
Loan Interest Payable		
Other payable	-	74,347
Total Current Liabilities	**917,915**	**613,743**
STOCKHOLDERS' EQUITY		
Common Stock-no par value, 3,000 shares authorized and 100 shares issued and outstanding	2,310,000	2,310,000
Retained Earnings	(1,752,541)	(967,743)
Total Stockholders' Equity	**557,459**	**1,342,257**
Total Liabilities and Equity	**$ 1,475,374**	**$ 1,956,000**

See Independent Auditor's Report and notes to financial statements

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ALLSECTECH, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED MARCH 31

	2021	2020
Operating Revenues	$ 6,431,464	$ 1,418,312
Cost of Revenues	(6,184,558)	(2,069,020)
Gross Profit	246,906	(650,708)
Operating Expenses (Schedule 1)	(892,193)	(1,468,223)
Income from operations	(645,287)	(2,118,931)
Interest Income and other income	53	8,208
Interest Expense	-	39
Income before provision for income taxes	(645,234)	(2,110,684)
Provision for Income Taxes-State	(139,564)	(5,991)
Net Income/ (Loss)	**$ (784,799)**	**$ (2,116,675)**

See Independent Auditor's Report and notes to financial statements

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ALLSECTECH, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED MARCH 31

	Common Stock	Retained Earnings	2021	2020
Balance at April 1, 2020	$ 2,310,000	$ (967,743)	$ 1,342,257	$ 3,459,112
Capital Contributions during the year				
Prior Period Adjustment		-	-	(180)
Balance at March 31, 2020	**2,310,000**	**(967,743)**	**1,342,257**	**3,458,932**
Capital Contributions during the year				
Earnings/(Loss)-FY2021		(784,799)	(784,799)	(2,116,675)
Prior year adjustment	-	-	-	-
Balance at March 31, 2021	**$ 2,310,000**	**$ (1,752,541)**	**$ 557,459**	**$ 1,342,257**

See Independent Auditor's Report and notes to financial statements

ALLSECTECH, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ (784,799)	$ (2,116,675)
Depreciation	4,263	574
Prior year Adjustment		(1)
Adjustments to reconcile Net Income to net cash provided by operating activities:		
Restricted Cash	(3)	-
Treasury Bonds-Manila	-	-
Accounts Receivable	(524,410)	(15,761)
Accounts Receivable-Affiliate	-	(5,000)
Advance to Allsec-Manila	-	148,441
Prepaid Expenses	23,107	(43,416)
Loan to Affiliate	-	1,250,000
Security Deposit-Rental	(19,721)	(8,597)
Other Asset	8,549	
Accounts Payable	(18,749)	(99)
Accounts Payable-Affiliate	291,396	(1,585,547)
Accrued Expenses	105,871	(161,467)
Provision for client discount	-	-
Loan Interest Payable - ATL	-	-
Other Payable	(74,347)	495,534
Net Cash provided by Operating Activities	(988,842)	(2,042,014)
CASH FLOW FROM FINANCING ACTIVITIES		
Addition to Property and Equipment	-	(3,617)
Loan from parent	-	-
Net Cash used by Financing Activities	-	(3,617)
Net Cash increase for the Year	(988,842)	(2,045,631)
Cash And Cash Equivalents At Beginning Of Year	1,577,491	3,623,121
Cash And Cash Equivalents At End Of Year	**$ 588,650**	**$ 1,577,491**
Supplemental disclosure of cash flow information		
Cash paid during the years		
Interest	$ -	$ -
Income taxes	$ 14,564	$ 5,991

See Independent Auditor's Report and notes to financial statements

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ALLSECTECH, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

Note 1 – Description of Company's Business

Allsectech, Inc. (Allsectech/Company) was incorporated on September 14, 2000 in the State of Delaware. Allsectech is the wholly owned subsidiary of Allsec Technologies Limited (Technologies/Parent Company) a publicly held corporation in India.

Conneqt Business Solutions Limited ('Conneqt'), a subsidiary of Quess Corp Limited, had entered into share purchase agreements dated April 17, 2019 with Mr. Jagadish R, Mr. Saravanan A and First Carlyle Ventures Mauritius to acquire 9,349,095 equity shares, representing 61.35% of the voting share capital of Allsec Technologies Limited. The effective date of acquisition of equity shares by Conneqt was June 3, 2019.

Consequent to this transaction, Allsec Technologies Limited has become the subsidiary of Conneqt with effect from June 3, 2019. with effective date of acquisition being considered as 1st June 2020 in terms of IND AS accounting standards and Allsectech Inc has become a step down subsidiary of Conneqt.

Allsectech provides marketing services to Technologies, one of the world's leading providers of response management solutions and personalized customer care. Allsectech utilizes Technologies and parent company's wholly owned Philippines subsidiary Allsectech Manila Inc (Allsec-Manila) having its facilities in Manila and Retreat Capital Management Inc, a California registered company having its facilities in Irving TX, USA to perform Anti Money laundering services, voice response services, and collection services of credit card and other receivables for its reputed customers. The Company has established a branch office in Manila, Philippines on November 8, 2012.

Note 2 – Summary of Significant Accounting Policies

This summary of significant accounting policies of Allsectech is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the financial statements.

See Independent Auditor's Report

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. Accordingly, all significant receivables, payables, and other liabilities are recorded.

The financial statements are prepared on accrual basis. These financial statements are presented for the year ended March 31, 2021.

Liquidity & Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern.

Revenue Recognition

Allsectech provides voice response services and collection of credit card and other receivables services to reputed companies. Unbilled services represent revenue on services performed but not billed until the subsequent period. Advances received prior to providing services will be treated as deferred revenues and recognized when services are performed. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is recognized as services are performed in accordance with the specific terms of the contract with the customer. Unbilled revenue represents accrual of income relating to services provided but not billed as at the year end.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

See Independent Auditor's Report

Cash

Cash consists primarily of working funds. For purposes of the Statements of Cash Flows, cash is defined as unrestricted cash balances and investments with original maturities of three months or less. As of March 31, 2021 and 2020, there were $6,275 and $6,272 respectively in restricted cash balances. The restricted cash represents five escrow accounts opened in order to comply with collection licenses requirements from various States.

Property, Equipment and Depreciation

Property and equipment are reflected at cost. Depreciation is provided using straight-line method over its estimated useful life of three years for computer and five years for Network Equipments. Maintenance and repairs are expensed as incurred.

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360, *Property, Plant and Equipment*, *formerly* FASB No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to undiscounted expected cash flows. Future events could cause the Company to conclude that impairment indicators exist and that long-lived assets may be impaired.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses are equal or approximate their fair values due to the short term maturity of those instruments.

Cost of Revenues

Costs of service delivery consist of payroll cost incurred for the employee actively involved marketing services, the amount paid to Allsec Technologies & Allsectech Manila for support services rendered to the customers and other outside services utilized by the Company.

See Independent Auditor's Report

Income Taxes

The Company provide for income taxes on the basis of FASC 740, *Income Taxes formerly* Statement of Financial Accounting Standards No. 109, "*Accounting for Income Taxes*" which requires recognition of deferred taxes based on the differences between the financial statement and the tax basis of assets and liabilities at enacted rates in effect in the years in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Note 3. Property and Equipment

The following is a summary of property and equipment at cost, less accumulated depreciation:

Description	**2021**	**2020**
Computers & Accessories	$ 67,671	$ 67,671
Furniture & Fixtures	9,521	9,521
Vehicles	3,617	3,617
Software Licenses	14,234	14,234
Network Equipments	259,759	259,759
Original Cost	**354,802**	**3,54,802**
Less: Accumulated Depreciation	**(354,802)**	**(350,540)**
Net Property & Equipment	$0	$ 4,263

The useful lives of property and equipment for the purpose of computing depreciation are three to seven years. Depreciation expense amounted to $ 4,263 and $ 574 for the years ended March 31, 2021 and 2020 respectively. The assets were fully written off during the financial year ending March 31, 2021.

See Independent Auditor's Report

Note 4. Income Taxes

For the year ended March 31, 2021 the company has created an adhoc provision of $125,000 towards tax purpose.

Note 5. Going Concern

The Company has reported a loss of $ 784,799 and $ 2,116,675 for the years ended March 31, 2021 and 2020 respectively. In spite of the losses, management intends to continue operations in the U.S. The Company expects to execute existing orders to generate revenues. In addition, certain cost cutting measures have been taken including laying off few business development employees/consultants; renewal of office lease with lower office spaces after the existing lease period and other cost control measures

Note 6. Prepaid Expenses

Prepaid expenses as of March 31, 2021 consists of the following:

Prepaid Licenses and Permits	$ 13,756
Prepaid Rent	8,475
Prepaid Insurance	1,949
Prepaid Taxes	19,982
Other Prepaid Expenses	2,364
Total Prepaid Expenses	$ 46,526

Note 7. Commitments and Contingent Liabilities

The Company lease administrative office space under an operating lease. This lease provide for annual base rent, escalations and additional payments for real estate taxes and other occupancy costs.

For the years ended March 31, 2021 and 2020, rent expense amounted to $ 224,985 and $233,375 respectively.

Further, the lease was extended to the term of the lease through February 28, 2022 with the following terms.

Rent Payable from 03-01-21 through 02-28-22	$ 6,300 per month

See Independent Auditor's Report

Note 8. Concentrations

Allsectech maintains its cash balance in a bank located in New Jersey. This account is insured by the Federal Deposit Insurance Corporation up to balance of $250,000.The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Concentration of credit with respect to receivables is limited to Company's parent and companies with strong credit rating. The Company establishes an allowance for uncollectible trade accounts based on historical collection experience and management's evaluation of collectability of outstanding accounts receivable. Due to strong credit background of its customers and parent, the Company does not maintain an allowance for doubtful accounts.

Note 9. Subsequent Events

The Company has evaluated the need for disclosures and/or adjustments resulting from subsequent events through April 20, 2021. The evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments.

Note 10. Impact of Covid -19 on business operations

Due to lock down in US and in other key markets of Allsectech, Inc.most of the clients are not operating at normal levels. While parent Allsec Technologies has a very strong balance sheet, Allsectech Inc. also has good cash reserves to be resilient enough to weather the COVID-19 impact. The management is taking proactive steps to rationalize and reduce costs wherever possible to reduce impact on margins and conserve cash.

Allsectech uses operationally generated cash flows to fund its business. It has sufficient liquid assets to tide over current and post-COVID-19 period. As of 31st March 2021, Allsectech has not utilized any credit facilities from banks or financial institutions. At this time, it is not envisaged that there will be change in this position.

See Independent Auditor's Report

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Schedule 1

ALLSECTECH, INC.
SCHEDULE OF OPERATING EXPENSES
FOR YEARS ENDED MARCH 31

Operating expenses	**2021**	**2020**
Automobile Expense	$ -	$ 17,598
Bank Service Charges	2,699	2,568
Bond Fees	-	2,975
Business Promotion Exp	19,086	44,956
Connectivity Charges	5,412	4,323
Depreciation Expense	4,263	574
Dues and Subscriptions	-	629
Security Charges	54,111	56,079
Advertising	-	-
Insurance	19,900	23,542
Licenses and Permits	82,385	65,884
Office Supplies & Expense	1,060	3,580
Payroll Processing Fees	1,903	1,927
Office Pantry Expenses	(14)	98
Postage and Delivery	3,725	2,289
Office Equipment	91	947
Professional Fees	284,478	776,648
Rent	301,726	266,678
Seminars and Meetings	(3,000)	3,000
Utilities	13,073	4,163
Repairs	41,580	58,070
Telephone	31,200	70,171
Recruitment Fee	26,000	
Travel & Ent	2,515	61,521
Total	**$ 892,193**	**$ 1,468,223**

See Independent Auditor's Report and notes to financial statements

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COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 0 4 0 5 0 7 2

COMPANY NAME

A L L S E C T E C H , M A N I L A I N C .
(A W H O L L Y O W N E D S U B S I D I A R Y O F
A L L S E C T E C H N O L O G I E S L T D .)

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

3 F M A R K E T M A R K E T B O N I F C I O
G L O B A L C I T Y T A G U I G C I T Y 1 6 3 4

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
dennis.estavillo@allsechtech.com	856-5385	

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
6	First Tuesday of March	31-Mar

CONTACT PERSON INFORMATION

The designated contact person *MUST* be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
DENNIS ESTAVILLO	dennis.estavillo@allsechtech.com	856-5385	09178007458

CONTACT PERSON's ADDRESS

3/F MARKET MARKET BONIFACIO GLOBAL CITY, TAGUIG CITY

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Allsectech Manila, Inc.** (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended March 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders.

ETP and Associates Co. (Represented by the Signing Partner, Enrico T. Pizarro), the independent auditor appointed by the stockholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders has expressed its opinion on the fairness or presentation upon completion of such audit.

RAVI VISHWANATH NARAYANASWAMY
President and Chairman

DENNIS T. ESTAVILLO
Treasurer

Signed this 29th day of July 2021.

ALLSECTECH MANILA, INC.

ETP and Associates Co.

Unit 1712, 58 Cityland Herrera Tower V.A. Rufino St. cor. Valero St. Salcedo Village, Brgy. Bel-Air, Makati City, Philippines
Telephone Number: +632 88232126

REPORT OF INDEPENDENT AUDITOR
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION

The Board of Directors and the Stockholders
Allsectech Manila, Inc.
(A Wholly-Owned Subsidiary of
Allsec Technologies Ltd.)
3F Market! Market!,
Bonifacio Global City,
Taguig City, Metro Manila

We have audited the accompanying financial statements of Allsectech Manila, Inc. (the "Company"), as at and for the year ended March 31, 2021 on which we have rendered our report dated July 29, 2021.

In compliance with Securities Regulation Code Rule 68, as amended, we are stating that the Company has one (1) stockholder owning one hundred (100) or more shares each.

ETP AND ASSOCIATES CO.

ENRICO T. PIZARRO
Partner
CPA Certificate No. 0097067
Tax Identification No. 201-775-899-000
PTR No. 8646758
Issued on April 12, 2021 at Makati City
BIR Accreditation No. 08-004163-001-2021
Valid until January 27, 2024
Firm's BIR Accreditation No. 08-006417-000-2020
Valid until November 10, 2023
Firm's BOA Accreditation No. 6003
Valid until November 22, 2021

July 29, 2021

ALLSECTECH MANILA, INC.

(A Wholly-Owned Subsidiary of Allsec Technologies Ltd.)

(A PEZA Registered Enterprise)

Audited Financial Statements

MARCH 31, 2021 and 2020

ETP and Associates Co.
Unit 1712, 98 Cityland Herrera Tower V.A. Rufino St. Salcedo Village, Brgy. Bel-Air, Makati City, Philippines
Telephone Number: +632 88232126

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Allsectech Manila, Inc.
(A Wholly-Owned Subsidiary of Allsec Technologies Ltd.)

3F Market! Market!,
Bonifacio Global City,
Taguig City, Metro Manila

Opinion

We have audited the financial statements of Allsectech Manila, Inc. (the "Company"), which comprise the statements of financial position as at March 31, 2021 and 2020 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as at March 31, 2021 and 2020 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, the *Code of Ethics for Professional Accountants in the Philippines*, 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 opinion.

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

Management is responsible for the preparation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 PSAs 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 financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates of the Company's internal control.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether 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 material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 findings, including any significant deficiencies in internal control that we identify during our audits.

Report on the Supplementary Information Required under Revenue Regulation Nos. 15-2010 and 2-2014 of the Bureau of Internal Revenue (BIR)

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses and the schedule of taxable income and deductible expense in Note 23 to the financial statements is presented for the purpose of filing with the BIR and is not a required part of the basic financial statements. Such information is the responsibility of the management of the Company. The information has been subjected to the auditing procedures applied in our audit of basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

ETP AND ASSOCIATES CO.

ENRICO T. PIZARRO

Partner
CPA Certificate No. 0097067
Tax Identification No. 201-775-899-000
PTR No. 8646758
Issued on April 12, 2021 at Makati City
BIR Accreditation No. 08-004153-001-2021
Valid until January 27, 2024
Firm's BIR Accreditation No. 08-005417-000-2020
Valid until November 10, 2023
Firm's BOA Accreditation No. 6003
Valid until November 22, 2021

July 29, 2021

ALLSECTECH MANILA, INC.

(A Wholly-Owned Subsidiary Of Allsec Technologies Ltd.)

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2021 AND 2020

(Amounts in Philippine Peso)

	Notes		2021		2020
ASSETS					
CURRENT ASSETS					
Cash	*6,17,18,19*	P	707,947,210	P	510,366,146
Trade and other receivables	*7,14,18,19*		34,172,352		85,894,729
Due from related parties	*16,18,19*		23,008,811		14,958,051
Prepayments and other current assets	*8,10,18,19*		10,871,634		1,220,083
Total Current Assets			776,000,007		612,439,008
NON-CURRENT ASSETS					
Property and equipment - net	*5,12,13,14*		34,295,894		60,076,202
Other non-current assets	*8,10,18,19*		95,075		12,481,908
Total Non-Current Assets			34,390,969		72,558,110
TOTAL ASSETS		P	810,390,976	P	684,997,118
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	*11,18,19,20*	P	14,983,586	P	30,626,428
Income tax payable	*17*		4,377,944		3,322,946
Lease liability - current	*9,12,13*		21,727,374		-
Due to related parties	*16,18,19*		-		2,870,828
Total Current Liabilities			41,088,904		36,820,201
NON-CURRENT LIABILITIES					
Retirement liability	*13,15*		7,438,799		-
Lease liability - non-current	*9,12,13*		-		45,880,903
Total Non-Current Liabilities			7,438,799		45,880,903
Total Liabilities			48,527,703		82,701,104
EQUITY					
Capital stock			81,250,000		81,250,000
Retained earnings			680,613,273		521,046,014
Total Equity			761,863,273		602,296,014
TOTAL LIABILITIES AND EQUITY		P	810,390,976	P	684,997,118

See Accompanying Notes to Financial Statements.

ALLSECTECH MANILA, INC.
(A Wholly-Owned Subsidiary Of Allsec Technologies Ltd.)
STATEMENTS OF TOTAL COMPREHENSIVE INCOME
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Amounts in Philippine Peso)

	Notes		2021		2020
REVENUES					
Call center operation		P	412,105,939	P	460,609,597
Other outsourcing services			59,090,696		181,227,027
Realized foreign exchange loss	*6,17*	(	4,116,539)	(	1,903,825)
Unrealized foreign exchange loss	*6,17*	(	26,576,558)	(	10,018,574)
Total Revenues	*20*		480,503,537		629,914,226
COST OF SERVICES	*9,13,15,20*		261,732,697		338,557,510
GROSS PROFIT			218,770,841		291,356,716
GENERAL AND ADMINISTRATIVE EXPENSES	*7,9,13,14,15,20*		74,545,564		71,135,350
OPERATING INCOME			144,225,277		220,221,366
OTHER INCOME					
Sub-contracted services			38,409,088		58,569,434
Interest income	*5,17*		454,195		814,935
Total			38,863,283		59,384,369
INCOME BEFORE INTEREST AND TAXES			183,088,560		279,605,735
FINANCE COST	*12*		2,143,755		3,491,282
INCOME BEFORE INCOME TAX EXPENSE			180,944,805		276,114,453
INCOME TAX EXPENSE	*17*		21,128,695		18,308,133
NET INCOME			159,816,110		257,806,320
OTHER COMPREHENSIVE LOSS	*13,15*		248,851		-
TOTAL COMPREHENSIVE INCOME		P	159,567,259	P	257,806,320

See Accompanying Notes to Financial Statements.

ALLSECTECH MANILA, INC.
(A Wholly-Owned Subsidiary Of Allsec Technologies Ltd.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Amounts in Philippine Peso)

		2021	2020
CAPITAL STOCK			
Common stock - P100 par value per shares			
Authorized - 850,000 shares			
Issued and outstanding - 812,500 shares		P 81,250,000	P 81,250,000
RETAINED EARNINGS			
Balance at beginning of year		521,046,014	263,239,694
Net income during the year	17	159,816,110	257,806,320
Balance at end of year		680,862,124	521,046,014
OTHER COMPREHENSIVE INCOME			
Remeasurement loss on pension liability	13,15	248,851	-
TOTAL EQUITY		P 761,363,273	P 602,296,014

See Accompanying Notes to Financial Statements.

ALLSECTECH MANILA, INC.
(A Wholly-Owned Subsidiary Of Allsec Technologies Ltd.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Amounts in Philippine Peso)

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax expense	17	P 180,944,805	P 276,114,453
Adjustments for:			
Depreciation and amortization	9,12,13,14	34,700,448	30,699,795
Interest income	6,17	(454,195)	(814,935)
Operating income before changes in working capital balances		215,191,058	305,999,314
Changes in:			
Trade and other receivables	7,14,18,19	51,722,377	16,238,307
Due from related parties	16,18,19	(8,650,760)	201,614
Prepayments and other current assets	8,10,18,19	(9,651,551)	(120,838)
Trade and other payables	11,18,19,20	(15,642,842)	7,204,555
Lease liabilities	9,12,13	21,727,374	45,880,903
Income tax payable	17	1,054,997	-
Due to related parties	16,18,19	(2,870,828)	9,945
Net cash generated from operations		252,879,826	375,553,800
Income tax paid	17	(21,128,695)	(18,308,133)
Interest received	6,17	454,195	814,935
Net Cash Flows from Operating Activities		232,205,326	358,030,602
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	9,12,13,14	(8,920,140)	(78,286,398)
Decrease (increase) in refundable deposits	8,10,18,19	12,386,833	(2,546,701)
Net Cash Flows Used in Investing Activities		3,466,693	(80,833,099)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from retirement liability	13,15	7,438,799	-
Payment of lease liability	9,12,13	(45,880,903)	(2,546,701)
Net Cash Flows Used in Financing Activities		(38,442,104)	(2,546,701)
NET INCREASE IN CASH		196,981,064	277,227,504
CASH AT BEGINNING OF YEAR	6,17,18,19	510,966,145	233,738,642
CASH AT END OF YEAR	6,17,18,19	P 707,947,210	P 510,966,146

See Accompanying Notes to Financial Statements.

ALLSECTECH MANILA, INC.
(A Wholly-Owned Subsidiary of Allsec Technologies Ltd.)
(A PEZA Registered Enterprise)
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

1. COMPANY INFORMATION

Allsectech Manila, Inc. (the "Company") is primarily engaged in the business of business process outsourcing including contact center operations. It is also engaged in trading information technology related goods and services on wholesale or retail basis. Goods such as computer equipment, software and operating systems, services such as programming, consultation, systems and administration and deployment, managing information services, creating consumer software applications, building enterprise applications, integrating independent solutions, and data warehousing.

On October 3, 2007, all of the Company's equity holders signed a share purchase agreement with Allsec Technologies, Ltd., (the "Parent"), a foreign company, thereby transferring all their respective shares to the latter. Accordingly, the Company's management has changed.

The Company is a wholly-owned subsidiary of Allsec Technologies, Ltd. (the "Parent"), a publicly-listed company based in Chennai, India. It is an integrated contact third party management services center which offers both voice and non-voice services.

The Company's principal address is is 3/F Market Market!, Bonifacio Global City Taguig City, Metro Manila.

The Company was also registered with the Philippine Economic Zone Authority (PEZA) as an Ecozone IT Enterprise under the Registration Certificate 07-79-IT dated March 17, 2007.

The Company benefits from the following available incentives for the year 2021:

1. Incentives under Book VI of Executive Order (EO) 226 which include the following:

    a. Corporate income tax holiday (ITH) for four (4) years from original project effective on the committed date of start of commercial operations, or the actual date of start of commercial operations, whichever is earlier; ITH entitlement for the original project can also be extended for another three (3) years provided specific criteria are met for each additional year and prior PEZA approval is obtained; duly approved and registered "Expansion" and "New" projects are entitled to a three-year, and four-year ITH, respectively;

    b. Tax and duty free importation of merchandise which include raw materials, capital equipment, machineries and spare parts;

c. Exemption from wharfage dues and export tax, impost or fees;

d. VAT zero-rating of local purchases subject to compliance with BIR and PEZA requirements; and

e. Exemption from payment of any and all local government impost, fees, licenses or taxes except real estate tax; however, machineries installed and operated in the ecozone for manufacturing processing or for industrial purposes shall not be subject to payment of real estate taxes for the first three (3) years of operation of such machineries; production equipment not attached to real estate shall be exempt from real property taxes.

2. After the lapse of ITH, the following incentives shall apply:

   a. Exemption from national and local taxes, in lieu thereof payment of 5% final tax on gross income as provided in Section 24 of R.A. 7916 and Rule XX of the Rules and Regulations to Implement R.A. 7916, and

   b. Additional deduction from training expenses (1/2 of value) against the 5% tax on gross income earned, but not to exceed 3%, subject to guidelines to be formulated by PEZA in coordination with the Department of Labor and Employment and the Department of Finance (Section 42 of R.A. 7916).

3. Non-fiscal incentives shall include the following:

   a. Permanent resident status within the ecozone for foreign investors with initial investment of at least US $ 150,000.00;

   b. Employment of foreign nationals; and

   c. Simplified import and export procedures.

The Company is a qualified enterprise for the purpose of VAT zero-rating of its transaction with its local suppliers of goods, properties and services in connection with its PEZA-registered activities, in accordance with Section 4.106-6 and 4.108-6. The term 'effectively zero-rated sale of goods and properties' shall refer to the local sale of goods and properties by a VAT registered person to a person or entity who was granted indirect tax exemption under special laws or international agreement." of Revenue Regulations No. 16-2005, the Consolidated Value-added Tax Regulations 2005.

The Company received Letter of Authority (LOA) No. 19-ERD-ITE/SC/FE-0122 on January 15, 2021 which grants the Company's request for authority to contract parts/sub-processes of its Business Process Outsourcing (BPO) operations, particularly Human Resource Operation (HRO) support services and Specialized Services Support to its Parent provided that the such services does not exceed 25% of the total cost of the total/complete services of the Company for BPO to its foreign and domestic clients. Revenues and income from said sub-contracted services shall be subject to the Regular Corporate Income Tax (RCIT) and shall be recorded in its book of accounts and its Audited Financial Statements and Income Tax Return as "other income".

Status of operations amidst COVID 19

In March 2020, the World Health Organization characterized the novel coronavirus ("COVID-19") as a global pandemic and extraordinary actions have been taken by international, federal, state, provincial and local governmental authorities to contain and combat the spread of COVID-19 in regions throughout the world. The COVID-19 outbreak and related public health measures, including orders to shelter-in-place, travel restrictions and mandated business closures, have adversely affected workforces, organizations, consumers, economies, and financial markets globally leading to an economic downturn and increased market volatility. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration of the outbreak, impact on the Company's customers and its sales cycles, and impact on the Company's employees. The economic downturn and uncertainty caused by the COVID-19 outbreak and the measures undertaken to contain its spread have negatively affected the Company's the ability to generate sales from services. The Company continues to evaluate the current and potential impact of the COVID-19 outbreak on its business, results of operations financial statements.

As of the date of issuance of the financial statements, the Company is not aware of any additional events or circumstances which would require it to update its estimates, judgements, or revise the carrying value of its assets or liabilities, other than the COVID-19 pandemic. These estimates may change, as new events occur and additional information is obtained, and such changes will be recognized in the financial statements as soon as they become known. Actual results could differ from these estimates and any such differences may be material to the Company's financial statements.

Approval of financial statements

The financial statements as at and for the years ended March 31, 2021 and 2020 were approved and authorized for issuance by the Board of Directors (BOD) on July 29, 2021.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

Statement of Compliance

Financial Reporting Framework
The financial statements that shall be prepared and filed by entities covered by SRC Rule 68 shall be in accordance with the financial reporting framework as prescribed under this section.

Large and/or Publicly-Accountable Entities

a. For purposes of this rule, large or publicly accountable entities are those that meet any of the following criteria:

   1. Total assets of more than P350 million or total liabilities of more than P250 million; or

   2. Are required to file financial statements under Part II of SRC Rule 68; or

   3. Are in the process of filing their financial statements for the purpose of issuing any class of instruments in a public market; or

   4. Are holders of secondary licenses issued by regulatory agencies.

b. Large and/or publicly-accountable entities shall use as their financial reporting framework the Philippine Financial Reporting Standards ("PFRS") as adopted by the Commission. However, a set of financial reporting framework other than the PFRS may be allowed by the Commission for certain sub-class (e.g., banks, insurance companies) of these entities upon consideration of the pronouncements or interpretations of any of the bodies listed in paragraph 1(B)(ii) above.

The Company has total assets of P 810,390,975 meeting criteria no. 1. The financial statements of the Company has been prepared in accordance with the Philippine Financial Reporting Standards (PFRS), which includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standards Interpretations Committee (SIC) as approved by the Financial Reporting Standards Committee (FRSC) and Board of Accountancy (BOA) and adopted the SEC.

The financial statements have been prepared using the measurement bases specified by PRFS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies the follow.

Basis of Preparation and Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standards (PAS) 1, Presentation of Financial Statements. The Company presents all items of income and expenses and other comprehensive income or loss in a single statement of comprehensive income.

Functional Presentation Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded in the nearest peso, except when otherwise indicated.

3. AMENDMENTS TO THE PHILIPPINE FINANCIAL REPORTING STANDARDS (PFRS)

Amendments to the Philippine Financial Reporting Standards (PFRS) Effective January 1, 2021

The International Accounting Standards Board (IASB) has published 'Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

This amendment has no impact on the Company's financial statement as of and for the years ended March 31, 2021 and 2020, respectively.

Amendments to the Philippine Financial Reporting Standards (PFRS) Effective January 1, 2020

a. Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The amendments clarify issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis.

Changes includes modification of specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

These are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform. They are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required).

The amendment also requires specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.

This amendment has no impact on the Company's financial statements as of and for the years ended years ended March 31, 2021 and 2020.

b. Amendments to IFRS 3, Business Combinations

The amendments in Definition of a Business (Amendments to PFRS 3) clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. They narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs, add guidance and illustrative examples to help entities assess whether a substantive process has been acquired, remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs, and add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

This amendment has no impact on the Company's financial statements as of and for the years ended March 31, 2021 and 2020.

c. Amendments to IAS 1 and IAS 8, Definition of Material

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' stating that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The new definition of material and the explanatory paragraphs are contained in IAS 1 Presentation of Financial Statements. The definition of material in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors has been replaced with a reference to IAS 1.

This amendment has no impact on the Company's financial statement as of and for the years ended March 31, 2021 and 2020.

d. Revised Conceptual Framework

The International Accounting Standards Board (IASB) has published its revised 'Conceptual Framework for Financial Reporting'. Included are revised definitions of an asset and a liability as well as new guidance on measurement and derecognition, presentation and disclosure. The new Conceptual Framework does not constitute a substantial revision of the document as was originally intended when the project was first taken up in 2004. Instead the IASB focused on topics that were not yet covered or that showed obvious shortcomings that needed to be dealt with.

This amendment has no impact on the Company's financial statement as of and for the years ended March 31, 2021 and 2020.

Amendments to the Philippine Financial Reporting Standards (PFRS) Effective January 1, 2019

a. Amendments to PFRS 9, Prepayment Features with Negative Compensation

Clarification that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ("SPPI") condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. Prepayment features with negative compensation do not automatically fail SPPI.

This amendment has no impact on the Company's financial statement as of and for the years ended March 31, 2021 and 2020.

b. Amendments to PAS 28, Long-term Interests in Associates and Joint Ventures

The International Accounting Standards Board (IASB) has clarified that PFRS 9, including its impairment requirements, applies to long-term interests. Furthermore, in applying PFRS 9 to long-term interests, an entity does not take into account adjustment to their carrying amount required by PAS 28.

This amendment has no impact on the Company's financial statement as of and for the years ended March 31, 2021 and 2020.

c. Amendments to PAS 19, Plan Amendment, Curtailment or Settlement

Clarification that the past service cost is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment but ignoring the effect of the asset ceiling that may arise when the defined benefit plan is in a surplus position.

This amendment has no impact on the Company's financial statement as of and for the years ended March 31, 2021 and 2020.

d. Annual Improvements to PFRSs 2014-2016 Cycle

1. Amendments to PFRS 3 Business Combination

   Clarification that when an entity obtains control of a business of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

2. Amendments to PFRS 11 Joint Arrangements

   Clarification that when a party that participates in, but does not have joint control of, a joint operation that is a business joint control of such a joint operation, the entity does not remeasure its PHI in the joint operation.

3. Amendments to PAS 12 Income Taxes

   Clarification that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

4. Amendments to PAS 23 Borrowing Cost

   Clarification that if any specific borrowing remains outstanding after the related assets is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

   This amendment has no impact on the Company's financial statement as of and for the years ended March 31, 2021 and 2020.

e. Foreign Currency Transactions and Advance Consideration

It clarifies that when an entity pays or receives consideration in advance in a foreign currency, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date of the advance consideration.

The above-mentioned amendment has no impact on the Company's financial statements as of and for the years ended March 31, 2021 and 2020, respectively.

f. Annual Improvements

1. IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short- term exemptions of first-time adopters

   The amendments delete the short-term exemptions in IFRS 1 that relate to disclosures about financial instruments (IFRS 7), Employee benefits (IAS 19) and investment entities (IFRS 12 and IAS 27).

2. IAS 28 Investments in Associates and Joint Ventures - Measurements as associates or joint venture at fair value

   The amendments clarify that the option for a venue capital organization and other similar entities to measure investments in associates and joint ventures at FVPL is available separately for each associate or joint venture, and that election should be made at initial recognition of the associate or joint venture.

   The above-mentioned amendment has no impact on the Company's financial statements as of and for the years ended March 31, 2021 and 2020, respectively.

g. PFRS 16, Leases (effective from January 1, 2019). The new standard will eventually replace PAS 17, Leases.

For leases, it requires to account for leases "on-balance sheet" by recognizing a "right of use" asset and a lease liability. The lease liability is initially measured as the present value of future ease payments. For this purpose, lease payments include fixed, noncancelable payments fat lease elements, amounts due under residual value guarantees, certain types, of contingent payments and amounts due during optional periods to the extent that extension is reasonably certain. In subsequent periods, the "right of use" assets are accounted for similarly to a purchased asset and depreciated or amortized. The lease liability is accounted for, similarly to as, financial liability using the effective interest method. However, the new standard provides important reliefs or exemptions for short-term leases and leases of low value assets. If these exemptions are used, the accounting is similar to operating lease accounting under PAS 17 where lease payments are recognized as expenses on a straight-line basis over the lease term or another systematic basis: (if more representative of the pattern of the lessee's benefit).

For lessors, lease accounting remains the same as PAS 17's. In particular, the distinction between finance and operating leases is retained. The definitions of each type of lease, and the supporting indicators of a finance lease, are substantially the same as PAS 17's. The basis accounting mechanics are also similar, but with some different or more explicit guidance in few areas. These include variable payments, sub-leases, lease modifications, the treatment of initial direct costs and lessor disclosures.

The above-mentioned amendment has no impact on the Company's financial statements as of and for the years ended March 31, 2021 and 2020 respectively.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting and reporting policies that have been used in the preparation of the financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basic Financial Instruments

The Company recognizes a financial asset and a financial liability only when the Company becomes a party to the contractual provisions of the instruments.
When a financial asset or financial liability is recognized initially, the Company measures it at the transaction price and subsequently measures it at amortized cost using the effective interest method.

Cash. Cash includes cash on hand and in banks stated at face amount. Cash in banks earn interest at the prevailing bank deposit rates.

Trade and other receivables. Trade and other receivables are recognized initially at the transaction price including transaction costs. These are subsequently measured at amortized cost, less any allowance for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Refundable Deposits
Refundable deposits are recognized initially at the transaction price. These are subsequently measured at amortized cost using the effective interest method for maturities beyond one year, less any accumulated allowance for impairment. They are included in current assets, except for maturities greater than 12 months after the reporting period which are classified as noncurrent assets. An allowance for impairment of refundable deposits is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The related impairment loss is recognized immediately in profit or loss.

Refundable deposits are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party.

Prepayments and other current asset

Prepayments and other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the company and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period (or in the normal operating cycle of the business, if longer), are classified as noncurrent assets.

Value-added tax (VAT)

Revenue, expenses and assets are recognized net of the amount of VAT except receivables and payables that are stated with the amount of VAT included. The amount of VAT recoverable from the taxation authority is included as part of "Trade and other payables" account in the statements of financial position.

Property and Equipment

Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the asset as follows:

Asset	Years
Computer and information technology (IT) equipment	2 to 3 years
Furniture and fixtures	3 to 5 years
Transportation equipment	3 to 5 years

The assets' useful lives and depreciation method are reviewed if there is an indication of a significant change since the last reporting date and adjusted prospectively, if appropriate.

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Capital Stock

Capital stock is measured at par value for all shares issued.

Preferred shares
Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary dividends thereon are recognized as distribution within equity upon approval by the Company's shareholders.

Preference shares are classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognized as interest expense in profit or loss as accrued.

Retained Earnings

Retained earnings pertain to cumulative net income or loss, net of any dividend declaration.

Revenue and Cost Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue and related cost of services are recognized upon rendering of service.

Leases

Company as Lessor. Leases where the Company retains substantially all the risks and benefits of ownership are classified as finance leases. Finance lease payments are recognized as an income in profit or loss using straight-line basis over the lease term.

Company as Lessee. Leases where the lessee retains obtains the right to control the use of an identified asset for a period of time in exchange for consideration, where the control is conveyed when lessee both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. Lessee will recognize the right-of-use (ROU) asset and amortized over the lease term, and record lease liability and amortized over the net of interest and payment.

Income Taxes

Current Tax. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is recognized on all temporary differences at the reporting date between the carrying amount of the assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable income in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable income in the future.

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

Related Party Transactions

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its members.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Events after the Reporting Date

Events after the reporting date that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to financial statements when material.

5. SIGNIFICANT ACCOUNTING JUDGMENT AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcome that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

In the process of applying the accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Finance Leases - Company as Lessee. The lessee retains obtains the right to control the use of an identified asset for a period of time in exchange for consideration, where the control is conveyed when lessee both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. Accordingly, these leases are accounted for as finance leases.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for Impairment of Trade and Other Receivables
The Company maintains allowance for impairment of trade and other receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management on the basis of the factors that affect the collectability of the accounts. The Company reviews the age and status of receivables and identifies accounts that are to be provided with allowance either individually or collectively. The amount and timing of recorded expenses for any period would differ if the Company made different assumptions or utilized different estimates.

An increase in the Company's allowance for impairment of receivables will increase the Company's recorded expenses and will decrease current assets.

Estimating Useful Lives of Property and Equipment. The Company estimates the useful lives of property and equipment based on the economic lives of property and equipment. The estimated useful lives of property and equipment are reviewed periodically and updated if expectations differ materially from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property and equipment.

6. CASH

This account consists of (see also Notes 18 and 19):

		2021		2020
Cash on hand	P	12,500	P	12,500
Cash in bank		707,934,710		510,953,646
Total	P	707,947,210	P	510,966,146

The Company maintain cash in bank in Philippine peso and in US dollar. Deposits in US dollar amounted P 683,396,052 and P 479,884,204 converted into peso using prevailing closing rate resulting to unrealized foreign currency exchange loss of P 26,576,558 and P 10,018,574 for the years 2021 and 2020, respectively (see also Note 17).

Cash deposit in banks generally earn interest based on daily bank deposit rates. Interest income from bank deposits amounted to P454,193 and P 814,935 in 2021 and 2020, respectively (see also Note 17).

7. **TRADE AND OTHER RECEIVABLES - Net**

This account is broken down as follows (see also Notes 18 and 19):

		2021		2020
Trade	P	33,538,229	P	84,274,713
Allowance for impairment (see also Note 14)		52,352		-
Net		33,485,877		84,274,713
Advances to officers and employees		336,703		1,221,560
Advances for liquidation		349,772		398,456
Total	P	34,172,352	P	85,894,729

The Company's trade receivables represent non-interest-bearing claims of the Company from its customers. Trade receivables are normally collectible within 180 days.

The following is the schedule of allowance for doubtful accounts:

	2021	2020
Beginning balance	P -	P -
Provision during the year (see also Note 14)	52,352	-
Total	P 52,352	P -

The Company's trade receivables have been reviewed for indications of impairment. Based on management's evaluation, impairment losses on trade receivables amounted to P 52,352 and nil for the years 2021 and 2020, respectively. This account is recorded under Miscellaneous account in General and Administrative Expenses in Statements of Total Comprehensive Income.

8. PREPAYMENTS AND OTHER CURRENT ASSSETS

As of March 31, this account consists of:

	2021	2020
Refundable deposit – current (see also Notes 10, 18 and 19)	P 9,845,631	P -
Rent	207,386	157,895
Insurance	131,234	69,366
Others	687,383	992,822
Total	P 10,871,634	P 1,220,083

Others include advance payments for maintenance, recruitment and medical.

9. PROPERTY AND EQUIPMENT - Net

Reconciliation of cost and accumulated depreciation as of March 31 is as follows:

	Computer and IT Equipment	Furniture and Fixtures	Leasehold Improvement	Right-of-Use Asset	Total
Cost					
Balances as at March 31, 2019	P 86,329,470	P 17,413,121	P 44,163,953	-	P 147,906,544
Additions during 2020	11,864,710	125,534	-	66,296,154	78,286,398
Balances as at March 31, 2020	98,194,180	17,538,655	44,163,953	66,296,154	226,192,942
Additions during 2021	8,610,972	309,168	-	-	8,920,140
Balances as at March 31, 2021	**106,805,152**	**17,847,823**	**44,163,953**	**66,296,154**	**235,113,082**
Accumulated depreciation					
Balances as at March 31, 2019	74,675,612	16,577,380	44,163,953	-	135,416,945
Depreciation during 2020	6,829,518	471,634	-	23,398,643	30,699,795
Balances as at March 31, 2020	81,505,130	17,049,014	44,163,953	23,398,643	166,116,740
Depreciation during 2021	10,813,116	488,690	-	23,398,643	34,700,449
Balances as at March 31, 2021	**92,318,246**	**17,537,704**	**44,163,953**	**46,797,286**	**200,817,189**
Net Book Value					
Balances as at March 31, 2020	**P 16,689,050**	**P 489,641**	**P -**	**P 42,897,511**	**P 60,076,202**
Balances as at March 31, 2021	**P 14,486,906**	**P 310,119**	**P -**	**P 19,498,869**	**P 34,295,894**

Depreciation for computer and IT equipment is (see also Note 13) charged to cost of services while furniture and fixture (see also Note 14) and amortization of right-of-use (ROU asset is charged to cost of services. Management believes that there is no indication that an impairment loss has occurred on its properties and equipment for the fiscal year-end 2021.

10. REFUNDABLE RENT DEPOSITS

Movements of this account is shown below:

		2021		2020
Refundable rent deposit – current (see also Notes 8, 18 and 19)	P	9,845,631	P	-
Refundable rent deposit – non-current		95,075		12,481,908
Total	P	9,940,706	P	12,481,908

The deposits were made required by the lease agreement and to be released from the date the leased premises is turned over.

11. TRADE AND OTHER PAYABLES

This account is broken down as follows:

		2021		2020
Trade (see also Notes 18 and 19)	P	1,660,386	P	10,298,468
Accrued expenses (see also Notes 18 and 19)		9,214,233		15,692,687
Withholding tax (see also Note 20)		1,441,117		2,394,456
Statutory contributions		2,143,830		1,986,916
Value added tax (VAT) (see also Note 20)		191,515		253,901
Unearned income		332,505		-
Total	P	14,983,586	P	30,626,428

Statutory contributions include Social Security System (SSS), Philippine Health Insurance Corporation (PHIC), and Home Development Mutual Fund (HDMF) payable.

Unearned income pertains to advance payments made from customers from previous years that was earned during the current year.

12. LEASE LIABILITY

Philippine Financial Reporting Standards (PFRS) 16 defines lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Further, the standard clarifies that the control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Upon lease commencement, a lessee recognizes a right-of use (ROU) asset and a lease liability. ROU asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar.

During the year 2020, the Company adopted the standard and record ROU asset amounted to P 66,296,154, then amortized from the lease commencement date to the end of the lease's term and computed lease liability amounted to P 66,296,154 and is reduced by the net of annual payment and implicit rate of 9%.

Movement of ROU asset is computed below (see also Notes 9 and 13):

	2021	2020
Beginning of the year	P 42,897,511	P 66,296,154
Depreciation and amortization	23,398,643	23,398,643
End of the year	P 19,498,869	P 42,897,511

Computation of lease liability is illustrated as follows:

	2021	2020
Beginning of the year	P 45,880,903	P 66,296,154
Add: Interest	2,143,755	3,491,282
Less: Lease payment	25,297,284	23,906,533
End of the year	P 21,727,374	P 45,880,903

Classification of lease liability is shown:

	2021	2020
Lease liability - current	P 21,727,374	P -
Lease liability – non-current	-	45,880,903
Total	P 21,727,374	P 45,880,903

13. COST OF SERVICES

Break down of this account is as follows:

		2021		2020
Salaries and benefits	P	193,209,019	P	229,511,924
Professional fees		16,127,593		57,224,269
Utilities and communication		15,097,863		18,434,660
Depreciation and amortization (see also Notes 9 and 12)		34,211,759		30,228,161
Rent		-		3,158,496
Retirement (see also Note 15)		3,086,463		-
Total	P	261,732,697	P	338,557,510

14. GENERAL AND ADMINISTRATIVE EXPENSES

This account is broken down as follows:

		2021		2020
Salaries and allowances	P	15,648,320	P	12,029,515
Professional fee		10,286,009		9,307,542
Transportation and travel		8,631,175		15,399,856
Rent		7,153,835		732,469
Medical		7,138,975		7,353,953
Common area charges		6,019,164		6,019,164
Communication, light and water		3,892,160		569,567
Security services		3,410,374		2,910,866
Janitorial services		2,250,240		1,552,301
Repairs and maintenance		2,160,025		3,385,619
Representation		1,995,343		1,598,536
Recruitment		1,553,872		5,246,552
Taxes and licenses (see also Note 20)		1,464,781		1,088,153
Office supplies		1,161,934		2,380,790
SSS, PHIC, HDMF contribution		601,515		562,758
Depreciation (see also Note 9)		488,690		471,635
Insurance		323,102		299,325
Retirement (see also Note 15)		203,485		-
Miscellaneous (see also Note 7)		162,565		226,749
Total	P	74,545,564	P	71,135,350

Miscellaneous pertains to impairment (see also Note 7) and other miscellaneous expenses.

15. RETIREMENT BENEFIT PLAN

The actuarial valuations of present value of the defined benefit obligation was performed as of April 7, 2021 by an independent actuary. The present value of the benefit obligation and the related current service cost were measured using the projected unit credit method.

The reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets to the recognized liability presented as retirement benefit obligation in the statements of financial position is as follows (see also Note 13):

		2021		2020
Present value of defined benefit obligations	P	7,438,799	P	-
Less: Fair value of plan assets		-		-
Unfunded defined benefit plan	P	7,438,799	P	-

The movements in the defined benefit obligations are shown below:

		2021		2020
Liability at beginning of the year	P	-	P	-
Transition liability (asset) recognized		5,599,629		
Interest cost		285,581		-
Current service cost		1,304,738		-
Plan assets		-		-
Benefit paid from plan assets		-		-
Actuarial (gain) or loss:				
Changes in financial assumptions	(	127,054)		-
Experience		375,905		-
Liability at the end of the year	P	7,438,799	P	-

The retirement expense recognized in profit or loss consists of (see also Note 13):

		2021		2020
Current service cost	P	1,304,738	P	-
Interest cost		285,581		-
Transition liability (asset) recognized		5,599,629		-
Retirement expense	P	7,189,948	P	-

The principal assumptions used to determine retirement benefits obligation of the Company are as follows:

	2021	2020
Discount rate	5.20%	-
Expected rate of salary increases	5.00%	-

16. RELATED PARTY TRANSACTIONS

The Company has the following transactions with the related parties:

	Amount of Transactions		Outstanding Balances	
	2021	2020	2021	2020
Due from related parties	P 8,650,760	P -	P 23,008,811	P 14,358,051
Due to related parties	(2,870,828)	-	-	2,870,828
Due from (to) related parties	P 11,521,588	P -	P 23,008,811	P 11,487,223

Advances from related parties are used for working capital requirements and operations of the Company and are unsecured, non-interest bearing and expected to be settled/received within the next fiscal year (see also Notes 18 and 19).

17. INCOME TAXES

The Company is registered with the Philippine Economic Zone Authority (PEZA). Under Section 24 of Republic Act No. 7916, no national and local taxes shall be imposed on registered business enterprises within the Economic Zone (ECOZONE). In lieu of the said taxes, a five percent (5%) tax on gross income shall be paid by all registered business enterprises within the economic zone and shall be directly remitted as follows: three percent (3%) to the National Government, one percent (1%) to the local government units affected by the declaration of the ECOZONE in proportion to their population, land area, and equal sharing factors; and one percent (1%) for the establishment of a development fund to be utilized for the development of municipalities outside and contiguous to each ECOZONE.

On January 15, 2021, the Company received Letter of Authority (LOA) No. 19-ERD-ITE/SC/FE-0122 which grants the Company's request for authority to contract parts/sub-processes of its Business Process Outsourcing (BPO) operations, particularly Human Resource Operation (HRO) support services and Specialized Services Support to its Parent provided that such services does not exceed 25% of the total cost of the total/complete services of the Company for BPO to its foreign and domestic clients. Revenues and income from said sub-contracted services shall be subject to the Regular Corporate Income Tax (RCIT). Therefore, revenues of the Company will be subject to both preferential and regular tax rate.

The National Internal Revenue Code (NIRC) of 1997 particularly sections 294 and 295 was amended by Republic Act (RA) No. 11534 or otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) which provides the following changes affecting financial statements for the year ended March 31, 2021.

1. Reduction of Regular Corporate Income Tax (RCIT) from 30%.

    a. For domestic corporations with net taxable income less than and equal to P 5,000,000 and total assets less than and equal to P 100,000,000 exclusive of Land, the transitory rate is 22.50%.

    b. For domestic corporations which exceeds net taxable income and total assets provided in (a), the transitory rate is 26.25%.

2. Reduction of Minimum Corporate Income Tax (MCIT) from 2% to a transitory rate of 1.23%.

3. Enhanced Net Operating Loss Carry Over (NOLCO)

    a. The net operating loss of the registered project or activity during the first three (3) years from the start of commercial operation, which had not been previously offset as deduction to gross income, may be carried over as a deduction from gross income within next five (5) consecutive taxable years immediately following the year of such loss.

Reconciliation of income tax expense based on statutory and regular tax rate.

	2021		
	Special	Regular	Total
Net income before tax	129,410,009	30,560,424	159,970,433
Add/(Deduct): Permanent/ Temporary difference			
Administrative expenses	106,599,298		106,599,298
Interest income already subject to final tax (see also Note 6)	(454,193)		(454,193)
Unrealized foreign exchange loss (see also Note 6)	26,576,558	-	26,576,558
Taxable income	262,131,672	30,560,424	292,692,096
Tax rate	5%	26.25%	5% / 26.25%
Income tax expense	13,106,584	8,022,111	21,128,695

The Company is subject to 5% preferential income tax rate under the incentives given under R.A 7916 which is also known as Special Economic Zone Act of 1995.Under the law, the 5% income tax on gross income shall be allocated and as follows: (a) 3% to the national government; and (b) 2% to the Local Government Unit (LGU) where the enterprise is located.

The computation of the Company tax due is as follows:

		2021
Income tax expense	P	21,128,695
Less: Share of other government agency	(	5,242,634)
Creditable withholding tax for the year	(	7,139)
Income tax payments from the previous quarter	(	12,660,895)
Income tax still due	P	**3,218,027**

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which results from use of its financial instruments.

The Company is also exposed to financial risk through its financial assets and financial liabilities. The most important components of these financial risks are credit risk, liquidity risk, and market risk.

Market risk or Price Risk
The Company's exposure to price risk arises from the fluctuations in the cost and availability of cost of revenue as well as the cost of administrative and operating expenses.

Interest Rate Risk
The Company's exposure to the risk for changes in market interest rates relates primary to the Company's obligation. The Company has trade and other payables and due to related parties under current liabilities during the year which are non-interest bearing. Therefore, the Company is not subject to interest rate risk.

Credit Risk
Credit risk refers to the possibility that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The receivable balances are regularly monitored. Trade receivables are normally collected thirty (30) days from the date of recognition of revenue or billing date. Credit limits are set in the system and a regular review of these limits is being done by management. Since the Company trades only with recognized third parties, there is no requirement of collateral on its receivables.

The table below provides the gross maximum exposure of the Company:

		2021
Cash (see also Note 6)	P	707,947,210
Trade receivables (see also Note 7)		34,172,352
Refundable security deposit (see also Note 8)		9,845,631
Due from related parties (see also Note 16)		23,008,811
Total	P	774,974,004

As part of the Company's policy, bank deposits are only maintained with reputable financial institutions. Cash, excluding cash on hand, pertains to cash in bank which is insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P 500,000 for every depositor per banking institution.

Trade receivables are collectible by the Company from its customers after 30 days from billing date.

Refundable security deposits are deposits made to counterparties which are owners of various developed properties and establishments, thus, are deemed reputable entities with good credit standings.

None of the financial assets are secured by collateral or other credit enhancements.

The aging analysis of financial assets as of March 31, 2021 shows:

	March 31, 2021						
		Age Analysis of Past Due but not Impaired					
	Neither Past Due nor Impaired	<30 Days	30-60 Days	61-90 Days	91-120 Days	Past Due and Impaired	Total
Cash (see also Notes 6, 7 and 19)	P 707,947,210	P -	P -	P -	P -	P -	P 707,947,210
Trade Receivables (see also Notes 7, 14 and 19)	34,172,352	-	-	-	-	-	34,172,352
Refundable security deposit (see also Notes 6, 11 and 18)	9,845,631	-	-	-	-	-	9,845,631
Due from related parties (see also Note 16)	23,008,811	-	-	-	-	-	23,008,811
Total financial assets	P 774,974,004	P -	P -	P -	P -	P -	P 774,974,004

Liquidity Risk

Prudent liquidity risk management implies sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to dynamic nature of the underlying business, the Company aims to maintain flexibility in funding by keeping committed credit lines available.

The Company also ensures that there are sufficient, available and approved working capital lines that it can draw from anytime. It maintains an adequate cash and cash equivalents in the event of unforeseen interruption of its cash collections.

The table below summarizes the maturity profile of the Company's financial liabilities at March 31, 2021:

	March 31, 2021			
	On Demand	Within Six Months up to One Year	More than One Year but less than Five Years	Total
Trade payables (see also Notes 11 and 19)	P 11,207,124	P -	P -	P 11,207,124

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of each reporting period.

19. CATEGORIES, FAIR VALUES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are shown below.

		2021	
	Notes	Carrying value	Fair value
Financial Assets			
Cash	*5,17,18*	P 707,947,210	P 707,947,210
Trade receivables	*7,14,18*	34,172,352	34,172,352
Refundable security deposit	*8,18*	9,845,631	9,845,631
Due from related parties	*16,18*	23,008,811	23,008,811
Total		P 774,974,004	P 774,974,004

		2021	
	Notes	Carrying value	Fair value
Financial Liabilities			
Trade payables	*11,19*	P 11,207,124	P 11,207,124

Management considers that the carrying amounts of all financial assets and liabilities approximate their fair values as these financial instruments have short-term durations.

Fair Value Hierarchy

In accordance with PFRS 13, the fair value of the financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can assess at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represents actual and regularly occurring market transactions on an arm's length basis.

As of March 31, 2021, the Company has no financial assets or financial liabilities that are measured at fair value.

Offsetting of Financial Assets and Financial Liabilities

The Company has not set-off financial instruments in 2021 and does not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties. As of March 31, 2021, there are no financial assets and financial liabilities which can be potentially offset to the extent of their corresponding outstanding balances.

20. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Revenue Regulations No. 15-2010

The information for March 31, 2021 as required by the above regulations is presented below:

Output and Input value-added tax (VAT)

The Company being a PEZA registered enterprises enjoys certain privileges under the tax code which includes zero rating of VAT on its export sale of services and as long it maintains the seventy percent (70%) to thirty percent (30%) ratio of export sales to local sales in accordance with PEZA rules and regulations which coincides with the tax rules and regulations. The Company was able to comply with the required ratio for year 2021.

		2021
Output VAT	P	3,005,669
Less: Input VAT		1,216,261
VAT Payable		1,789,409
Less: Remittance		1,597,894
VAT still due (see also Note 11)	P	191,515

Withholding taxes

Withholding tax payable as at March 31, 2020 is as follows (see also Note 11):

		2021
On Expanded	P	2,614,687
Less: Remittances		2,426,824
Total	P	196,277

		2021
On Compensation	P	8,184,992
Less: Remittances		7,379,293
Total	P	805,699

		2021
Final withholding tax	P	8,791,846
Less: Remittances		8,344,291
Total	P	447,555

All other local and national taxes
The Company has paid taxes and licenses as shown below (see also Note 12):

		2021
Annual registration fee	P	500
PEZA application fee		1,464,281
Total	P	1,464,781

Tax assessments and cases
The Company has no outstanding tax assessments and tax cases as at March 31, 2021.

Revenue Regulations No. 2-2014

The BIR issued RR No. 2-2014 which prescribes the new form that will be used for income tax filing covering and starting with periods ending March 31, 2014 and onwards. This recent RR requires schedules of taxable revenues and other non-operating income, costs of sales and services, and itemized deductions.

The amounts of taxable revenues and income, and deductible costs and expenses presented below are based on relevant tax regulations issued by the BIR, hence, may not be the same as the amounts reflected in the March 31, 2021 statement of total comprehensive income.

Taxable Revenue
As at March 31, 2021, the Company earned taxable revenue amounting to P 545,489,185 and P 38,409,088 under special and regular rate, respectively.

Deductible Cost of Services
The Company's cost of services for the year amounted to P 252,797,089 and P 7,848,564 under special and regular rate, respectively (see also Notes 9,13, and 15).

Abigail Algara

From:	Dennis Taberna Estavillo
Sent:	Thursday, August 26, 2021 4:04 PM
To:	Abigail Algara
Subject:	FW: Your BIR AFS eSubmission uploads were received

From: eafs@bir.gov.ph [mailto:eafs@bir.gov.ph]
Sent: Wednesday, 25 August 2021 11:58 PM
To: Dennis Taberna Estavillo
Cc: Dennis Taberna Estavillo
Subject: Your BIR AFS eSubmission uploads were received

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Hi ALLSECTECH MANILA, INC.,

Valid files

- EAFS231757245TCRTY032021-01.pdf
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Transaction Code: **AFS-0-PW42RYZP0NYTYV4XVNXRYXWRT0M1MS34P2**
Submission Date/Time: **Aug 25, 2021 11:57 PM**
Company TIN: **231-757-245**

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Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)
Company Registration
No: 201501001731 (1127063 A)

REPORTS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

REPORTS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

CONTENTS

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31st March 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are providing services and consultancy and secondment of staff in information technology solutions and software development.

There have been no significant changes in these activities during the financial year.

FINANCIAL RESULTS

	RM
Net profit for the financial year after income tax	2,921,623

DIVIDENDS

The directors did not propose any final dividends for the financial year ended 31st March 2021.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year under review.

ISSUE OF SHARES

The Company did not issue any new shares during the financial year.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to date of the report are:-

Vijay Sivaram
Guruprasad Srinivasan

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than disclosed in the Directors Remunerations in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Company Registration No: 201501001731 (1127063 A)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations were as follows:-

	Number of Ordinary Shares			
	As at 1.4.2020	**Bought**	**Sold**	**As at 31.3.2021**
Ultimate holding company				
-Quess Corp Limited				
-Direct interest				
Vijay Sivaram	52,052	39,392	(24,555)	66,889
Guruprasad Srinivasan	88,657	46,900	(20,000)	115,557

All the above directors have interest in shares of the Company to the extent of their shareholdings in ultimate holding company, Quess Corp Limited.

DIRECTORS REMUNERATIONS

No director's remuneration was paid or payable for directors and past directors of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts have been written off and adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability in respect of the Company which has arisen since the end of the financial year.

No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the directors:

(a) the results of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during the year, for any person who is the director, officer or auditor of the Company.

ULTIMATE HOLDING COMPANY

The directors regard Quess Corp Limited (Company No: U74140KA2007PLC043909), a company incorporated in India as the ultimate holding company.

HOLDING COMPANY

The directors regard Quesscorp Holdings Pte Ltd (Company No: 201526129N), a company incorporated in Singapore as the holding company.

AUDITORS REMUNERATIONS

Total amount paid to or receivable by the auditors as remuneration for their service as auditors is disclosed in Note 15 to the financial statements.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 22 to the financial statements.

Company Registration No: 201501001731 (1127063 A)

AUDITORS

The auditors, Messrs HALS & Associates have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 0 7 MAY 2021

Signed in accordance with a resolution of the directors:

VIJAY SIVARAM	Directors
GURUPRASAD SRINIVASAN	

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2021

	Note	2021 RM	2020 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	94,421	176,078
Investment in associate	8	122,500	122,500
Total non-current assets		216,921	298,578
CURRENT ASSETS			
Trade and other receivables	9	15,879,871	14,060,918
Deposits and prepayments		673,186	385,008
Cash and cash equivalents	10	1,905,782	3,230,795
Total current assets		18,458,839	17,676,721
TOTAL ASSETS		18,675,760	17,975,299
EQUITY			
Share capital	11	500,000	500,000
Retained profit		10,277,012	7,355,389
Total equity		10,777,012	7,855,389
CURRENT LIABILITIES			
Trade and other payables	12	7,716,026	9,231,530
Bank overdraft	13	182,722	719,287
Current tax liabilities		-	169,093
Total current liabilities		7,898,748	10,119,910
TOTAL LIABILITIES		7,898,748	10,119,910
TOTAL EQUITY AND LIABILITIES		18,675,760	17,975,299

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 22.

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2021

	Note	2021 RM	2020 RM
REVENUE	14	45,065,587	44,745,943
Less: COST OF SALES		(39,273,101)	(37,518,778)
GROSS PROFIT		5,792,486	7,227,165
Other operating income		26,034	45,128
Administrative expenses		(2,344,573)	(4,575,025)
Profit from operations	15	3,473,947	2,697,268
Finance cost	16	(166,501)	(184,429)
Profit before taxation		3,307,446	2,512,839
Taxation	17	(385,823)	(546,818)
Profit for the year		2,921,623	1,966,021

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 22.

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2021

	Share Capital RM	Retained Earnings RM	Total Equity RM
Balance at 1st April 2019	500,000	5,389,368	5,889,368
Non-owner changes in equity			
Profit for the year	-	1,966,021	1,966,021
Total comprehensive income for the year	-	1,966,021	1,966,021
Balance at 31st March 2020	500,000	7,355,389	7,855,389
Non-owner changes in equity			
Profit for the year	-	2,921,623	2,921,623
Total comprehensive income for the year	-	2,921,623	2,921,623
Balance at 31st March 2021	500,000	10,277,012	10,777,012

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 22.

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

	Note	2021 RM	2020 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		3,307,446	2,512,839
Adjustments for:			
Allowance for doubtful debts		-	455,682
Interest expenses		166,501	184,429
Interest income		(23,164)	(42,257)
Unrealised gain on foreign exchange		(2,870)	(2,871)
Depreciation		91,907	111,781
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		3,539,820	3,219,603
Increase in receivables		(2,107,131)	(2,477,672)
Decrease in payables		(1,512,636)	(349,465)
CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		(79,947)	392,466
Interest income		23,164	42,257
Interest expenses		(166,501)	(184,429)
Tax paid		(554,914)	(377,724)
NET CASH USED IN OPERATING ACTIVITIES		(778,198)	(127,430)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(10,250)	(113,330)
NET CASH USED IN INVESTING ACTIVITIES		(10,250)	(113,330)
Unrealised gain on cash and cash equivalents		-	2,871
Net decrease in cash and cash equivalents		(788,448)	(240,760)
Cash and cash equivalents at beginning of the year		2,511,508	2,749,397
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18	1,723,060	2,511,508

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 22.

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2021

1. **GENERAL**

The financial statements of the Company are presented in Ringgit Malaysia (RM) which is the Company's functional currency. All financial information is presented in RM.

The Company was incorporated and domiciled in Malaysia as a private company limited by shares. It is resident in Malaysia with its registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur and the principal place of business at Unit 25-13A, Level 25, Q Sentral, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

2. **PRINCIPAL ACTIVITIES**

The principal activities of the Company are providing services and consultancy and secondment of staff in information technology solutions and software development. There have been no significant changes in these activities during the financial year.

3. **BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") issued by Malaysian Accounting Standards Board's ("MASB") and the provisions of the Companies Act 2016.

4. **AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS**

The financial statements of the Company have been approved by the Board of Directors for issuance on......07 MAY 2021

5. **BASIS OF PREPARATION**

5.1 **Basis of Measurement**

The financial statements of the Company have been prepared using cost bases (which include historical cost, amortised cost, and lower of cost and net realizable value) and fair value bases.

5.2 **Critical Judgements and Estimates Uncertainty**

The preparation of the financial statements in conformity with MPERS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognized in the financial statements other than as disclosed below:-

A. Estimation Uncertainty

(a) **Loss Allowance of Financial Assets**

The Company recognizes impairment losses for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Company's past experience of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Company's financial position and results.

(b) **Depreciation of Property, Plant and Equipment**

The cost of an item of property, plant and equipment is depreciated on the straight line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual value. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

(c) **Measurement of Income Taxes**

Significant judgement is required in determining the Company's provision for current and deferred taxes because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities in each jurisdiction, the amounts might be different for the initial estimates of the taxes payables. Such differences may impact the current and deferred taxes in the period where such determination is made. The Company will adjust for the differences as over or under provision of current or deferred taxes in the current period in which those differences arise.

6. SIGNIFICANT ACCOUNTING POLICIES

(a) Property, Plant and Equipment

(i) Recognition and Measurement

All property, plant and equipment are initially measured at cost.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. The cost of self constructed assets also includes the cost of direct and indirect cost of construction.

For an exchange of non-monetary assets that has a commercial substance, cost is measured by reference to the fair value of the asset received.

All property, plant and equipment are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amounts of property, plant and equipment and is recognized net within "other income" or "other expenses" respectively in profit or loss.

(ii) **Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized to profit or loss. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) **Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. The annual rates used are as follows:-

	%
Computer	20
Software	20
Furniture and fittings	20
Renovation	33.33

At the end of each reporting period, the residual values, useful life and depreciation method for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

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

The carrying amounts of non-financial assets (ie. property, plant and equipment) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset, if an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and the value in use. The Company determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on: (i) price in a sale agreement, (ii) market price traded in an active market; and (iii) estimate of market price using the best information available. The value in use is estimated by discounting the net cash inflows (by an appropriate pre-tax discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecast cash flows.

An impairment loss is recognized if the carrying amount of an asset or its related cash- generating unit exceeds its estimated recoverable amount.

For an asset measured on a cost-based model, any impairment loss is recognized in profit or loss. For a property, plant and equipment measured on the revaluation model, any impairment loss is treated as a revaluation decrease.

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognized previously may have reversed.

Any reversal of impairment loss for an asset carried at a cost-based model is recognized in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognized previously.

(c) **Financial instruments**

(i) **Initial recognition and measurement**

A financial asset or financial liability is recognised in the statement of financial position when, and only when the Company becomes a party to the contractual provisions of the instruments.

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss, transaction cost are expensed to profit or loss when incurred) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instruments.

(ii) **Subsequent measurement**

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss, and (ii) financial assets at amortised costs.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 6c(v).

After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method.

(iii) **Fair Value Measurement of Financial Instruments**

All other financial assets or liabilities not measured at amortised cost or cost less impairment are measured at fair value with changes recognised in profit or loss.

The fair value is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique.

(iv) **Recognition of Gains and Losses**

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognized in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognized in profit or loss only when the financial asset or financial liability is derecognized or impaired, and through the amortization process of the instruments.

(v) **Impairment and Uncollectibility of Financial Assets**

The Company applies the incurred loss model to recognise impairment losses of financial assets. At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset (except for financial assets measured at fair value through profit or loss) or a group of financial assets is impaired.

An impairment loss is measured as follows:-

* For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

* For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

(vi) **Derecognition**

A financial asset or part of it is derecognized when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of financial asset, the difference between the carrying amount of the financial asset derecognized and the consideration received, including any newly created rights, and obligations, is recognized in profit or loss.

A financial liability or part of it is derecognized when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(d) **Equity Instruments**

Ordinary shares classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(e) **Revenue Recognition**

Revenue from services rendered is recognized in profit or loss upon services rendered and acceptance by customers.

(f) **Income Tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is provided by the balance sheet liability method based on all taxable temporary differences by comparing carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax is not recognized if the temporary differences arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time the transaction, affects neither accounting profit nor taxable profits.

Deferred tax is measured at the tax rates that is expected to be applied to the temporary differences when they reverse, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

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

Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets , and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

(g) **Cash and Cash Equivalents**

Cash and cash equivalents consists of cash in hand, bank balances, deposits with bank and highly liquid investments with maturing within three months from the date of acquisition which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(h) **Employee Benefits**

(i) **Short term employee benefits**

Short term employee benefits in respect of wages, salaries, social security contributions, paid annual leaves, paid sick leaves, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed in the financial period when employees have rendered their services to the Company.

Bonuses are recognised as an expense when there is a present, legal or constructive obligations to make such payments, as a result of past services provided by employees and when a reliable estimate can be made of the amount of the obligations.

(ii) **Defined contribution plan**

The Company makes contributions to a statutory provident fund and recognise the contribution payable as an expense in the financial year in which the employees render their services. Once the contributions have been paid, the Company have no further payment obligations.

(i) **Associates**

Associates are entities including unincorporated entities in which the Company has significant influence but not control over the financial and operating policies.

Investments in associates are accounted for in the financial statements using the cost method less any impairment losses. Income is recognised only to the extent of dividend received.

(j) **Currency Conversion**

Transactions denominated in foreign currencies are translated and recorded at the exchange rates prevailing at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currency are retranslated at the rates prevailing at the end of the period (ie. closing rate). Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair value were determined. Non-monetary items that are measured at their historical costs amounts continue to be translated at their respective historical rates and are not retranslated.

All exchange gain or losses, including those arising from translation, are taken up in profit or loss.

7. PROPERTY, PLANT AND EQUIPMENT

Cost:	At 1st April 2020 RM	Addition RM	Disposal RM	At 31st March 2021 RM
Computer	102,396	10,250	-	112,646
Software	34,668	-	-	34,668
Furniture and fittings	185,184	-	-	185,184
Renovation	87,956	-	-	87,956
Total	410,204	10,250	-	420,454

Accumulated Depreciation:	At 1st April 2020 RM	Charge for the year RM	Disposal RM	At 31st March 2021 RM	Carrying amount 31st March 2021 RM	Carrying amount 31st March 2020 RM
Computer	48,208	19,097	-	67,305	45,341	54,188
Software	16,026	6,814	-	22,840	11,828	18,642
Furniture and fittings	118,812	36,677	-	155,489	29,695	66,372
Renovation	51,080	29,319	-	80,399	7,557	36,876
Total	234,126	91,907	-	326,033	94,421	176,078

8. INVESTMENT IN ASSOCIATE

	2021 RM	2020 RM
Investment in unquoted shares	122,500	122,500

The details of associate are as follows:-

Name of Entity	Country of Incorporation	Principal activities	Effective ownership interest 2021 %	2020 %
Agensi Pekerjaan Quess Recruit Sdn Bhd	Malaysia	Dormant	49	49

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9. TRADE AND OTHER RECEIVABLES

	2021 RM	2020 RM
Current:		
Trade receivables	14,842,989	12,921,499
Other receivables	1,519,559	882,266
Amount due from related company	1,131	740,961
Total at cost	16,363,679	14,544,726
Less:		
Accumulated impairment losses (**)	(483,808)	(483,808)
	15,879,871	14,060,918

** Movement of impairment losses:

	2021 RM	2020 RM
Balance at beginning of the year	483,808	28,126
Allowance for doubtful debts recognised in in profit or loss	-	455,682
Balance at end of the year	483,808	483,808

Included in other receivables balance is an amount of RM149,706 (2020: RM139,912) which carries interest rate of 7.00% per annum. Included in other receivables also is an amount due from an associated company of RM384,070 (2020: RM114,253). The balance of other receivables represent non trade advances/loan made and are unsecured, interest free and repayable on demand.

Amount due from related company is unsecured, repayable on demand and carries interest rate of 2.25% per annum.

Included in trade receivables is an amount of RM24,524 (2020: RM 105,197) which is due from Quess Corp Limited, the ultimate holding company, balances totaling RM88,123 (2020: RM 159,726) due from related parties of the Company and RM28,494(2020: RM Nil) due from an associated company.

10. CASH AND CASH EQUIVALENTS

	2021 RM	2020 RM
Cash and bank balances	1,905,782	1,229,441
Short term deposit with licensed bank	-	2,001,354
	1,905,782	3,230,795

11. SHARE CAPITAL

	2021 RM	2020 RM
Issued and fully paid:		
500,000 Ordinary shares	500,000	500,000

The ordinary share of the Company has no par value. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company.

12. TRADE AND OTHER PAYABLES

	2021 RM	2020 RM
Other payables and accruals	2,822,675	2,367,494
Amount due to holding company	4,893,351	6,864,036
	7,716,026	9,231,530

The directors regard Quesscorp Holdings Pte Ltd (Company No. 201526129N), a company incorporated in Singapore as the holding company.

Amount due to holding company represent loan/advances made and are unsecured, bears interest rate of 2.25% and repayable on demand.

13. BANK OVERDRAFT

The bank overdraft facility is guaranteed in the form of fresh corporate guarantee by the Company's ultimate holding company, Quess Corp Limited and bears interest rate of 2% plus bank's base lending rate("BLR").

14. REVENUE

Revenue represents the invoiced value of services rendered net of discounts.

15. PROFIT FROM OPERATIONS

	2021 RM	2020 RM
Profit from operations before taxation is stated after charging/(crediting):-		
Audit fee	22,760	21,000
Employee salary and allowances	37,418,547	35,891,169
Contribution to defined plan("EPF")	2,964,927	3,001,108
Directors emoluments	-	628,363
Realised loss on foreign exchange	10,280	24,135
Unrealised gain on foreign exchange	(2,870)	(2,871)

16. FINANCE COST

	2021 RM	2020 RM
Interest charges	166,501	184,429

17. TAXATION

	2021 RM	2020 RM
Current year's provision	439,874	386,000
(Over)/Underprovision in prior year	(54,051)	160,818
	385,823	546,818

The Company has been granted Multimedia Supercoridor (MSC) status by the authority and eligible for pioneer status tax incentive from 7 July 2016 to 6 July 2021. As a result, certain chargeable income of the Company are exempted from tax during the tax incentive period.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:-

	2021 RM	2020 RM
Profit before taxation	3,307,446	2,512,839
Taxation at Malaysian Statutory tax rate at 24% (2020: 24%)	793,787	603,081
Expenses not deductible for tax purposes	19,288	181,171
(Over)/Underprovision of tax in prior year	(54,051)	160,818
Income exempted from tax	(379,687)	(403,872)
Deferred tax assets not recognised on property, plant and equipment	6,486	5,620
Tax expense for the year	385,823	546,818

The above are subject to the approval of the tax authorities.

18. CASH AND CASH EQUIVALENTS

	2021 RM	2020 RM
Cash and bank balances	1,905,782	1,229,441
Short term deposit with licensed bank	-	2,001,354
Less: Bank overdraft	(182,722)	(719,287)
	1,723,060	2,511,508

19. FINANCIAL INSTRUMENTS

19.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorized as follows:-

(a) Financial assets and financial liabilities measured at amortised cost ("AC").

2021 Financial assets	Carrying Amount RM	AC RM
Trade and other receivables	15,879,871	15,879,871
Deposit	108,596	108,596
Cash and cash equivalents	1,905,782	1,905,782
	17,894,249	17,894,249
Financial liabilities		
Trade and other payables	7,716,026	7,716,026
Bank overdraft	182,722	182,722
	7,898,748	7,898,748

2020 Financial assets	Carrying Amount RM	AC RM
Trade and other receivables	14,060,918	14,060,918
Deposit	69,229	69,229
Cash and cash equivalents	3,230,795	3,230,795
	17,360,942	17,360,942
Financial liabilities		
Trade and other payables	9,231,530	9,231,530
Bank overdraft	719,287	719,287
	9,950,817	9,950,817

20. RELATED PARTIES

The significant related parties transactions of the Company are disclosed below:-

	2021 RM	2020 RM
Key management personnel compensation		
Directors:-		
- Emoluments	-	628,363
Quesscorp Holdings Pte Ltd, holding company		
- Interest charges	129,315	152,993
Quess Phillipines Corp		
- Interest income	5,650	17,695
Quess Corp Limited, ultimate holding company		
- Sales	126,136	147,527
Allsec Technologies Limited, related company		
- License cost	21,572	-
- Sales	268,288	108,587
Comtelink Sdn Bhd, related company		
- Sales	58,914	47,615
Agensi Pekerjaan Monster Malaysia Sdn Bhd, related company		
- Sales	94,864	12,225
Heptagon Technologies Private Limited, related company		
- Sales	-	5,000
- Cost of contract (salary)	11,660	221,540

Related party balances are disclosed in Note 9 and 12 to the financial statements.

21. EMPLOYEES

The number of employees at the end of the financial year are as follows:-

	2021 No.	2020 No.
Directors	2	2
Employees	1,232	1,042
	1,234	1,044

22. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 11 March 2020, the World Health Organisation declared the outbreak of a coronavirus ("COVID-19") as a pandemic. COVID-19 is an unprecedented event, which continues to cause a high-level of uncertainty and volatility. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries.

Before these financial statements were made out, the Board of Directors had considered the impact of COVID-19 outbreak in Malaysia, which would have affected the financial position, performance and cash flow of the Company as ended on the reporting date thereon.

The Management concluded that the impact from this COVID-19 outbreak has not significantly affected the fair value of the financial assets/liabilities and non-financial assets/(liabilities) of the Company, including the classification of current and non-current items that were presented on the reporting date.

The above events or any subsequent event have restricted the Company's ability to ascertain the impact of any future event that would affect the financial position, performance and cash flow of the Company for the next twelve months. The Management will continuously monitor the impact of COVID-19 and will be taking appropriate and timely measures to minimize the impact of the outbreak on the Company's operation and financial position.

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, VIJAY SIVARAM and GURUPRASAD SRINIVASAN, being two of the directors of QUESSGLOBAL (MALAYSIA) SDN. BHD., do hereby state that in our opinion, the financial statements set out on pages 5 to 22 are drawn up so as to give a true and fair view of the financial position of the Company as at 31st March 2021 and financial performance of the Company for the financial year ended 31st March 2021 in accordance with the Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated

07 MAY 2021

VIJAY SIVARAM	GURUPRASAD SRINIVASAN

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, VIJAY SIVARAM, Passport No.Z5177137, being the director primarily responsible for the accounting records and financial management of QUESSGLOBAL (MALAYSIA) SDN. BHD., do solemnly and sincerely declare that the financial statements set out on pages 5 to 22 of the Company are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true by virtue of the provisions of the Notaries Act 1952.

Subscribed and solemnly declared by the abovenamed at

07 MAY 2021

Before me,

VIJAY SIVARAM

ATTESTED BY ME

B. M. CHAND[illegible] B. A. LL. B
NO[illegible]BLIC
No. 82, 5t[illegible] Santhnagar
BANGALORE – 560 052.

B.M. CHANDRASHEKAR
NOTARY
BANGALORE
No. LAW 408
LCL 98
GOVT OF KARNATAKA

HALS & Associates
Chartered Accountants
AF No: 0755

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Quessglobal (Malaysia) Sdn. Bhd. which comprise the statement of financial position as at 31st March 2021 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 22.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2021 and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Suite 1602, 16th Floor, Wisma Lim Foo Yong, 86 Jalan Raja Chulan, 50200 Kuala Lumpur
Tel :03-21105545/03-27320322(Hunting) Fax :03-21423116

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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 the directors.

* Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the directors 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.

Company Registration No: 201501001731 (1127063 A)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HALS & ASSOCIATES
A.F. 0755
CHARTERED ACCOUNTANTS

Lim Kian Keong
Bil 02043/09/2022 J
Partner

KUALA LUMPUR

DATE: 07 MAY 2021

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

The pages which follow do not

form part of the Statutory

financial statements of the Company

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021

	2021 RM	2020 RM
REVENUE	45,065,587	44,745,943
Less: COST OF SALES		
Contract salary, wages and other direct cost	(39,273,101)	(37,518,778)
GROSS PROFIT	5,792,486	7,227,165
OTHER INCOME		
Miscellanous income	26,034	45,128
	5,818,520	7,272,293
Less:		
ADMINISTRATIVE EXPENSES (Schedule I)	(2,344,573)	(4,575,025)
FINANCE COST (Schedule I)	(166,501)	(184,429)
	(2,511,074)	(4,759,454)
PROFIT BEFORE TAXATION	3,307,446	2,512,839

Schedule I

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31ST MARCH 2021

	2021 RM	2020 RM
Allowance for doubtful debt	-	455,682
Advertisement	9,687	15,932
Audit fee	22,760	21,000
Bank charges	12,398	10,997
Courier and postage	508	3,330
Depreciation	91,907	111,781
Directors emoluments	-	628,363
Electricity	3,461	7,925
EPF and Socso	245,582	266,293
General expenses	1,553	2,162
Login cost	17,693	84,244
Maintenance	3,262	37,773
Membership fee	(1,900)	13,050
Office rental	160,801	169,009
Penalty	1,351	69,653
Printing and stationery	5,665	17,331
Professional and legal fee	76,615	44,032
Realised loss on foreign exchange	10,280	24,135
Salary, bonus and EIS	1,509,857	2,373,643
Secretarial fee	7,187	4,675
Staff welfare	76,070	60,367
Telephone	73,262	97,965
Travelling expenses	15,429	55,118
Work permit	1,145	565
	2,344,573	4,575,025

FINANCE COST
FOR THE YEAR ENDED 31ST MARCH 2021

	2021 RM	2020 RM
Interest charges	166,501	184,429

TO :	FROM :
THE DIRECTORS	MS. CHAN
	S.Y.LOW & CO. Chartered Accountants 87-1, Jalan Pudu Ulu, 56100 Kuala Lumpur. Tel No. 03-92822852,92822846 Fax : 03-92822851

Our Ref :

Your Ref :

Date :

Re : HIMMER INDUSTRIAL SERVICES (M) SDN. BHD. 201601014831 (1185762 - T)

1. Enclosed herewith the followings for your signatures, please sign on the spots marked "X" and return to us as soon as possible :-

(a)	Audited Accounts for the year/period ended	31-12-2021
(b)	Letter of representation	31-12-2021
(c)	~~Cash Certificate~~	
(d)	~~Stock Certificate~~	
(e)	Certificate of Director's remuneration and interests	3 sets
(f)	Year-end adjustments as at	31-12-2021
(g)	Resolution	
(h)	Debtor and creditor confirmation	1 pcs

2. Enclose herewith the followings for your attention/copy :-

(a)

(b)

I/We undersigned hereby receive the abovementioned .

Date :

HIMMER INDUSTRIAL SERVICES (M) SDN.BHD.
201601014831 (1185762 - T)

RESOLUTIONS IN WRITING PURSUANT TO ARTICLE 3(d) OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

RESOLVED THAT :-

APPROVAL OF AUDITED ACCOUNTS

(a) Pursuant to Section 251(1)(a) and 252(2)(b) of the Companies Act, 2016, the Directors' Report for the year ended 31 December 2021 be and is hereby approved and that Encik Abang Iskandar Bin Abang Mu'as and Puan Norafiza Binti Hashim be authorised to sign the said Directors' Report for and on behalf of the Company.

(b) The Directors' Statement pursuant to Section 251(2) of the Companies Act, 2016 on the Audited Statements of Accounts for the year ended 31 December 2021 be signed by Encik Abang Iskandar Bin Abang Mu'as and Puan Norafiza Binti Hashim.

(c) Encik Abang Iskandar Bin Abang Mu'as being the director primarily responsible for the financial management of the Company be authorized to complete the Statutory Declaration pursuant to Section 251(1)(b) of the Companies Act, 2016.

(d) The Audited Statements of Accounts for the year ended 31 December 2021, which are properly drawn up in accordance with the provisions of the Companies Act, 2016 and applicable approved accounting standards, to give a true and fair view of the financial position and financial performance of the Company for the year ended on that date, together with the Auditors' and Directors' Reports thereon be and are hereby approved for circulation to members.

SIGNATURES OF ALL DIRECTORS APPROVING THE ABOVE :-

(1) .... (ABANG ISKANDAR BIN ABANG MU'AS)

(2) .... (NORAFIZA BINTI HASHIM)

3) .... (VIJAY SIVARAM)

Date :

HIMMER INDUSTRIAL SERVICES (M) SDN.BHD.
201601014831 (1185762 - T)

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(2) ....
(NORAFIZA BINTI HASHIM)

3) ....
(VIJAY SIVARAM)

Date :

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201601014831 (1185762 - T)

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(ABANG ISKANDAR BIN ABANG MU'AS)

(2) ....
(NORAFIZA BINTI HASHIM)

3) ....
(VIJAY SIVARAM)

Date :

HIMMER INDUSTRIAL SERVICES (M) SDN.BHD.
201601014831 (1185762 - T)

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(1) ....
(ABANG ISKANDAR BIN ABANG MU'AS)

(2) ....
(NORAFIZA BINTI HASHIM)

3) ....
(VIJAY SIVARAM)

Date :

AUDITORS

The auditors, S.Y. LOW & CO., have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors,

....	....
DIRECTOR (ABANG ISKANDAR BIN ABANG MU'AS)	DIRECTOR (NORAFIZA BINTI HASHIM)

Kuala Lumpur,

Dated :

AUDITORS

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DIRECTOR (ABANG ISKANDAR BIN ABANG MU'AS)	DIRECTOR (NORAFIZA BINTI HASHIM)

Kuala Lumpur,

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....	....
DIRECTOR (ABANG ISKANDAR BIN ABANG MU'AS)	DIRECTOR (NORAFIZA BINTI HASHIM)

Kuala Lumpur,

Dated :

STATEMENT BY DIRECTORS
(Pursuant to Section 251(2) of the Companies Act, 2016)

We, the undersigned, being two of the directors of
HIMMER INDUSTRIAL SERVICES (M) SDN.BHD.
do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in compliance with the Malaysian Private Entities Reporting Standard (MPERS) and the provisions of the Companies Act, 2016 so as to give a true and fair view of the state of affairs of the Company as at 31 December 2021 and of the results of their operations and of the cash flows of the Company for the year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the directors,

....
DIRECTOR (ABANG ISKANDAR BIN ABANG MU'AS) DIRECTOR (NORAFIZA BINTI HASHIM)

Dated :

STATUTORY DECLARATION
(Pursuant to Section 251(1) of the Companies Act, 2016)

I, ABANG ISKANDAR BIN ABANG MU'AS (NRIC NO : 620404-13-5903)
being the director primarily responsible for the financial management of
HIMMER INDUSTRIAL SERVICES (M) SDN.BHD.
do solemnly and sincerely declare that the accompanying financial statements are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed)
at Kuala Lumpur in the state)
of Wilayah Persekutuan)
on) ....
ABANG ISKANDAR BIN ABANG MU'AS

Before me,

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DIRECTOR (NORAFIZA BINTI HASHIM)

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on)

ABANG ISKANDAR BIN ABANG MU'AS

Before me,

TO : S.Y.LOW & CO.

COMPANY : HIMMER INDUSTRIAL SERVICES (M)SDN. BHD. [201601014831 (1185762 - T)]

LETTER OF REPRESENTATION

I, ABANG ISKANDAR BIN ABANG MU'AS, being director of the Company do hereby certify and confirm to the best of my knowledge that the financial statements give a true and fair view of (present fairly, in all material respects) the financial position as of 31 DECEMBER 2021 and of the results of its operations and its cash flows for the year then ended in accordance with applicable approved accounting standards in Malaysia.

I / We acknowledge my / our responsibility for the fair presentation of the financial statements in accordance with applicable approved standards in Malaysia.

I / We confirm, to the best of my / our knowledge and belief, the following representations:

Include here representations relevant to the entity. Such representations may include the following:

- There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.
- I / We have made available to you all books of account and supporting documentation and all minutes of meetings of sharesholders and the board of director(s).
- I / We confirm the completeness of the information provided regarding the identification of related parties.

AUDITING

- The financial statements are free of material misstatements, including errors and omissions.
- The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of noncompliance. There has been no noncompliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of noncompliance.
- The value of inventories as at the year end were valued by the management at the lower of cost and net realizable value.
- I / We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- The Company has satisfactory title to all assets and there are no liens or encumbrances on the company's assets, except for those that are disclosed in schedule attached.
- I / We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in schedule attached and all guarantees that we have given to third parties.
- The director(s) have made full disclosure of their interests in contracts or proposed contracts with the Company, in which they are directly or indirectly interested in and these interest, if any, are reported in the accounts.
- The directors' remuneration and benefits are properly reported in the financial statements.
- There have been no events subsequent to the year end which require adjustment of or disclosure in the financial statements.

Date:...   ....
(Signature)

TO : S.Y.LOW & CO.

COMPANY : HIMMER INDUSTRIAL SERVICES (M)SDN. BHD. [201601014831 (1185762 - T)]

LETTER OF REPRESENTATION

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- I / We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in schedule attached and all guarantees that we have given to third parties.
- The director(s) have made full disclosure of their interests in contracts or proposed contracts with the Company, in which they are directly or indirectly interested in and these interest, if any, are reported in the accounts.
- The directors' remuneration and benefits are properly reported in the financial statements.
- There have been no events subsequent to the year end which require adjustment of or disclosure in the financial statements.

Date:...

....

(Signature)

COMPANIES ACT, 2016

CERTIFICATE OF DIRECTOR'S REMUNERATION AND INTERESTS

Co : HIMMER INDUSTRIAL SERVICES (M) SDN. BHD. 201601014831 (1185762-T)

Name of director : ABANG ISKANDAR BIN ABANG MU'AS

REMUNERATION

For purpose of disclosure in the accounts of the Company for the ~~period~~/year ended 31-12-2021
I, confirm that the total remuneration receivable by me for that ~~period~~ / year in respect of my services to the company and its subsidiaries was as follows :-

This section should be completed by the Secretary / Accountant of the Company before submitting to the Directors for signature	Receivable from the company	Receivable from subsidiary companies
Fee		
Percentage		
Salary	5,000	
Bonus		
Commission		
Company's contribution to provident fund, pension fund or other retirement benefit scheme		
Expenses allowance chargeable to income tax		
Other remuneration or emoluments		
Total	5,000	NIL

Fees receivable by me or by a firm of which I am a member for professional services rendered to the Company during the ~~period~~ / year amounted to NIL .

DIRECTOR'S INTEREST

For purpose of disclosure in the directors' report on the company's accounts for the ~~period~~ / year ended 31-12-2021 , I confirm that the shares in the company and of every other body corporate in which I had a beneficial interest during the ~~period~~ / year were as follows :-

	At 01-01-2021	Number of Shares Bought	(Sold)	At 31-12-2021
1) The company :	-	-	-	-
2) Every other body corporate :	-	-	-	-

DIRECTOR'S BENEFITS

Since the end of the previous financial year, the benefits received or entitled to receive by me (other than a benefit included in the aggregate amount of emoluments received or due and receivable by me as shown in the accounts) by reason of a contract made by the Company or a related corporation with me or with me or with a firm of which I am a member or with a Company in which I have a substantial interest amounted to NIL .

Specify general nature of the benefit :

OTHER

At the end of the ~~period~~ / year ended 31-12-2021 , the amount owing to / ~~by~~ me was RM8,870.00 .

Date : ____________ Signature ____________

COMPANIES ACT, 2016

CERTIFICATE OF DIRECTOR'S REMUNERATION AND INTERESTS

Co : HIMMER INDUSTRIAL SERVICES (M) SDN. BHD. 201601014831 (1185762-T)

Name of director : NORAFIZA BINTI HASHIM

REMUNERATION

For purpose of disclosure in the accounts of the Company for the ~~period~~/year ended 31-12-2021 I, confirm that the total remuneration receivable by me for that ~~period~~ / year in respect of my services to the company and its subsidiaries was as follows :-

This section should be completed by the Secretary / Accountant of the Company before submitting to the Directors for signature	Receivable from the company	Receivable from subsidiary companies
Fee		
Percentage		
Salary	2,500	
Bonus		
Commission		
Company's contribution to provident fund, pension fund or other retirement benefit scheme		
Expenses allowance chargeable to income tax		
Other remuneration or emoluments		
Total	2,500	NIL

Fees receivable by me or by a firm of which I am a member for professional services rendered to the Company during the ~~period~~ / year amounted to NIL .

DIRECTOR'S INTEREST

For purpose of disclosure in the directors' report on the company's accounts for the ~~period~~ / year ended 31-12-2021 , I confirm that the shares in the company and of every other body corporate in which I had a beneficial interest during the ~~period~~ / year were as follows :-

	At 01-01-2021	Number of Shares Bought	(Sold)	At 31-12-2021
1) The company :	-	-	-	-
2) Every other body corporate :	-	-	-	-

DIRECTOR'S BENEFITS

Since the end of the previous financial year, the benefits received or entitled to receive by me (other than a benefit included in the aggregate amount of emoluments received or due and receivable by me as shown in the accounts) by reason of a contract made by the Company or a related corporation with me or with me or with a firm of which I am a member or with a Company in which I have a substantial interest amounted to NIL .

Specify general nature of the benefit :

OTHER

At the end of the ~~period~~ / year ended 31-12-2021 , the amount owing to / ~~by~~ me was RM4,435.00 .

Date : __________ Signature __________

HIMMER INDUSTRIAL SERVICES (M) SDN. BHD.
201601014831 (1185762 - T)

		DR. RM	CR. RM
Year-end adjustments as at 31-12-2021			
1.	Accrued - Audit fees	44.00	
	Accrued - Tax agent fees		44.00
	(Being opening balance adjustment.)		
2.	Printing and stationery	17.50	
	Travelling expenses	20.00	
	Accounting fees		37.50
	(Being reclassification of accounts.)		
3.	Leaf systems (m) s/b	4,500.00	
	Quess global (m) s/b	360.00	
	Consultancy fees		4,500.00
	EPF accruals		360.00
	(Being reverse of accounts.)		

Confirmed by :-

....

HIMMER INDUSTRIAL SERVICES (M) SDN. BHD.
201601014831 (1185762 - T)

		DR. RM	CR. RM
Year-end adjustments as at 31-12-2021			
1.	Accrued - Audit fees	44.00	
	Accrued - Tax agent fees		44.00
	(Being opening balance adjustment.)		
2.	Printing and stationery	17.50	
	Travelling expenses	20.00	
	Accounting fees		37.50
	(Being reclassification of accounts.)		
3.	Leaf systems (m) s/b	4,500.00	
	Quess global (m) s/b	360.00	
	Consultancy fees		4,500.00
	EPF accruals		360.00
	(Being reverse of accounts.)		

Confirmed by :-

....

HIMMER INDUSTRIAL SERVICES (M) SDN. BHD.
(1185762-T)

Reference No.

Quess Global (M) Sdn. Bhd.

Date :

Dear Sir(S),

CONFIRMATION OF BALANCES

At (X) 31-12-2021

the balance of your account with us was : -

A) Due to us	RM	
B) Due to you	RM	167,954.95
C) Deposits held by you	RM	
D) Deposits held by us	RM	

It would be appreciated if you would complete and return this form direct to our Auditors, Messrs. S. Y. LOW & CO., 87-1, Jalan Pudu Ulu, 56100 Kuala Lumpur, Malaysia. in the enclosed envelope if you agree with the figures, or stating on the reverse, your reasons for disagreement.

Please note that no money received or paid by us after the stated date has been taken into account in arriving at the above figures.

We would be most grateful for your co-operation in this matter.

Your faithfully,

Himmer

CONFIRMATION

I / We confirm that the balance shown above is correct.

Signature with Company's chop * : ....

Quess global

Date: ....

此信列明 贵户與敝公司結至（X）日之存欠情形：-

(A) 係 貴戶欠敝公司之數額
(B) 係敝公司欠 貴戶之數額
(C) 係 貴戶欠敝公司之按金
(D) 係敝公司欠 貴戶之按金

如上述數目符合，請簽認於 (*) 位，寄回敝公司之查賬師劉淑儀會計公司。倘若上述數目不符之處，尚希賜正於後頁。

此信旨在確定賬日餘額，並非催收賬款，敬希垂察與合作，無限感激。

另: 凡於上述結賬日期以後之來賬均不包在在內。

Quess Recruit, Inc.

Financial Statements

March 31, 2021 and 2020

And

Independent Auditors' Report

ADRELIN O. MANANSALA, CPA
Assurance | Tax | Accounting & Business Services
Simplified Accounting, Bookkeeping and Tax Services
28th Floor Cityland Pasong Tamo Tower U2807
2210 Chino Roces Avenue (Pasong Tamo)
Makati City, Philippines 1230 (or 1200)
☎: +7341-9471

INDEPENDENT AUDITORS' REPORT

The Stockholders and Board of Directors
Quess Recruit, Inc.
6F Sd Ty Tower Condo 104 Paseo de Roxas,
San Lorenzo, Legaspi Village, Makati City

Report on the Financial Statements

I have audited the accompanying financial statements of Quess Recruit, Inc. which comprise the statements of financial position as of March 31, 2021 and 2020, and the statements of comprehensive income, statement of changes in equity and statements of cash flows for the years then ended and a summary of significant policies and other explanatory information.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Quess Recruit, Inc. as at March 31, 2021 and 2020 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am independent of the Corporation in accordance with the Code of Ethics for Professional Accountants in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

In forming my opinion on the Company's financial statements, which is not modified, I have considered the impact of the material uncertainty related to COVID-19 on Company's ability to continue as a going concern. I draw attention in note 1 in the financial statements, which indicates how the pandemic has affected to date and results in certain material uncertainties related to the future financial position, performance, and cash flows of the Company. This condition indicates the existence of a material uncertainty which may cash significant doubt as to the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs 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 based on these financial statements.

As part of an audit in accordance with PSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- I 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 I identify during my audit

Report on the Supplementary Information Required Under Revenue Regulations 19-2011 and 15-2010

My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 19-2011 and 15-2010 for purpose of filing with the Bureau of Internal Revenue is presented by the management of Quess Recruit, Inc. in a separate schedule. Revenue Regulations 19-2011 and 15-2010 require the information to be presented in the notes to financial statements. Such information is not a required part of the basic financial statements. The information is also not required by Securities Regulation Code Rule No. 68. Our opinion on the basic financial statements is not affected by the presentation of the information in the separate schedule.

Adrelin O. Manansala, CPA

CPA License No. 136329
Tax Identification No. 408-899-755
BOA Certificate No. 5882
June 26, 2020 valid until June 25, 2023
BIR Accreditation No. 08-006415-001-2022
February 18, 2022 valid until February 17, 2025
PTR No. 8857465 January 07, 2022, Makati City

Makati City, Philippines
July 18, 2022

ADRELIN O. MANANSALA, CPA
Assurance | Tax | Accounting & Business Services
Simplified Accounting, Bookkeeping and Tax Services
28th Floor Cityland Pasong Tamo Tower U2807
2210 Chino Roces Avenue (Pasong Tamo)
Makati City, Philippines 1230 (or 1200)
☎: +7341-9471

INDEPENDENT AUDITORS' REPORT

The Stockholders and Board of Directors
Quess Recruit, Inc.
6F Sd Ty Tower Condo 104 Paseo de Roxas,
San Lorenzo, Legaspi Village, Makati City

I have audited the financial statements of Quess Recruit, Inc. (the Company) for the years ended March 31, 2021 and 2020, on which I have rendered the attached report dated July 18, 2022.

In compliance with Securities Regulation Code Rule No. 68, I am stating that the Company has four (4) stockholders owning one hundred (100) or more shares each.

Adrelin O. Manansala, CPA

CPA License No. 136329
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INDEPENDENT AUDITORS' REPORT

The Stockholders and Board of Directors
Quess Recruit, Inc.
6F Sd Ty Tower Condo 104 Paseo de Roxas,
San Lorenzo, Legaspi Village, Makati City

I have audited the financial statements of Quess Recruit, Inc. (the Company) for the years ended March 31, 2021 and 2020, on which I have rendered the attached report dated July 18, 2022.

In compliance with Revenue Regulations V-20, I am stating that I am not related by consanguinity or affinity to the president, manager or principal stockholder of the Company.

Amanansala

Adrelin O. Manansala, CPA

CPA License No. 136329
Tax Identification No. 408-899-755
BOA Certificate No. 5882
June 26, 2020 valid until June 25, 2023
BIR Accreditation No. 08-006415-001-2022
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INDEPENDENT AUDITORS' REPORT TO ACCOMPANY INCOME TAX RETURN

The Stockholders and Board of Directors
Quess Recruit, Inc.
6F Sd Ty Tower Condo 104 Paseo de Roxas,
San Lorenzo, Legaspi Village, Makati City

In compliance with the Revenue Regulation V-20, I am stating the following:

1.) The taxes paid or payable by the above Company during the year are shown in the schedule of Taxes and Licenses attached to the income tax return.

2.) I have no financial interest in the said Company.

Adrelin O. Manansala, CPA

CPA License No. 136329
Tax Identification No. 408-899-755
BOA Certificate No. 5882
June 26, 2020 valid until June 25, 2023
BIR Accreditation No. 08-006415-001-2022
February 18, 2022 valid until February 17, 2025
PTR No. 8857465 January 07, 2022, Makati City

Makati City, Philippines
July 18, 2022

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Quess Recruit, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the year ended March 31, 2021 and 2020 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Adrelin O. Manansala, CPA, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature ______________________
Maria Emilia Tupas
President

Signature ______________________
Kiara Irish S. Gumawa
Treasurer

Quess Recruit Inc.
Salustiana D Ty Tower Condominium, 6th flr, 104 Paseo De Roxas Corner, Perea, St. Legaspi Village Makati City, Manila Philippines
Tel: (02) 7624 5160 | ar_philippines@quesscorp.com | TIN No. 009-513-318-000

QUESS RECRUIT, INC.
STATEMENT OF FINANCIAL POSITION
As of March 31, 2021 and 2020
(Amounts in Philippine Pesos)

	Note	2021	2020
ASSETS			
Current Assets			
Cash in bank	4	**6,364,703**	1,442,679
Accounts and other receivables	5	**9,724,484**	10,776,081
Other current assets	6	**542,459**	269,339
Total Current Assets		**16,631,646**	12,488,099
Non-Current Assets			
Due from related party	7	**6,898,523**	7,879,409
Total Non-Current Asset		**6,898,523**	7,879,409
Total Assets		**23,530,169**	20,367,508

	Note	2021	2020
LIABILITIES AND PARTNERS' CAPITAL			
Current Liability			
Accounts and other payables	8	**700,443**	2,271,307
Income tax payable	9	**2,626,626**	2,626,625
Total Liabilities		**3,327,069**	4,897,932
Equity			
Capital stock		**1,000,000**	1,000,000
Retained earnings		**19,203,100**	14,469,576
Total Equity		**20,203,100**	15,469,576
Total Liabilities and Equity		**23,530,169**	20,367,508

See accompanying Notes to Financial Statements.

QUESS RECRUIT, INC.

STATEMENT OF COMPRHENSIVE INCOME

For the years ended March 31, 2021 and 2020

(Amounts in Philippine Pesos)

	Note	2021	2020
REVENUES		**6,472,325**	15,376,625
COST OF SERVICES	10	-	784,264
GROSS INCOME		**6,472,325**	14,592,361
GENERAL AND ADMINISTRATIVE EXPENSES	11	**865,037**	839,979
INCOME BEFORE TAX		**5,607,288**	13,752,382
INCOME TAX EXPENSE	9	**(873,764)**	(2,626,625)
NET INCOME		**4,733,524**	11,125,757
OTHER COMPREHENSIVE INCOME NET OF TAX		-	-
TOTAL COMPREHENSIVE INCOME		**4,733,524**	11,125,757

See accompanying Notes to Financial Statements.

QUESS RECRUIT, INC.

STATEMENT OF CHANGES IN EQUITY
For the years ended March 31, 2021 and 2020
(Amounts in Philippine Pesos)

	2021	2020
CAPITAL STOCK		
Authorized – 160,000 shares at 100 par value		
Subscribed - 40,000 shares at 100 par value	**4,000,000**	4,000,000
Subscription receivable	**(3,000,000)**	(3,000,000)
Total Paid-up Capital	**1,000,000**	1,000,000
Accumulated Income		
At beginning of period	**14,469,576**	3,343,819
Total comprehensive income for the period	**4,733,524**	11,125,757
At end of period	**19,203,100**	14,469,576
	20,203,100	15,469,576

See accompanying Notes to Financial Statements.

QUESS RECRUIT, INC.

STATEMENTS OF CASH FLOWS

For the years ended March 31, 2021 and 2020

(Amounts in Philippine Pesos)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before tax	**5,607,288**	13,752,382
Decrease (increase) in:		
Account receivables	**1,051,597**	(5,940,276)
Other current assets	**(205,408)**	(73,670)
Increase (decrease) in:		
Accounts and other payables	**(1,570,864)**	2,094,487
Net cash flow generated from operations	**4,882,613**	9,832,923
Taxes paid	**(941,475)**	(1,261,267)
Net cash flows provided by operating activities	**3,941,138**	8,571,656
CASH FLOWS FROM INVESTING ACTIVITIES		
Due from related party	**980,886**	(7,286,047)
Net cash flows used in investing activities	**980,886**	(7,286,047)
NET INCREASE IN CASH IN BANK	**4,922,024**	1,285,609
CASH IN BANK AT BEGINNING OF YEAR	**1,442,679**	157,070
CASH IN BANK AT END OF YEAR	**6,364,703**	1,442,679

See accompanying Notes to Financial Statements.

QUESS RECRUIT, INC.
NOTES TO FINANCIAL STATEMENTS
For the period March 31, 2021 and 2020

1. General Information

Quess Recruit, Inc. (the "Company") was registered with the Philippine Securities and Exchange Commission (SEC) on January 03, 2017 with primary purpose to carry on the business of development of internet and internet solutions including selection and implementation of the right solutions, development of static, dynamic content and CGI from concept to installation and development of specialized quality assurance methodology including module and regression, testing, automation of rest procedures based on client requirements and set up and management of help desks deriving innovative help desk solutions for all support related work, without engaging in telecommunication and internet provide services.

The address of its registered office is 6F Sd Ty Tower Condo 104 Paseo de Roxas, San Lorenzo, Legaspi Village, Makati City

The financial statements were authorized for issue by the the Board of Directors on July 18, 2022.

2. Summary of Significant Accounting Policies

The Company's financial statements are prepared in accordance with the Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation
The financial statements have been prepared under the historical cost convention. The financial statements are presented in Philippine Peso (₱) which is the Company's functional currency. Amounts are rounded off to the nearest Philippine Peso except when otherwise indicated.

The preparation of financial statements in conformity with PFRS for SMEs requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Statement of Compliance
These financial statements have been prepared in accordance with PFRS for SMEs.

Revenue Recognition
Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

Service Income
Service income is recognized when earned and when the service has been rendered in accordance with the terms of the contract.

Interest Income
Interest income is recognized using the effective interest method.

Expense Recognition
Expenses are recognized in the statements of comprehensive income when decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in the statements of comprehensive income on the basis of a direct association between the costs incurred and the earnings of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the associations with income can only be broadly or indirectly determined; or immediately when an expenditure produces no economic benefit or when, and to the extent that future economic benefit do not qualify, or cease to qualify for recognition in the statement of financial position as an asset.

Expenses constitute costs of administering the business. These are recognized and charged to operation as incurred.

Income Tax
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute are those that have been enacted or substantively enacted as at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carry forward benefits of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carry over (NOLCO), to the extent that the taxable income will be available against temporary differences and carry forward benefits of unused MCIT and NOLCO can be utilized.

Deferred tax assets are measured at the higher amount that, on the basis of current or estimated future taxable income, is more likely than not to be recovered.

Deferred tax assets and liabilities are measured at the tax rate applicable to the period when the asset is realized, or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at reporting date. A valuation allowance is provided, on the basis of past years and future expectations, when it is not probable that taxable profits will be available against which the future income tax deductions can be utilized.

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

Value-added Tax (VAT)
Revenue, expenses and assets are recognized net of the amount of VAT except:

- where the VAT incurred on the purchase of an asset or service is not recoverable from the tax authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or part of the expenses item as applicable; and

- receivable and payable that are stated with the amount of VAT included.

The net amount of VAT input credits available for offset to future VAT output is included under "VAT input - net" in the statement of financial position.

Equity
Capital Stock
Capital stock is measured at par value for all shares issued. When the Company issues shares in excess of par, the excess is recognized as additional paid-in-capital (APIC). Incremental costs incurred directly attributable to the issuance of new shares are treated as deduction from APIC.

Accumulated Losses
Accumulated losses represent the cumulative balance of net loss of the Company.

Cash in bank
Cash in bank include coins and bills deposits with domestic financial institutions which are subject to insignificant risk of change in value.

Loans and receivable
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realized later than 12 months after the reporting date which are presented as non-current assets.

Loans and receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

This accounting policy relates to the statement of financial position captions "Cash", "Accounts and Other Receivables" and "Other current assets".

Regular way purchases and sale of financial assets are recognized on trade date, the date on which the Company commits to purchase or sell the asset.

Loans and receivables are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risk and rewards of ownership.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired and recognizes an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated cash future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortized cost has no impairment been recognized in prior periods.

Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets are based on quoted market prices at the reporting date. The quoted market prices used for financial assets are the current bid process; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of current financial assets and liabilities carried at amortized cost approximate their carrying amounts.

Other financial liabilities at amortized cost

Other financial liabilities pertain to financial liabilities not classified or designated as financial liabilities at FVPL where the substance of the contractual arrangements results in the Company having an obligation either to deliver cash or another financial asset to the holder or to settle the obligation other than by the exchange of a fixed amount of cash. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest rate.

Amortized cost is calculated by taking into account any discount and premium on the issue and fees that are an integral part of the effective interest rate.

This accounting policy applies primarily to the Company's account and other payables, due to shareholders and other non current liabilities.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Impairment of Financial Assets

The Company assesses at each financial reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions correlate with defaults.

For loans and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, it includes the asset in group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtor's ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized, are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows 9excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is charged to profit or loss. Interest income continues to be recognized based on the original effective interest rate of the asset.

Loans, together with the associated allowance accounts are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of credit risk characteristics such as past-due status and term. Future cash flows in a group of financial assets that are collectively evaluation of impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics, similar to those in the group.

A financial asset (or where applicable, a part of a financial asset or part of a group of financial assets) is derecognized by the Company when:

- the right to receive cash flows from the asset has expired; or

- the Company retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Company has transferred its rights to receive cash flows from an asset and either transferred substantially all the risk and rewards of the assets, but has transferred control over the asset.

Where the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risk and rewards of the asset but has transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, if any, is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the company could be required to pay.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified. Such an exchange or modification is treated as derecognition of the original liability and the recognition of the new liability, and the difference in the respective carrying amounts are recognized in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the separate statement of financial position if, and only if, there is currently enforceable legal right to offset the recognized amounts and there is an intension to settle on a net basis or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements as the related assets and liabilities are presented gross in the separate statements of financial position.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realized later than 12 months after the reporting date which are presented as non-current assets.

Receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Regular way purchases and sale of financial assets are recognized on trade date, the date on which the Company commits to purchase or sell the asset.

Receivables are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risk and rewards of ownership.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired and recognizes an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated cash future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortized cost has no impairment been recognized in prior periods.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Prepaid income tax
Creditable withholding taxes that can be claimed for future years as reduction to income taxes are initially recognized as prepaid taxes in the statement of financial position.

Creditable withholding taxes are deductible from income tax due on the same year the revenue was recognized. Creditable withholding taxes in excess of income tax due are carried forward to the succeeding year. Creditable withholding taxes are settled are their estimated net recoverable amount.

Accounts and Other Payables
Account and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Related Parties
Parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities and include entities which are under the significant influence of related parties of the Company where those parties are individuals and post-employment benefit plans which are for the benefit of employees of the Company, or of any entity that is a related party of the Company.

Events After Financial Reporting Date
Post year-end events that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not an adjusting event is disclosed in financial statements when material.

3. Significant Accounting Estimates

The preparation of the accompanying financial statements in conformity with PFRS for SMEs requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Realizability of deferred tax assets
The carrying amount of deferred tax assets is reviewed at each reporting date and provided with valuation allowance to the extend it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company's assessment on deductible temporary differences is based on the past years and projected future taxable income.

Estimating allowance for impairment losses

The Company maintains allowance for impairment losses at a level considered adequate to provide for potential unrecoverable amounts. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of relationship with the financial institutions, the financial institution's payment behavior and known market factors. The Company reviews the status of cash in bank and identifies accounts that are to be provided with allowance on a continuous basis.

The amount and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different estimates. An increase in the allowance for impairment losses would increase recorded expenses and decrease current assets.

4. Cash in Bank

Cash in bank consist of deposit accounts with local financial institutions. Cash in bank earns interest at the prevailing bank deposit rates.

5. Accounts and Other Receivables

This account consists of:

	2021	2020
Account receivables	**9,182,577**	10,234,174
Advances to officers and employees	**541,907**	541,907
Total	**9,724,484**	10,776,081

6. Other Current Assets

This account consists of:

	2021	2020
Creditable withholding tax	**243,685**	152,840
Input VAT	**135,043**	69,376
Prepaid expense	**96,019**	47,123
Prepaid income tax	**67,712**	–
Total	**542,459**	269,339

7. Related Party Transactions

In the normal course of business, the Company has made advances to its stockholders for financial support to the operations. The balance of advances to/ from stockholders as of March 31, 2021 and 2020 amounts to 6,898,523 and 7,879,222, respectively. These advances are non-interest bearing with no fixed-repayment terms and unsecured. These advances will be settled in cash.

8. Accounts and Other Payables

This account consists of:

	2021	2020
Customer advances	**17,355**	1,675,917
Accounts and accrued payables	**615,687**	503,616
Government dues	**131,573**	91,774
Total	**764,615**	2,271,307

9. Income Taxes

President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which may have an impact on the Company:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding Php5 million and with total assets not exceeding Php100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.

- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

The Company used 22.50% as the transitory corporate income tax rate for the year 2021. This is the weighted average of the 30% old rate and 20% new rate for corporations with net taxable income not exceeding ₱5,000,000 and total assets not exceeding ₱100,000,000 excluding the land on which the particular business entity's office, plant and equipment are situated.

The company used 1.25% as the transitory minimum corporate income tax rate for the year 2021. This is weighted average of the 2% old rate and 1% gross income.

The following is the tax expense computation:

The income tax expense in 2021 and 2020 pertains to deductible temporary differences. The components of the Company's income tax expense are as follow:

	2021	2020
Regular Corporate Income Tax		
Gross income	**6,472,325**	14,592,361
Optional Standard deduction (40%)	**(2,588,930)**	(5,836,944)
Taxable Income	**3,883,395**	8,755,417
RCIT rate	**22.50%**	30%
Regular Corporate Income Tax	**873,764**	2,626,625

Minimum Corporate Income Tax		
Service income	**6,472,325**	15,376,625
Cost of service	**–**	(784,264)
Gross income	**6,472,325**	14,592,361
MCIT rate	**1.5%**	2%
Minimum Corporate Income Tax	**97,085**	291,847

RCIT due, whichever is higher	**873,764**	2,626,625
Income tax payment	**(941,475)**	–
Creditable withholding tax	**(243,685)**	–
Prepaid Tax (Tax Due)	**(311,396)**	2,626,625

The Company opted to use optional standard deductions in 2021, where in the allowable deduction is 40 of gross income.

The tax payable amounting to 2,626,625 for the year 2020, was paid on April 26, 2021

Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. The Company has not recognized a valuation allowance against the deferred tax assets because on the basis of past years and future expectations, management considers it probable that taxable profits will be available against which the future income tax deductions can be utilized.

10. Cost of Services

This account consists of:

	2021	2020
Salaries and wages	–	742,703
13th month and other benefits	–	21,171
SSS, PHIC and HDMF contributions	–	20,390
Total	–	784,264

Due to impact of covid-19, there is no reported employee for the year 2021

11. General and Administrative Expense

This account consists of:

	2021	2020
Professional fees	**517,230**	388,525
Bad debts- creditable withholding tax	**153,239**	–
Taxes and licenses	**79,629**	500
Director's fee	**55,000**	55,500
Audit fees	**40,000**	55,000
Foreign exchange rate	**18,439**	–
Bank charges	**1,500**	1,903
Penalty expense	–	120,106
Transportation and travel	–	110,241
Insurance expense	–	92,171
Communication	–	16,032
Miscellaneous expense	–	1
Total	**865,037**	2020

12. Supplementary Information Required by RR 15-2010 and RR 19-2011 of the Bureau of Internal Revenue

The following taxes were paid/reported by the Company in 2021:

As at and for the year ended March 31, 2021 the Company reported and paid the following taxes.

Value Added Tax (VAT)

The Company's sales are subject to output VAT while its expenses from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

a. VAT output declared in the Company's VAT returns

	Net Receipts	Output VAT
VAT-able receipts	931,491	111,779
Zero rate sales	4,646,234	–
	5,577,725	111,779

On sale of service, output VAT is based on gross receipt derived from sale or exchange of services. The Company declares output VAT based on collection.

b. Details of VAT input declared in the Company's VAT returns

	Input VAT
Purchases of capital goods	–
Domestic purchase/payments for goods and Services	72,484
Total	72,484

Withholding Taxes
Details of taxes withheld for the year ended March 31, 2021 follow:

	Amount
Expanded withholding tax	–
Compensation withholding tax	–

1
The Company's schedules for the year ended March 31, 2021 follows:

Sale of service
The Company has revenue for the year ended March 31, 2021 amounting to 6,472,325. The Company's revenues are subject to the regular income tax rate of 30%.

Cost of services
The Company has no cost of services for the year ended March 31, 2021. The Company's cost of services is subject to the regular income tax rate of 30%.

Non-operating and taxable other income
The Company has no non-operating taxable other income during the year.

Optional standard deductions
The Company has availed the 40% optional standard deduction for taxable year 2021.

The Company's optional standard deductions are subject to the regular income tax rate of 30%.

Other Taxes and Licenses
The Company did not incur any excise tax, import duties and real estate tax for the year ended March 31, 2021.

Details of other taxes and licenses paid by the Company for the year ended December 31, 2021 follow:

	Amount
Business Permits	79,129
BIR annual registration fee	500

Tax Assessments and Cases
The Company has no pending tax assessments and cases with the Bureau of Internal Revenue

BIN HAMAD MATHEW JOSEPH AND ASSOCIATES CHARTERED ACCOUNTANTS EST.

QUESSCORP MANAGEMENT CONSULTANCIES
DUBAI, UNITED ARAB EMIRATES

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT
FOR THE PERIOD ENDED 31 MARCH 2021

BHMJ

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Salahuddin Road | Muraqqabat | P.OBox: 83828 | Dubai | UAE
Email: info@bhmjassociates.com | www.bhmjassociates.com

QUESSCORP MANAGEMENT CONSULTANCIES
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For the Year Ended 31 March 2021

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GENERAL INFORMATION

Entity's Name	:-	**QUESSCORP MANAGEMENT CONSULTANCIES**
Legal Status	:-	Establishment
Owner	:-	Mr. Lohit Bhatia Om Prakash Bhatia
Registered Office Address	:-	P O Box-32936 Dubai United Arab Emirates
Bankers	:-	Abu Dhabi Commercial Bank
	:-	Mashreq Bank
Auditors	:-	Bin Hamad Mathew Joseph & Associates Chartered Accountants Est. Dubai United Arab Emirates

DIRECTOR'S REPORT

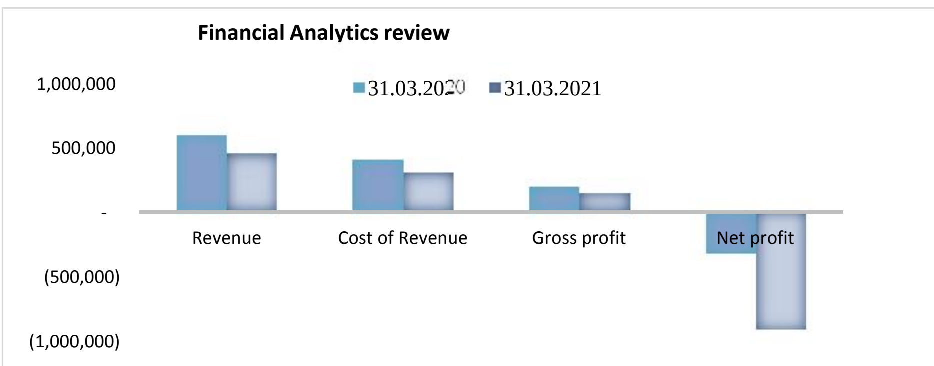
The Director have pleasure in presenting this report and the audited financial statements for the year ended 31.03.2021

Principal activities of the Entity :

The main business activities of the establishment are facilities resources planning consultancy, marketing research & consultancies, management consultancies.

Financial Overview:

	31.03.2021 (AED)	31.03.2020 (AED)
Revenue	453,248	594,686
Cost of Revenue	303,180	404,971
Gross profit	**150,068**	**189,715**
Net profit	**(910,776)**	**(323,506)**
Gross profit margin	**33%**	**32%**



Role of the Manager:

The Manager is the entity's principal decision-making forum. Principal has the overall responsibility for leading and supervising the entity and is accountable to staekeholders for delivering sustainable stakeholder value through his guidance and supervision of the entity's business. The principal sets the strategies and policies of the entity. He monitors performance of the entity's business, guides and supervises its management.

Going concern:

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements the management has made an assessment of the entity's ability to continue as a going concern. The management has not come across any evidence that causes the management to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the entity's ability to continue as a going concern.

Events after the year end of reporting period:

In the opinion of the Manager no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the entity.

Auditors:

M/s. **BIN HAMAD -MATHEW JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS EST.**, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Manager's responsibilities:

The applicable requirements, requires the Manager to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the entity and its financial performance for the year then ended.

The audited financial statements for the year under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Manager confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Manager also confirms that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Entity’s financial conditions and results of its operations.

These financial statements were approved by the Board and signed on behalf by the undersigned.

Authorised Signatory
20th May, 2021

INDEPENDENT AUDITOR'S REPORT

To
THE OWNER
QUESSCORP MANAGEMENT CONSULTANCIES
DUBAI
UAE

Opinion

We have audited the accompanying financial statements of **QUESSCORP MANAGEMENT CONSULTANCIES** (the Establishment) which comprise the statement of financial position for the year ended 31 March 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly in material respects, the financial position of **QUESSCORP MANAGEMENT CONSULTANCIES** for the year ended 31 March 2021 and its financial performance in accordance with International Financial Reporting Standards (IFRS).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Establishment within the meaning of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information/Matter

Turnover in the financials and VAT Return filed are subject to reconciliation. Independent confirmations from the Entity's bank, debtors and creditors were not received as at the auditor's report date.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control that the management determines as necessary to enable the preparation of financial statements that are free from material statement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Establishment ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Establishment financial reporting process.

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Management determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

The objectives of our audit are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Establishment 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 Establishment 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 financial statements or, if such disclosures are inadequate, to modify our auditor's report. 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 Establishment to cease to continue as a going concern.

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

We are required to 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.

Report on other legal and regulatory requirements

We also confirm that, in our opinion, the financial statements include in all material respects, the applicable requirements of the UAE Federal Law. We further confirm that proper financial records have been kept by the Establishment. We have obtained all the information and explanations which are required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the above mentioned law have occurred during the year which would have had a material effect on the business of the Establishment or on its financial position.

For **Bin Hamad, Mathew Joseph and Associates Chartered Accountants Est.**

مؤسسة بن حمد و ماثيو جوزيف
و مشاركوه محاسبون قانوني
BIN HAMAD AND MATHEW JOSEPH
& ASSOCIATES CHARTERED ACCOUNTANTS EST.
P.O.Box: 83828, DUBAI - U.A.E.

Mohamed Hamad Obaid Khamis Al Shehi
Audit License Number: 443
Dubai, United Arab Emirates

20th May, 2021

QUESSCORP MANAGEMENT CONSULTANCIES

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	31.03.2021	31.03.2020
ASSETS		(AED)	(AED)
Current assets			
Cash and Bank Balances	5	183,016	104,011
Accounts and Other Receivables	6	161,540	4,410,799
Total Current Assets		**344,556**	**4,514,810**
Non Current assets			
Property, plant and equipment	7	1,492	4,492
Total Non Current Assets		**1,492**	**4,492**
TOTAL ASSETS		**346,048**	**4,519,302**
EQUITY AND LIABILITIES			
Current Liabilities			
Accounts & Other Payables	8	4,090,571	7,405,662
Total Current Liability		**4,090,571**	**7,405,662**
Non Current Liabilities			
Provision for employee's end of service benefits	9	252,198	199,585
Total Non Current Liability		**252,198**	**199,585**
Total Liability		**4,342,769**	**7,605,247**
EQUITY			
Capital	10	200,000	200,000
Retained Earnings		(4,375,749)	(3,464,973)
Owner's Current Account		179,028	179,028
Total Equity		**(3,996,721)**	**(3,085,945)**
TOTAL EQUITY & LIABILITIES		**346,048**	**4,519,302**

The annexed notes 1- 20 form an integral part of these financial statements.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them.

The financial statements were approved, authorized and signed on 20th May, 2021 on behalf of the management by :-

AUTHORISED SIGNATORY **AUDITOR'S REPORT ATTACHED**

QUESSCORP MANAGEMENT CONSULTANCIES

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	31.03.2021 (AED)	31.03.2020 (AED)
Revenue	11	453,248	594,686
Cost of Revenue	12	(303,180)	(404,971)
GROSS PROFIT		**150,068**	**189,715**
Operating Expenses			
General and Administrative Expenses	13	(516,262)	(706,388)
Depreciation	7	(3,000)	(3,000)
Other Income/(Expenses)			
Other Income	14	-	404,766
Finance Cost	15	(541,582)	(208,599)
PROFIT/(LOSS) FOR THE YEAR		**(910,776)**	**(323,506)**
Other Comprehensive Income/Loss		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(910,776)**	**(323,506)**

The annexed notes 1- 20 form an integral part of these financial statements.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them.

The financial statements were approved, authorized and signed on 20th May, 2021 on behalf of the management by :-

AUTHORISED SIGNATORY **AUDITOR'S REPORT ATTACHED**

QUESSCORP MANAGEMENT CONSULTANCIES

STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Capital	Retained Earnings	Owner's Current Account	Total
	(AED)	(AED)	(AED)	(AED)
As at 01.04.2019	**200,000**	**(3,141,467)**	**179,028**	**(2,762,439)**
Profit/(Loss) for the year	-	(323,506)	-	(323,506)
Movements during the year	-	-	-	-
Transfer during the year	-	-	-	-
As at 31.03.2020	**200,000**	**(3,464,973)**	**179,028**	**(3,085,945)**
Profit/(Loss) for the year	-	(910,776)	-	(910,776)
Movements during the year	-	-	-	-
Transfer during the year	-	-	-	-
As at 31.03.2021	**200,000**	**(4,375,749)**	**179,028**	**(3,996,721)**

The annexed notes 1- 20 form an integral part of these financial statements.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them.

The financial statements were approved, authorized and signed on 20th May, 2021 on behalf of the management by :-

AUTHORISED SIGNATORY **AUDITOR'S REPORT ATTACHED**

QUESSCORP MANAGEMENT CONSULTANCIES

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2021

	31.03.2021 (AED)	31.03.2020 (AED)
Operating Activities		
Net Profit/(Loss) for the year	(910,776)	(323,506)
Adjustments for :-		
Depreciation	3,000	3,000
Provision for employees' end of service benefits	52,613	22,318
Operating profit before changes in working capital	**(855,163)**	**(298,188)**
Changes in Working Capital		
Decrease/(Increase) in Accounts & Other Recievables	4,249,259	3,236,157
Increase/(Decrease) in Accounts & Other Payables	(3,315,091)	(2,917,851)
Net Changes in Working Capital	**934,168**	**318,306**
Cash (used in) generated from operating activities	**79,005**	**20,118**
Net Cash (used in) generated from operating activities	**79,005**	**20,118**
Net Increase/(Decrease) in Cash & Cash Equivalents	79,005	20,118
Cash & Cash Equivalents at the beginning of the year	104,011	83,893
Cash & Cash Equivalents at the end of the year	**183,016**	**104,011**

The annexed notes 1- 20 form an integral part of these financial statements.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them.

The financial statements were approved, authorized and signed on 20th May, 2021 on behalf of the management by :-

AUTHORISED SIGNATORY **AUDITOR'S REPORT ATTACHED**

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

1.1 QUESSCORP MANAGEMENT CONSULTANCIES (the Sole Establishment) is an establishment licensed by Dubai Economy, Government of Dubai, United Arab Emirates by virtue of Professional License No. 640999, issued on 15th June, 2010.

1.2 Owner

The name of the Owner of this establishment is Mr. Lohit Bhatia Om Prakash Bhatia an Indian National. Service Agent of this establishment is Mr. Khadim Obaid Khadim Mohammaed a UAE National

1.3 Business Activities

The main business activities of the establishment are facilities resources planning consultancy, marketing research & consultancies, management consultancies.

1.4 Location

The registered office of the Sole Establishment is situated at P O Box-32936, Dubai, United Arab Emirates.

2 ACCOUNTING PERIOD

The financial statements relate to the year ended 31 March 2021 [Current Year]
The previous year figures relate to the year ended 31 March 2020 [Previous Year]

3 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared under historical cost basis. The financial statements are presented in Arab Emirates Dirhams (AED) and all values are rounded to the nearest Arab Emirate Dirham. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

b) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

c) Property , plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of property, plant and equipment is their purchase price together with any incidental expenses.
Depreciation is calculated on the straight line method, at rates calculated to reduce the cost of assets to their estimated residual values over their expected useful lives.

d) Receivables

Provision for doubtful recovery is based on estimation, however, reliability is re-assessed at the end of every financial year and additional provisions are created on the basis of risks involved. Management considers that all receivables are fully realizable, hence no provision is created.

e) Current or Non-current classification

The entity presents assets and liabilities in statement of financial position based on current/ non current classification.

An asset as current when it is:
Expected to be realized or intended to be sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realized within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:
It is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled with in twelve months after the reporting period, or there is no unconditionalright to defer the settlement of the liability for at least twelve months after the reporting period.

f) Fair value measurement

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

The principal or the most advantageous market must be accessible to by the entity.

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

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

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

Level 1. Inputs are quoted price (unadjusted) in active market for identical asset or liabilities that the entity can access at the measurement as a whole.
Level 2. Inputs are inputs, other than quoted prices included with in Level1,that are observable for the asset or liability, either directly or indirectly.
Level 3. Inputs are observable inputs for the asset or liability.

g) Foreign currency transactions and balances

In preparing the financial statements of the Entity, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried fair value are denominated in foreign currency.

Currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency neither are nor translated. Exchange differences on monetary items are recognized in profit and loss in the period in which they arise.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss and other changes in carrying amount are recognized in other comprehensive income.

Translation differences in non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in other comprehensive income.

h) Impairment of tangible assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimating to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income.

i) Financial instruments

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument.

I) Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through income statement' (FVTIS), 'held to maturity' investments, 'available for sale' financial assets and 'loans & receivables'.
All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through income statement

Financial assets at fair value through income statement are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Regular purchases and sales of financial assets are recognized on the trade –date- the date on which the entity commits to purchase or sell the asset. Transaction costs directly attributable to the acquisition are recognized immediately in income statement.
Gains or losses arising from changes in the fair value of the financial assets at fair value through income statement category are presented in the income statement.

Dividend income from financial assets at fair value through income statement is recognized in the income statement when the entity's right to receive payments is established.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non- current assets. The entity's loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents' 'due from/ to related parties', 'shareholders' loan' and 'loan from/ to related parties' in the statement of financial position. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non- current assets. Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost reduced by appropriate allowance for estimated doubtful debts.

Impairment of financial assets

Assets carried at amortized cost:

The entity assesses at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets have been impaired. A financial asset or group of financial assets is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss' event) and that loss event or events has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty where observable date indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the income statement.

De-recognition of financial assets

The entity derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognizes it retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognize the financial asset.

II)Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non- current liabilities. Trade and other payables are recognized initially at fair value and subsequently are measured at amortized cost using effective interest method.

Loans and borrowings

Borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

De-recognition of financial liabilities

The entity de-recognizes financial liabilities when and only when the entity's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Provisions

Provisions are recognized when the entity has a present obligation as a result of a past event, it is probable that the entity will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

End of Service Benefits

End of service benefits are accrued in accordance with the terms of employment of the establishment's employees at the reporting dates, having regard to the requirements of UAE Labour Laws. Employee entitlements to annual leave and leave passage are recognized when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while that relating to end of service benefits is disclosed as a non current liability.

j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

k) Foreign Currency Transactions

Transactions in foreign currency are converted into U.A.E Dirhams at the rates prevailing when entered into. The balance in foreign currency amounts are converted into U.A.E Dirhams at the rate of exchange prevailing at the balance sheet date. Gains and losses generated from transactions have been dealt with in profit and loss account.

l) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The entity assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The entity has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criterion described below must also be met before revenue is recognized.

m) Cash and Cash Equivalents

For the purpose of Statement of Cash Flows, cash and cash equivalents consist of cash in hand and bank balances.

n) Accounting Estimates.

The treatments of accounting estimates are in conformity with the provisions of IAS-8 with significant effect (if any) being sufficiently disclosed.

❖ **CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

Application Of New International Financial Reporting Standards and International Accounting Standards

Standards, amendments and interpretations to existing standards that are effective and have not been adopted early by the entity.

The following new and amended IFRS and International Accounting Standards (IAS) that are applicable to the organisation have been published and are mandatory for accounting periods of the organisation beginning on or after the reporting period, but which have not been adopted early by the Organisation:

➢ *Amendments to IFRS 3 - Definition of a Business*

Entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. They also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'.

The amendments specify that if a set of activities and assets does not have outputs at the acquisition date, an acquired process must be considered substantive only if: (a) it is critical to the ability to develop or convert acquired inputs into outputs; and (b) the inputs acquired include both an organised workforce with the necessary skills, knowledge, or experience to perform that process, and other inputs that the organised workforce could develop or convert into outputs. In contrast, if a set of activities and assets has outputs at that date, an acquired process must be considered substantive if: (a) it is critical to the ability to continue producing outputs and the acquired inputs include an organised workforce with the necessary skills, knowledge, or experience to perform that process; or (b) it significantly contributes to the ability to continue producing outputs and either is considered unique or scarce, or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs.

- ***Amendments to IFRS 9, IAS 39 & IFRS 7 - Interest Rate Benchmark Reform***

Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

Amendments are consistent with those for IFRS 9, but with the following differences:

• Prospective assessment of hedge effectiveness, it is assumed that the benchmark on which the hedged cash flows are based (whether or not it is contractually specified) and/or the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform.

• Retrospective assessment of hedge effectiveness, to allow the hedge to pass the assessment even if the actual results of the hedge are temporarily outside the 80%-125% range, during the period of uncertainty arising from IBOR reform.

- ***Amendments to IAS 1 & IAS 8 - Definition of Material***

The materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The amendments replaced the threshold ‘could influence’, which suggests that any potential influence of users must be considered, with ‘could reasonably be expected to influence’ in the definition of ‘material’. In the amended definition, therefore, it is clarified that the materiality assessment will need to take into account only reasonably expected influence on economic decisions of primary users.

- ***The Conceptual Framework for Financial Reporting***

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

➢ ***Amendments to IFRS 16 - Covid-19-Related Rent Concessions***

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not apply to lessors.
The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:
• The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
• Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
• There is no substantive change to other terms and conditions of the lease.

[*1 June 2020*]

☐ ***STANDARDS ISSUED BUT NOT YET EFFECTIVE***

At the date of authorization of these financial statements, the entity has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

➢ ***Amendments to IAS 1 - Classification of Liabilities as Current or Non-current***

An entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

[*1 January 2022*]

➢ ***Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use***

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

[*1 January 2022*]

➢ ***Ammendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract***

The Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. A 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

[*1 January 2022*]

- ***Annual IFRS Improvements***

The following improvements were finalised in last years:
• IFRS 1 - The entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

• IFRS 9 - The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39. 1 January 2022. Earlier application is permitted.

• IFRS 16 - This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

• IAS 41 - An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted.

- ***Amendments to IFRS 10 and IAS 28 - Sales or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

[*Deferred until further notice*]

- **Value Added Tax [VAT]**

In accordance with the UAE Federal Decree-Law No. 8 of 2017 and its executive regulations, the supplies of the Company, except the zero-rated and exempt, are taxable at 5%. The Company files its VAT return within 28 days after end of every quarter.

4 CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statement requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liability affected in future periods.
Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Depreciation of property, plant and equipment

Management assigns useful lives and residual values to property, plant and equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where the management determines that the useful; life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated over the revised remaining useful life.

b) Impairment of assets

Assessments of net recoverable amounts of property, plant and equipment, all financial assets other than trade and other receivables are based on assumptions regarding future cash flows expected to be received from the related assets.

c) Impairment of accounts receivables

The management regularly undertakes a review of the recovery status of amounts due from either third parties or related parties. Such review is made on variety of factors, including the overall quality and aging of the receivables, continuing credit evaluation of the customer's financial conditions. Based on the review, assumptions are made regarding the extent of impairment allowance required.

d) Going Concern

These financial statements are prepared on a going concern basis which is assumed that the Company will continue to operate as a going concern in a foreseeable future. In order to support the continuance of the Company's operations, the Directors confirm that sufficient funds will be made available as may be necessary.

5 CASH AND CASH EQUIVALENTS

	31.03.2021 (AED)	31.03.2020 (AED)
Balance with Banks	183,016	104,011
	183,016	**104,011**

6 ACCOUNTS AND OTHER RECEIVABLES

	31.03.2021 (AED)	31.03.2020 (AED)
Accounts Receivables	31,698	56,345
Less :- Provision for Doubtful Debts	-	(8,305)
Refundable Deposit	7,000	52,000
Prepaid Expenses	4,969	99,876
Advance to Staff	10,000	10,000
Loans and Advances	86,069	4,200,883
Other Receivables	21,804	-
	161,540	**4,410,799**

7 PROPERTY, PLANT AND EQUIPMENTS

Movements in property, plant and equipment are shown in page no.24

8 ACCOUNTS AND OTHER PAYABLES

	31.03.2021 (AED)	31.03.2020 (AED)
Accounts Payables	382,708	177,862
Loans & Advances	2,663,388	6,906,981
Accrued Expenses	236,216	182,731
Other Payable	808,259	138,088
	4,090,571	**7,405,662**

9 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	31.03.2021 (AED)	31.03.2020 (AED)
Balance as at 1 st April	199,585	177,267
Adjusted		
Charge for the Year	52,613	22,318
Paid during the Year	-	-
Balance as at 31st March	**252,198**	**199,585**

10 CAPITAL

The Capital of the Sole Establishment **:-** **AED 200,000** (Refer Note 1.2)

11 REVENUE

	31.03.2021 (AED)	31.03.2020 (AED)
Revenue	453,248	594,686
	453,248	**594,686**

12 COST OF REVENUE

	31.03.2021 (AED)	31.03.2020 (AED)
Cost of Revenue	303,180	404,971
	303,180	**404,971**

13 GENERAL AND ADMINISTRATIVE EXPENSES

	31.03.2021 (AED)	31.03.2020 (AED)
Salaries & Allowances	380,378	583,914
Rent	16,692	18,672
Legal & Professional Charges	66,182	12,354
Communication Expense	34,925	-
Bank Charges	16,253	15,903
Other Expenses	1,832	75,545
	516,262	**706,388**

14 OTHER INCOME

	31.03.2021 (AED)	31.03.2020 (AED)
Miscellaneous Income		404,766
	-	**404,766**

15 FINANCE COST

	31.03.2021 (AED)	31.03.2020 (AED)
Financials Charges	541,582	208,599
	541,582	**208,599**

16 FINANCIAL INSTRUMENTS

In accordance with the International Financial Reporting Standards (IFRS) regarding financial instruments, the following disclosures are made. Financial assets of the entity include receivables, deposits and cash balance. Financial liabilities comprises of payables.

17 FINANCIAL RISK MANAGEMENT

The Company's activities expose to a variety of financial risks. The Company's overall risk management sponsorship focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company identified the following major financial risks.

a) Exchange Rate Risk

There is no significant exchange risk as substantially all financial assets and financial liabilities are denominated in U.A.E Dirhams or US Dollar to which the Dirham is fixed.

b) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its receivables.

c) Liquidity Risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Company manages the liquidity risk through risk management frame work for the Company's liquidity requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available to meet its commitments for liabilities as they fall due.

18 FAIR VALUE

The fair value of a financial instrument is the amount for which the asset could be exchanged or a liability settled between willing parties in an arm's length transaction. The fair values of the financial assets and liabilities approximate their net book amounts as reflected in these financial statements.

	31.03.2021	**31.03.2020**
	(AED)	**(AED)**
Financial Assets		
Accounts & Other Receivables (*Less:-Prepayments*)	156,571	4,310,923
Cash and Cash Equivalents	183,016	104,011
	339,587	**4,414,934**
Financial Liabilities		
Accounts & Other Payables	4,090,571	7,405,662
Employees end of service benefits	252,198	199,585
	4,342,769	**7,605,247**

19 EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no significant events occurring after the financial position date that would have any material effect on the financial statements of the Entity.

20 COMPARATIVE FIGURES

Previous year audit of the financial statements for the year ended 31 March, 2020 was done by other Auditors. We have not carried out an audit of the comparative figures and hence do not express an opinion thereon. Comparative figures have been reclassified or regrouped, wherever it necessary, to confirm the presentation adopted in the current year.

FOR QUESSCORP MANAGEMENT CONSULTANCIES

AUTHORISED SIGNATORY

QUESSCORP MANAGEMENT CONSULTANCIES
NOTES TO THE FINANCIAL STATEMENTS

PROPERTY, PLANT AND EQUIPMENTS

(Refer Note .7)

	Furniture & Fixtures	Office Equipments	Total
	(AED)	(AED)	(AED)
Cost			
As at 01.04.2019	**161,495**	**58,808**	**220,303**
Additions	-	-	-
Disposals	-	-	-
As at 31.03.2020	**161,495**	**58,808**	**220,303**
Additions	-	-	-
Disposals	-	-	-
As at 31.03.2021	**161,495**	**58,808**	**220,303**
Accumulated Depreciation			
As at 01.04.2019	**161,495**	**51,316**	**212,811**
Charge during the Year	-	3,000	**3,000**
Disposal	-	-	-
As at 31.03.2020	**161,495**	**54,316**	**215,811**
Charge during the Year	-	*3,000*	***3,000***
Disposal	-	-	-
As at 31.03.2021	**161,495**	**57,316**	**218,811**
Net Book Value			
As at 31.03.2021	**-**	**1,492**	**1,492**
As at 31.03.2020	**-**	**4,492**	**4,492**

BIN HAMAD MATHEW JOSEPH AND ASSOCIATES
CHARTERED ACCOUNTANTS EST.

QUESSCORP MANPOWER SUPPLY SERVICES LLC
DUBAI, UNITED ARAB EMIRATES

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT
FOR THE PERIOD ENDED 31 MARCH 2021

BHMJ

Tel: + 97142555250 | Office 104 | Bin Sougat Building,
Salahuddin Road | Muraqqabat | P.OBox: 83828 | Dubai | UAE
Email: info@bhmjassociates.com | www.bhmjassociates.com

QUESSCORP MANPOWER SUPPLY SERVICES LLC
Index to the Financial Statements
For the Year Ended 31 March 2021

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GENERAL INFORMATION

Entity's Name	:-	**QUESSCORP MANPOWER SUPPLY SERVICES LLC**
Legal Status	:-	Company
Share holders	:-	Mr. Khadim Obaid Khadim Mohammed Ms. Liala Abdulkarim Ghulam Ali
Registered Office Address	:-	P O Box-111288 Dubai United Arab Emirates
Bankers	:-	Abu Dhabi Commercial Bank
Auditors	:-	Bin Hamad Mathew Joseph & Associates Chartered Accountants Est. Dubai United Arab Emirates

QUESSCORP MANPOWER SUPPLY SERVICES LLC
DUBAI, UNITED ARAB EMIRATES

DIRECTOR'S REPORT

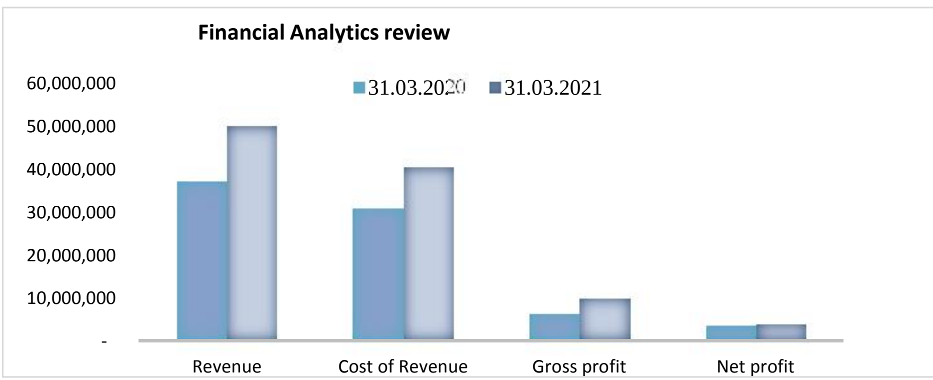
The Director have pleasure in presenting this report and the audited financial statements for the year ended 31.03.2021

Principal activities of the Entity :

The main business activity of the company is on demand labour supply (temporary employment)

Financial Overview:

	31.03.2021 (AED)	31.03.2020 (AED)
Revenue	50,010,808	37,070,857
Cost of Revenue	40,223,600	30,808,566
Gross profit	**9,787,208**	**6,262,291**
Net profit	**3,815,968**	**3,437,600**
Gross profit margin	**20%**	**17%**



Role of the Manager:

The Manager is the company's principal decision-making forum. Principal has the overall responsibility for leading and supervising the entity and is accountable to stakeholders for delivering sustainable stakeholder value through his guidance and supervision of the company's business. The principal sets the strategies and policies of the company. He monitors performance of the company's business, guides and supervises its management.

Going concern:

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements the management has made an assessment of the company's ability to continue as a going concern. The management has not come across any evidence that causes the management to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the company's ability to continue as a going concern.

Events after the year end of reporting period:

In the opinion of the Manager no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the company.

Auditors:

M/s. **BIN HAMAD -MATHEW JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS EST.**, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Manager's responsibilities:

The applicable requirements, requires the Manager to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the entity and its financial performance for the year then ended.

The audited financial statements for the year under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Manager confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Manager also confirms that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its operations.

These financial statements were approved by the Board and signed on behalf by the undersigned.

____

Authorised Signatory
20th May, 2021

INDEPENDENT AUDITOR'S REPORT

To
THE SHARE HOLDERS
QUESSCORP MANPOWER SUPPLY SERVICES LLC
DUBAI
UAE

Opinion

We have audited the accompanying financial statements of **QUESSCORP MANPOWER SUPPLY SERVICES LLC**(the Company) which comprise the statement of financial position for the year ended 31 March 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly in material respects, the financial position of **QUESSCORP MANPOWER SUPPLY SERVICES LLC** for the year ended 31 March 2021 and its financial performance in accordance with International Financial Reporting Standards (IFRS).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Establishment within the meaning of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information/Matter

Turnover in the financials and VAT Return filed are subject to reconciliation. Independent confirmations from the company's bank, debtors and creditors were not received as at the auditor's report date.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control that the management determines as necessary to enable the preparation of financial statements that are free from material statement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Establishment ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Establishment financial reporting process.

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Management determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

The objectives of our audit are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Establishment 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 Establishment 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 financial statements or, if such disclosures are inadequate, to modify our auditor's report. 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 Establishment to cease to continue as a going concern.

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

We are required to 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.

Report on other legal and regulatory requirements

We also confirm that, in our opinion, the financial statements include in all material respects, the applicable requirements of the UAE Federal Law. We further confirm that proper financial records have been kept by the company. We have obtained all the information and explanations which are required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the above mentioned law have occurred during the year which would have had a material effect on the business of the company or on its financial position.

For **Bin Hamad, Mathew Joseph and Associates**
Chartered Accountants Est.

مؤسسة بن حمد و ماثيو جوزيف
و مشاركوه محاسبون قانوني
BIN HAMAD AND MATHEW JOSEPH
& ASSOCIATES CHARTERED ACCOUNTANTS EST.
P.O.Box: 83828, DUBAI - U.A.E.

Mohamed Hamad Obaid Khamis Al Shehi
Audit License Number: 443
Dubai, United Arab Emirates

20th May, 2021

QUESSCORP MANPOWER SUPPLY SERVICES LLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	31.03.2021	31.03.2020
ASSETS		**(AED)**	**(AED)**
Current assets			
Cash and Bank Balances	5	3,253,489	4,751,315
Accounts and Other Receivables	6	13,099,393	10,387,605
Total Current Assets		**16,352,882**	**15,138,920**
Non Current assets			
Property, plant and equipment	7	55,551	50,241
Total Non Current Assets		**55,551**	**50,241**
TOTAL ASSETS		**16,408,433**	**15,189,161**
EQUITY AND LIABILITIES			
Current Liabilities			
Accounts & Other Payables	8	8,085,408	10,768,645
Total Current Liability		**8,085,408**	**10,768,645**
Non Current Liabilities			
Provision for employee's end of service benefits	9	284,026	197,485
Total Non Current Liability		**284,026**	**197,485**
Total Liability		**8,369,434**	**10,966,130**
EQUITY			
Capital	10	300,000	300,000
Statutory Reserve	11	150,000	150,000
Retained Earnings		7,888,999	4,073,031
Shareholder's Current Account		(300,000)	(300,000)
Total Equity		**8,038,999**	**4,223,031**
TOTAL EQUITY & LIABILITIES		**16,408,433**	**15,189,161**

The annexed notes 1- 20 form an integral part of these financial statements.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them.

The financial statements were approved, authorized and signed on 20th May, 2021 on behalf of the management by :-

AUTHORISED SIGNATORY **AUDITOR'S REPORT ATTACHED**

QUESSCORP MANPOWER SUPPLY SERVICES LLC

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	31.03.2021 (AED)	31.03.2020 (AED)
Revenue	12	50,010,808	37,070,857
Cost of Revenue	13	(40,223,600)	(30,808,566)
GROSS PROFIT		**9,787,208**	**6,262,291**
Operating Expenses			
General and Administrative Expenses	14	(5,975,160)	(3,002,677)
Depreciation	7	(40,465)	(33,070)
Other Income/(Expenses)			
Other Income	15	44,385	211,056
PROFIT/(LOSS) FOR THE YEAR		**3,815,968**	**3,437,600**
Other Comprehensive Income/Loss		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**3,815,968**	**3,437,600**

The annexed notes 1- 20 form an integral part of these financial statements.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them.

The financial statements were approved, authorized and signed on 20th May, 2021 on behalf of the management by :-

AUTHORISED SIGNATORY **AUDITOR'S REPORT ATTACHED**

QUESSCORP MANPOWER SUPPLY SERVICES LLC

STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Capital	Statutory Reserve	Retained Earnings	Shareholder's Current Account	Total
	(AED)	(AED)	(AED)	(AED)	(AED)
As at 01.04.2019	**300,000**	**150,000**	**635,431**	**(300,000)**	**785,431**
Profit/(Loss) for the year	-	-	3,437,600	-	3,437,600
Movements during the year	-	-	-	-	-
Transfer during the year	-		-	-	-
As at 31.03.2020	**300,000**	**150,000**	**4,073,031**	**(300,000)**	**4,223,031**
Profit/(Loss) for the year	-	-	3,815,968	-	3,815,968
Movements during the year	-	-	-	-	-
Transfer during the year	-	-	-	-	-
As at 31.03.2021	**300,000**	**150,000**	**7,888,999**	**(300,000)**	**8,038,999**

The annexed notes 1- 20 form an integral part of these financial statements.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them.

The financial statements were approved, authorized and signed on 20th May, 2021 on behalf of the management by :-

AUTHORISED SIGNATORY **AUDITOR'S REPORT ATTACHED**

QUESSCORP MANPOWER SUPPLY SERVICES LLC

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2021

	31.03.2021 (AED)	31.03.2020 (AED)
Operating Activities		
Net Profit/(Loss) for the year	3,815,968	3,437,600
Adjustments for :-		
Depreciation	40,465	33,070
Provision for employees' end of service benefits	141,507	167,557
Operating profit before changes in working capital	**3,997,940**	**3,638,227**
Changes in Working Capital		
Decrease/(Increase) in Accounts & Other Recievables	(2,711,788)	1,529,482
Increase/(Decrease) in Accounts & Other Payables	(2,683,237)	(1,925,550)
Net Changes in Working Capital	**(5,395,025)**	**(396,068)**
Cash (used in) generated from operating activities	**(1,397,085)**	**3,242,159**
Less :-Extraordinary Items		
Gratuity Paid	(54,966)	(5,883)
Net Cash (used in) generated from operating activities	**(1,452,051)**	**3,236,276**
Investing Activities		
Addition of Assets	(45,775)	(12,299)
Net Change in Bank Deposits	1,046,937	(1,620,944)
Net Cash (used in) generated from Investing Activities	**1,001,162**	**(1,633,243)**
Net Increase/(Decrease) in Cash & Cash Equivalents	(450,889)	1,603,033
Cash & Cash Equivalents at the beginning of the year	2,090,153	487,120
Cash & Cash Equivalents at the end of the year	**1,639,264**	**2,090,153**

The annexed notes 1- 20 form an integral part of these financial statements.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them.

The financial statements were approved, authorized and signed on 20th May, 2021 on behalf of the management by :-

AUTHORISED SIGNATORY **AUDITOR'S REPORT ATTACHED**

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

1.1 QUESSCORP MANPOWER SUPPLY SERVICES LLC (the company) is a limited liability company licensed by Dubai Economy, Government of Dubai, United Arab Emirates by virtue of Commercial License No. 666576, issued on 04th March, 2012.

1.2 Share holders

The shareholders and their sharing of the capital in the company are as follows:

	Shares	%	Value (AED)
Mr. Khadim Obaid Khadim Mohammed *(A Citizen of United Arab Emirates)*	270	90%	270,000
Ms. Liala Abdulkarim Ghulam Ali *(A Citizen of United Arab Emirates)*	30	10%	30,000
	300	100%	300,000

1.3 Business Activities

The main business activity of the company is on demand labour supply (temporary employment)

1.4 Location

The registered office of the company is situated at P O Box-111288, Dubai, United Arab Emirates.

2 ACCOUNTING PERIOD

The financial statements relate to the year ended 31 March 2021 [Current Year]
The previous year figures relate to the year ended 31 March 2020 [Previous Year]

3 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared under historical cost basis. The financial statements are presented in Arab Emirates Dirhams (AED) and all values are rounded to the nearest Arab Emirate Dirham. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

b) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

c) Property , plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of property, plant and equipment is their purchase price together with any incidental expenses.
Depreciation is calculated on the straight line method, at rates calculated to reduce the cost of assets to their estimated residual values over their expected useful lives.

d) Receivables

Provision for doubtful recovery is based on estimation, however, reliability is re-assessed at the end of every financial year and additional provisions are created on the basis of risks involved. Management considers that all receivables are fully realizable, hence no provision is created.

e) Current or Non-current classification

The entity presents assets and liabilities in statement of financial position based on current/ non current classification.

An asset as current when it is:

Expected to be realized or intended to be sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realized within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled with in twelve months after the reporting period, or there is no unconditionalright to defer the settlement of the liability for at least twelve months after the reporting period.

f) Fair value measurement

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:

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

The principal or the most advantageous market must be accessible to by the entity.

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

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

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

Level 1. Inputs are quoted price (unadjusted) in active market for identical asset or liabilities that the entity can access at the measurement as a whole.

Level 2. Inputs are inputs, other than quoted prices included with in Level1,that are observable for the asset or liability, either directly or indirectly.

Level 3. Inputs are observable inputs for the asset or liability.

g) Foreign currency transactions and balances

In preparing the financial statements of the Entity, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried fair value are denominated in foreign currency.

Currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency neither are nor translated. Exchange differences on monetary items are recognized in profit and loss in the period in which they arise.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss and other changes in carrying amount are recognized in other comprehensive income.

Translation differences in non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in other comprehensive income.

h) Impairment of tangible assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimating to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income.

i) Financial instruments

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following specified categories: financial assets "at fair value through income statement' (FVTIS), 'held to maturity' investments, 'available for sale' financial assets and 'loans & receivables'.
All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through income statement

Financial assets at fair value through income statement are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Regular purchases and sales of financial assets are recognized on the trade –date- the date on which the entity commits to purchase or sell the asset. Transaction costs directly attributable to the acquisition are recognized immediately in income statement.

Gains or losses arising from changes in the fair value of the financial assets at fair value through income statement category are presented in the income statement.

Dividend income from financial assets at fair value through income statement is recognized in the income statement when the entity's right to receive payments is established.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non- current assets. The entity's loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents' 'due from/ to related parties', 'shareholders' loan' and 'loan from/ to related parties' in the statement of financial position. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non- current assets. Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost reduced by appropriate allowance for estimated doubtful debts.

Impairment of financial assets

Assets carried at amortized cost:

The entity assesses at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets have been impaired. A financial asset or group of financial assets is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss' event) and that loss event or events has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty where observable date indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the income statement.

De-recognition of financial assets

The entity derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognizes it retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognize the financial asset.

II)Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non- current liabilities. Trade and other payables are recognized initially at fair value and subsequently are measured at amortized cost using effective interest method.

Loans and borrowings

Borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

De-recognition of financial liabilities

The entity de-recognizes financial liabilities when and only when the entity's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Provisions

Provisions are recognized when the entity has a present obligation as a result of a past event, it is probable that the entity will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

End of Service Benefits

End of service benefits are accrued in accordance with the terms of employment of the establishment's employees at the reporting dates, having regard to the requirements of UAE Labour Laws. Employee entitlements to annual leave and leave passage are recognized when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while that relating to end of service benefits is disclosed as a non current liability.

j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

k) Foreign Currency Transactions

Transactions in foreign currency are converted into U.A.E Dirhams at the rates prevailing when entered into. The balance in foreign currency amounts are converted into U.A.E Dirhams at the rate of exchange prevailing at the balance sheet date. Gains and losses generated from transactions have been dealt with in profit and loss account.

l) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The entity assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The entity has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criterion described below must also be met before revenue is recognized.

m) Cash and Cash Equivalents

For the purpose of Statement of Cash Flows, cash and cash equivalents consist of cash in hand and bank balances.

n) Accounting Estimates.

The treatments of accounting estimates are in conformity with the provisions of IAS-8 with significant effect (if any) being sufficiently disclosed.

❖ **CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

Application Of New International Financial Reporting Standards and International Accounting Standards

Standards, amendments and interpretations to existing standards that are effective and have not been adopted early by the entity.

The following new and amended IFRS and International Accounting Standards (IAS) that are applicable to the organisation have been published and are mandatory for accounting periods of the organisation beginning on or after the reporting period, but which have not been adopted early by the Organisation:

➢ *Amendments to IFRS 3 - Definition of a Business*

Entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. They also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'.

The amendments specify that if a set of activities and assets does not have outputs at the acquisition date, an acquired process must be considered substantive only if: (a) it is critical to the ability to develop or convert acquired inputs into outputs; and (b) the inputs acquired include both an organised workforce with the necessary skills, knowledge, or experience to perform that process, and other inputs that the organised workforce could develop or convert into outputs. In contrast, if a set of activities and assets has outputs at that date, an acquired process must be considered substantive if: (a) it is critical to the ability to continue producing outputs and the acquired inputs include an organised workforce with the necessary skills, knowledge, or experience to perform that process; or (b) it significantly contributes to the ability to continue producing outputs and either is considered unique or scarce, or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs.

- ***Amendments to IFRS 9, IAS 39 & IFRS 7 - Interest Rate Benchmark Reform***

  Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

  Amendments are consistent with those for IFRS 9, but with the following differences:
  • Prospective assessment of hedge effectiveness, it is assumed that the benchmark on which the hedged cash flows are based (whether or not it is contractually specified) and/or the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform.
  • Retrospective assessment of hedge effectiveness, to allow the hedge to pass the assessment even if the actual results of the hedge are temporarily outside the 80%-125% range, during the period of uncertainty arising from IBOR reform.

- ***Amendments to IAS 1 & IAS 8 - Definition of Material***

  The materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The amendments replaced the threshold 'could influence', which suggests that any potential influence of users must be considered, with 'could reasonably be expected to influence' in the definition of 'material'. In the amended definition, therefore, it is clarified that the materiality assessment will need to take into account only reasonably expected influence on economic decisions of primary users.

- ***The Conceptual Framework for Financial Reporting***

  The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

➢ ***Amendments to IFRS 16 - Covid-19-Related Rent Concessions***

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not apply to lessors.
The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:
• The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
• Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
• There is no substantive change to other terms and conditions of the lease.

[*1 June 2020*]

☐ ***STANDARDS ISSUED BUT NOT YET EFFECTIVE***
At the date of authorization of these financial statements, the entity has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

➢ ***Amendments to IAS 1 - Classification of Liabilities as Current or Non-current***
An entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

[*1 January 2022*]

➢ ***Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use***

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

[*1 January 2022*]

➢ ***Ammendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract***

The Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. A 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

[*1 January 2022*]

➢ ***Annual IFRS Improvements***

The following improvements were finalised in last years:
• IFRS 1 - The entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

• IFRS 9 - The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39. 1 January 2022. Earlier application is permitted.

• IFRS 16 - This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

• IAS 41 - An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted.

➢ ***Amendments to IFRS 10 and IAS 28 - Sales or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

[*Deferred until further notice*]

◆ **Value Added Tax [VAT]**

In accordance with the UAE Federal Decree-Law No. 8 of 2017 and its executive regulations, the supplies of the Company, except the zero-rated and exempt, are taxable at 5%. The Company files its VAT return within 28 days after end of every quarter.

4 CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statement requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liability affected in future periods.
Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Depreciation of property, plant and equipment

Management assigns useful lives and residual values to property, plant and equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where the management determines that the useful; life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated over the revised remaining useful life.

b) Impairment of assets

Assessments of net recoverable amounts of property, plant and equipment, all financial assets other than trade and other receivables are based on assumptions regarding future cash flows expected to be received from the related assets.

c) Impairment of accounts receivables

The management regularly undertakes a review of the recovery status of amounts due from either third parties or related parties. Such review is made on variety of factors, including the overall quality and aging of the receivables, continuing credit evaluation of the customer's financial conditions. Based on the review, assumptions are made regarding the extent of impairment allowance required.

d) Going Concern

These financial statements are prepared on a going concern basis which is assumed that the Company will continue to operate as a going concern in a foreseeable future. In order to support the continuance of the Company's operations, the Directors confirm that sufficient funds will be made available as may be necessary.

5 CASH AND BANK BALANCES

	31.03.2021	**31.03.2020**
	(AED)	**(AED)**
Cash in Hand	4,858	10,023
Balance with Banks	1,634,406	2,080,130
	1,639,264	**2,090,153**
Fixed Deposit with Bank	1,614,225	2,661,162
	3,253,489	**4,751,315**

6 ACCOUNTS AND OTHER RECEIVABLES

	31.03.2021 (AED)	31.03.2020 (AED)
Accounts Receivables	7,136,580	7,702,121
Refundable Deposit	543,195	465,000
Prepaid Expenses	1,216,109	2,201,067
Bank Guarantee	1,063,015	-
Other Receivables	3,140,494	19,417
	13,099,393	**10,387,605**

7 PROPERTY, PLANT AND EQUIPMENTS

Movements in property, plant and equipment are shown in page no.26

8 ACCOUNTS AND OTHER PAYABLES

	31.03.2021 (AED)	31.03.2020 (AED)
Accounts Payables	115,875	426,784
Accrued Expenses	1,414,599	2,711,337
Other Payable	6,554,934	7,630,524
	8,085,408	**10,768,645**

9 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	31.03.2021 (AED)	31.03.2020 (AED)
Balance as at 1 st April	197,485	35,811
Adjusted		
Charge for the Year	141,507	167,557
Paid during the Year	54,966	5,883
Balance as at 31st March	**284,026**	**197,485**

10 CAPITAL

The capital of the company :- **AED 300,000** (Refer Note 1.2)

The capital is made up of 300 ordinary shares of AED 1,000 each

11 STATUTORY RESERVE

In accordance with Article 103 of the U.A.E. Commercial Company Law of 2015 and the Company's Articles of Association, 10% of the net profit has been set aside as statutory reserve of capital nature for the Company which shall remain indivisible among the partners until dissolution and liquidation of the Company. Transfers to this reserve are required to be made until such time it equals at least 50% of the paid-up capital of the company. No such transfers are made this year as the reserve already reached 50% of the capital.

12 REVENUE

	31.03.2021 (AED)	31.03.2020 (AED)
Revenue	50,010,808	37,070,857
	50,010,808	**37,070,857**

13 COST OF REVENUE

	31.03.2021 (AED)	31.03.2020 (AED)
Cost of Revenue	40,223,600	30,808,566
	40,223,600	**30,808,566**

14 GENERAL AND ADMINISTRATIVE EXPENSES

	31.03.2021 (AED)	31.03.2020 (AED)
Salaries & Allowances	2,240,416	2,048,616
Rent	54,507	69,200
Registration & Renewals	30,990	56,648
Legal & Professional Charges	3,029,877	172,076
Utility Charges	18,553	13,199
Insurance Charges	71,572	47,005
Sposorship fee	49,999	205,007
Printing & Stationary	5,042	14,329
Communication Expense	39,616	34,502
Travelling Expense	63,192	93,232
Bank Charges	19,622	41,796
Bad Debt	220,652	68,210
Other Expenses	131,122	138,857
	5,975,160	**3,002,677**

15 OTHER INCOME

	31.03.2021 (AED)	31.03.2020 (AED)
Miscellaneous Income	44,385	211,056
	44,385	**211,056**

16 FINANCIAL INSTRUMENTS

In accordance with the International Financial Reporting Standards (IFRS) regarding financial instruments, the following disclosures are made. Financial assets of the entity include receivables, deposits and cash balance. Financial liabilities comprises of payables.

17 FINANCIAL RISK MANAGEMENT

The company's activities expose to a variety of financial risks. The company's overall risk management sponsorship focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance. The company identified the following major financial risks.

a) Exchange Rate Risk

There is no significant exchange risk as substantially all financial assets and financial liabilities are denominated in U.A.E Dirhams or US Dollar to which the Dirham is fixed.

b) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under financial instrument or customer contract leading to a financial loss. The company is exposed to credit risk from its receivables.

c) Liquidity Risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The company manages the liquidity risk through risk management frame work for the company's liquidity requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available to meet its commitments for liabilities as they fall due.

18 FAIR VALUE

The fair value of a financial instrument is the amount for which the asset could be exchanged or a liability settled between willing parties in an arm's length transaction. The fair values of the financial assets and liabilities approximate their net book amounts as reflected in these financial statements.

	31.03.2021 (AED)	31.03.2020 (AED)
Financial Assets		
Accounts & Other Receivables (*Less:-Prepayments*)	11,883,284	8,186,538
Cash and Bank Balances	1,639,264	2,090,153
	13,522,548	**10,276,691**
Financial Liabilities		
Accounts & Other Payables	8,085,408	10,768,645
Employees end of service benefits	284,026	197,485
	8,369,434	**10,966,130**

19 EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no significant events occurring after the financial position date that would have any material effect on the financial statements of the company.

20 COMPARATIVE FIGURES

Previous year audit of the financial statements for the year ended 31 March, 2020 was done by other Auditors. We have not carried out an audit of the comparative figures and hence do not express an opinion thereon. Comparative figures have been reclassified or regrouped, wherever it necessary, to confirm the presentation adopted in the current year.

FOR QUESSCORP MANPOWER SUPPLY SERVICES LLC

AUTHORISED SIGNATORY

QUESSCORP MANPOWER SUPPLY SERVICES LLC
NOTES TO THE FINANCIAL STATEMENTS

PROPERTY, PLANT AND EQUIPMENTS

(Refer Note .7)

	Furniture & Fixtures	Office Equipments	Total
	(AED)	(AED)	(AED)
Cost			
As at 01.04.2019	**110,727**	**27,831**	**138,558**
Additions	4,515	7,784	**12,299**
Disposals	-	-	**-**
As at 31.03.2020	**115,242**	**35,615**	**150,857**
Additions	-	45,775	**45,775**
Disposals	-	-	**-**
As at 31.03.2021	**115,242**	**81,390**	**196,632**
Accumulated Depreciation			
As at 01.04.2019	**56,650**	**10,896**	**67,546**
Charge during the Year	26,478	6,592	**33,070**
Disposal	-	-	**-**
As at 31.03.2020	**83,128**	**17,488**	**100,616**
Charge during the Year	*24,999*	*15,466*	***40,465***
Disposal	-	-	**-**
As at 31.03.2021	**108,127**	**32,954**	**141,081**
Net Book Value			
As at 31.03.2021	**7,115**	**48,436**	**55,551**
As at 31.03.2020	**32,114**	**18,127**	**50,241**