Deloitte
Haskins & Sells

Chartered Accountants
ASV N Ramana Tower
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INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
ALLSEC TECHNOLOGIES LIMITED

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended 31 March 2022 and (b) reviewed the Standalone Financial Results for the quarter ended 31 March 2022 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Audited Standalone Financial Results for the Year Ended 31 March 2022 and Unaudited Standalone Financial Results for the Quarter Ended 31 March 2022" of **ALLSEC TECHNOLOGIES LIMITED** ("the Company") ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Standalone Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended 31 March 2022:

i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended 31 March 2022

With respect to the Standalone Financial Results for the quarter ended 31 March 2022, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended 31 March 2022, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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Basis for Opinion on the Audited Standalone Financial Results for the year ended 31 March 2022

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended 31 March 2022 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 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.

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended 31 March 2022 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended 31 March 2022 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the 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 are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended 31 March 2022

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended 31 March 2022 as a whole is 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 this Standalone Financial Results.

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 Annual Standalone Financial Results, 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 made by the Board of Directors.

- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.

- Conclude on the appropriateness of the 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 ability of the Company 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 Statement 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 Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

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Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results 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 Annual Standalone Financial Results.

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.

(b) Review of the Standalone Financial Results for the quarter ended 31 March 2022

We conducted our review of the Standalone Financial Results for the quarter ended 31 March 2022 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

- The Statement includes the results for the quarter ended 31 March 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

  Our report on the Statement is not modified in respect of this matter.

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

C Manish Muralidhar
Partner
(Membership No. 213649)
UDIN: 22213649AIZACG7508

Place: Hyderabad
Date: 14 May 2022
MM/RB/YK/2022/23

Allsec Technologies Limited
Standalone Balance Sheet as at 31 March 2022
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

	Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
A	ASSETS			
I	**Non-current assets**			
	(a) Property, plant and equipment	3	753	522
	(b) Right-of-use asset (ROUA)	27	3,141	1,711
	(c) Other intangible assets	3	377	466
	(d) Intangible assets under development	4	784	134
	(e) Financial assets			
	(i) Investments	5	1,020	1,020
	(ii) Other financial assets	6	521	596
	(f) Deferred tax assets (net)	26.2	663	966
	(g) Income tax assets (net)	7	1,059	722
	(h) Other non-current assets	8	40	5
	Total non-current assets		8,358	6,142
II	**Current assets**			
	(a) Financial assets			
	(i) Investments	5	4,694	4,971
	(ii) Trade receivables	9	4,407	3,450
	(iii) Cash and cash equivalents	10	3,671	3,737
	(iv) Bank balances other than cash and cash equivalents	11	28	139
	(v) Other financial assets	6	1,370	1,411
	(b) Other current assets	8	414	332
	Total current assets		14,584	14,040
	Total Assets (I + II)		22,942	20,182
B	EQUITY AND LIABILITIES			
III	**Equity**			
	(a) Equity share capital	12	1,524	1,524
	(b) Other equity	13	14,681	14,105
	Total equity		16,205	15,629
IV	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	14	-	1
	(ia) Lease liabilities	27	1,956	647
	(ii) Other Financial Liabilities	15	-	-
	(b) Provisions	16	605	508
	Total non-current liabilities		2,561	1,156
V	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	14	-	15
	(ia) Lease liabilities	27	1,228	1,183
	(ii) Trade payables	17		
	(a) Total outstanding dues of micro enterprises and small enterprises		17	2
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,173	1,640
	(iii) Other financial liabilities	15	31	5
	(b) Other current liabilities	18	404	283
	(c) Provisions	16	323	269
	Total current liabilities		4,176	3,397
	Total Liabilities (IV + V)		6,737	4,553
	Total Equity and Liabilities (III + IV + V)		22,942	20,182

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 : 14 May 2022

DELOITTE HASKINS & SELLS CHENNAI CHARTERED ACCOUNTANTS

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

Ajit Abraham Isaac
Chairman

Place : Bengaluru
Date : 14 May 2022

Guruprasad Srinivasan
Director

Place : Bengaluru
Date : 14 May 2022

Ashish Johri
Chief Executive Officer

Place : Chennai
Date : 14 May 2022

Raghunath P
Chief Financial Officer

Place : Chennai
Date : 14 May 2022

Sripriyadarshini
Company Secretary

Place : Chennai
Date : 14 May 2022

Allsec Technologies Limited Chennai 600 042

Allsec Technologies Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2022
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

	Particulars	Note No.	For the Year ended 31 March 2022	For the Year ended 31 March 2021
I	Revenue from operations	19	22,121	18,865
II	Other income	20	9,788	381
III	**Total Income (I + II)**		**31,909**	**19,246**
IV	**Expenses**			
	Employee benefits expense	21	13,355	11,687
	Finance costs	22	181	210
	Depreciation and amortisation expense	3	1,805	1,719
	Other expenses	23	4,626	3,502
	Total expenses		**19,967**	**17,118**
V	**Profit before tax (III - IV)**		**11,942**	**2,128**
VI	**Tax expense**			
	(a) Current tax	26.1	2,053	557
	(b) Deferred tax	26.2	136	(26)
			2,189	531
VII	**Profit for the year (V - VI)**		**9,753**	**1,597**
VIII	**Other comprehensive income:**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(46)	(41)
	Income tax relating to items that will not be reclassified to profit or loss		12	12
			(34)	**(29)**
	Items that will be reclassified subsequently to profit or loss		-	-
	Total other comprehensive loss for the year		**(34)**	**(29)**
IX	**Total comprehensive income for the year (VII + VIII)**		**9,719**	**1,568**
X	**Earnings per equity share (Face value of ₹ 10 each)**	29		
	(a) Basic (in ₹)		64.00	10.48
	(b) Diluted (in ₹)		64.00	10.48

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 : 14 May 2022

DELOITTE HASKINS & SELLS CHENNAI CHARTERED ACCOUNTANTS

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

Ajit Abraham Isaac
Chairman

Place : Bengaluru
Date : 14 May 2022

Guruprasad Srinivasan
Director

Place : Bengaluru
Date : 14 May 2022

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Chief Executive Officer

Place : Chennai
Date : 14 May 2022

Raghunath P
Chief Financial Officer

Place : Chennai
Date : 14 May 2022

Sripiriyadarshini
Company Secretary

Place : Chennai
Date : 14 May 2022

Allsec Technologies Limited Chennai 600 042

Allsec Technologies Limited
Standalone Cash Flow Statement for the year ended 31 March 2022
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	11,942	2,128
Adjustments to reconcile net profit to net cash provided by operating activities :		
Depreciation and amortisation expense	1,805	1,719
Unrealized foreign exchange gain	(29)	(43)
Profit on sale of assets	(3)	(10)
Loss allowance for doubtful trade receivables (Net)	38	48
Finance costs	181	210
Fair Value Loss/(Gain) on Current Investments (measured at Fair Value through Profit & Loss)	27	(157)
Profit on redemption of current investments	(300)	(35)
Interest Income		
- on fixed deposits	(5)	(9)
- income tax refund	(84)	(140)
Dividend income received from subsidiary	(9,252)	-
Operating profit before working capital changes	**4,320**	**3,711**
(Increase)/Decrease in Trade receivables	(992)	(179)
(Increase)/Decrease in other financial assets	66	(134)
(Increase)/Decrease in other assets	(117)	(114)
Increase/(Decrease) in trade payables	548	(214)
Increase/(Decrease) in other financial liabilities	1	(81)
Increase/(Decrease) in other liabilities	121	2
Increase/(Decrease) in provisions	105	32
Cash Generated from Operations	**4,052**	**3,023**
Net income tax (refunded) / paid	(736)	517
Net cash flow generated from operating activities	**3,316**	**3,540**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Other intangible assets and Intangible assets under development	(1,203)	(649)
Proceeds from sale of Property, plant and equipment	5	66
(Purchase) / Sale of current investments (net)	550	(1,440)
Interest received on fixed deposits	5	16
Proceeds received on maturity of fixed deposits	111	-
Dividend income received from subsidiary	9,252	-
Tax Expenses on Dividend received from subsidiary	(1,390)	-
Net cash flow from / (used) in investing activities	**7,330**	**(2,007)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(16)	(24)
Repayment of Lease Liabilities	(1,459)	(1,208)
Interest paid	(181)	(210)
Dividend paid	(9,132)	-
Net cash flow used in financing activities	**(10,788)**	**(1,442)**

DELOITTE HASKINS & SELLS CHENNAI CHARTERED ACCOUNTANTS

Allsec Technologies Limited Chennai 600 042

Allsec Technologies Limited
Standalone Cash Flow Statement for the year ended 31 March 2022
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net (decrease) / increase in cash and cash equivalents	(142)	91
Effect of exchange differences on cash & cash equivalents held in foreign currency	76	(65)
Cash and cash equivalents at the beginning of the year	3,737	3,711
Cash and cash equivalents at the end of the year	3,671	3,737
Components of cash and cash equivalents (Refer Note 10)		
Cash on hand	-	-
With banks- in current account	3,671	3,737
Total cash and cash equivalents	3,671	3,737

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 : 14 May 2022

DELOITTE HASKINS & SELLS CHENNAI CHARTERED ACCOUNTANTS

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

Ajit Abraham Isaac
Chairman

Place : Bengaluru
Date : 14 May 2022

Guruprasad Srinivasan
Director

Place : Bengaluru
Date : 14 May 2022

Ashish Johri
Chief Executive Officer

Place : Chennai
Date : 14 May 2022

Raghunath P
Chief Financial Officer

Place : Chennai
Date : 14 May 2022

Sripiriyadarshini
Company Secretary

Place : Chennai
Date : 14 May 2022

Allsec Technologies Limited Chennai 600 042

Allsec Technologies Limited
Statement of Changes in Equity
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

A. Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	1,524	1,524
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	1,524	1,524
Changes in equity share capital during the year	-	-
Balance as at end of the year	**1,524**	**1,524**

B. Other equity

Particulars	Reserves and Surplus				Total
	General reserve	Retained earnings*	Capital reserve	Securities premium	
Balance at 01 April 2020	1,413	1,280	(2,175)	12,019	12,537
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	1,413	1,280	(2,175)	12,019	12,537
Total Comprehensive Income 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
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	1,413	2,848	(2,175)	12,019	14,105
Total Comprehensive Income for the year	-	9,753	-	-	9,753
Dividends (Refer Note 37)	-	(9,143)	-	-	(9,143)
Remeasurement of defined benefits plan (net of taxes)	-	(34)	-	-	(34)
Balance at 31 March 2022	1,413	3,424	(2,175)	12,019	14,681

* Remeasurement of defined benefits plan (net of taxes) are recognised as part of Retained earnings

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 : 14 May 2022

DELOITTE HASKINS & SELLS ★ CHARTERED ACCOUNTANTS ★ CHENNAI

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

Ajit Abraham Isaac
Chairman

Place : Bengaluru
Date : 14 May 2022

Guruprasad Srinivasan
Director

Place : Bengaluru
Date : 14 May 2022

Ashish John
Chief Executive Officer

Place : Chennai
Date : 14 May 2022

Raghunath P
Chief Financial Officer

Place : Chennai
Date : 14 May 2022

Sripiriyadarshini
Company Secretary

Place : Chennai
Date : 14 May 2022

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 two wholly owned subsidiaries, Allsectech Inc., USA and Allsectech Manila Inc., Philippines

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:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, vide Notification No G S.R 255(E), applicable from 01 April 2022 as below:

Ind AS 103 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Property Plant and equipment (Proceeds before intended use)

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the statement of profit and loss. The Group does not expect the amendment to have any impact in its recognition of its property, plant and equipment in its financial statements

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets - Onerous contracts - Costs of fulfulling a contract

The amendments specify that the 'cost of fulfulling' a contract comprises the 'costs that related directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling the contract (example would be direct labour, material) or an allocation of other costs that relate directly to fulfilling the contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendments clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to decognise a financial liability. The Group does not expect the amendment to have any significant impact in its 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 Group 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 CHARTERED ACCOUNTANTS

Allsec Technologies Limited Chennai-42

2.2 Use of estimates

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Examples of such estimates include provision for doubtful debts/advances, provision for employee benefits, useful lives of fixed assets, provision for taxation, provision for contingencies etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and/or in future years, as applicable.

2.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand, balances with banks in current accounts and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Revenue from contracts with customers

The Company derives revenues primarily from services comprising the DBS and HRO services for customer in India and outside India. Effective 01 April 2018, the Company has adopted Ind AS 115, Revenue from Contracts with Customers, using modified retrospective method, applied to contracts that were not completed as at 01 April 2018. The following is a summary of the significant accounting policies related to revenue recognition.

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process:
1 Identifying the contract with customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations
5 Recognising revenue when/as performance obligation(s) are satisfied.
Revenue from contracts with customers is recognised upon transfer of control of promised products or services to the customer at an amount that reflects the consideration the company expects to receive in exchange for those products or services. Agreements with customers are either on a fixed price, fixed time frame or on a time- and - material basis.

Revenue on time-and-material basis contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time 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 the 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.

In arrangements for one time services, the Company has applied the guidance in Ind AS 115, *Revenue from Contracts with Customers*, by applying the revenue recognition criteria for each distinct performance obligation. The contracts with customers generally meet the criteria for considering the principal service and one-time service as distinct performance obligations and consideration for the each of such service is clearly specified in the contract, that enables to arrive at the transaction price for each performance obligations which is best evidence of its standalone selling price.

2.6 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive the payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.7 Property, plant and equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment loss (if any). The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates and includes taxes, duties, freight, incidental expenses related to the acquisition and installation of the assets concerned and is net of Goods and Service Tax (GST), wherever the credit is availed. Borrowing costs paid during the period of construction in respect of borrowed funds pertaining to construction / acquisition of qualifying property, plant and equipment is adjusted to the carrying cost of the underlying property, plant and equipment.

Any part or components of Property, Plant and Equipment which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalised separately, based on the technical assessment of the management.
Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalised, where there is a certainty of deriving future economic benefits from the use of such assets.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as "Capital Advances" under Other Non Current Assets and cost of Property, Plant and Equipment not ready to use before such date are disclosed under "Capital Work- in- Progress".

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Depreciation:

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method The management, basis its past experience and technical assessment, has estimated the useful life in order to reflect the actual usage of the assets The estimated useful lives of assets are as follows:

Asset Description	Useful lives (years) followed by the Company	Useful lives (years) prescribed by schedule II to the Companies Act,2013.
Computers and Servers	3-10	3
Call Centre Equipment	3-10	15
Furnitures and Fixtures	3-10	10
Office Equipment	5	5
Motor Vehicles	3-5	8

Leasehold improvements are amortised over the estimated useful lives or the remaining primary lease period, whichever is less

The estimated useful lives mentioned above are different from the useful lives specified for certain categories of these assets, where applicable, as per the Schedule II of the Companies Act, 2013 The estimated useful lives followed in respect of these assets are based on Management's assessment and technical advise, taking into account factors such as the nature of the assets, the estimated usage pattern of the assets, the operating conditions, past history of replacement, anticipated technological changes and maintenance support etc

Depreciation is accelerated on property, plant and equipment, based on their condition, usability etc , as per the technical estimates of the Management, where necessary.

Derecognition of Property, Plant and Equipment:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss

2.8 Other intangible assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

• the technical feasibility of completing the intangible asset so that it will be available for use or sale;

• the intention to complete the intangible asset and use or sell it;

• the ability to use or sell the intangible asset;

• how the intangible asset will generate probable future economic benefits;

• the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

• the ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately

Amortisation

Intangible assets are amortised on a straight line basis over the estimated useful economic life Costs incurred towards purchase of computer software are amortised using the straight-line method over a period based on management's estimate of useful lives of such software or over the license period of the software, whichever is shorter

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised

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2.9 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units 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). When 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. When 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, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal 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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a 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 recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.10 Leases

The Company's lease asset classes primarily consist of leases for buildings and computers. 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.
The Company, as a lessee, recognize, at the inception of the lease a right-of-use asset and a lease liability (representing present value of unpaid lease payments). Such right-of-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance cost subject to certain re-measurement adjustments.

2.11 Foreign currency Transactions

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

Subsequent Recognition:
As at the reporting date, non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Treatment of Exchange Differences:
All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate and exchange differences on restatement of all monetary items are recognized in the Statement of Profit and Loss.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

2.12.1 Financial Assets

(a) Recognition and initial measurement

(i) The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

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(b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated 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 asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy in financial assets measured at amortised cost, refer Note 2.12 e

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognized 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 amount outstanding.

All other financial assets are subsequently measured at fair value.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previous accumulated in this reserve is reclassified to profit or loss.

For the impairment policy in financial assets measured at amortised cost, refer Note 2.12.e

All other financial assets are subsequently measured at fair value.

(c) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and 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 debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

(d) Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

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(e) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss 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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

(f) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(g) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

• For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

• For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

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2.12.2 Financial Liabilities and Equity Instruments

(a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments

(c) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

(d) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL

A financial liability is classified as held for trading if:

• it has been incurred principally for the purpose of repurchasing it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
• it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
• the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
• it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

(e) Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for capital expenditure. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 3 months (for capital expenditure). These arrangements for raw materials are recognized as Acceptances (under trade payables) and the arrangements for capital expenditure are recognised as other financial liabilities

(f) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified parties fails to make payments when due in accordance with the terms of a debt instrument

Financial guarantee contracts issued by an entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

• the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
• the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

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(g) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

(h) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between 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.

Forward contracts

The group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to probable forecast transactions. Such forward contracts are initially recognized at fair value on the date on which the contract is entered into and subsequently re-measured at fair value. These forward contracts are stated at fair value at each reporting date and these changes in fair value of these forward contract is recognized in statement of profit or loss. At each reporting date the net balance after fair valuation is shown as part as of other financial asset or liability.

2.13 Investment in Subsidiaries

Investment in equity instruments issued by subsidiaries are measured at cost less impairment. Dividend income from subsidiaries and associates is recognised when its right to receive the dividend is established. The acquired investment in subsidiaries are measured at acquisition date fair value.

2.14 Employee Benefits

Retirement benefit costs and termination benefits:

Defined Benefit Plans:

Employee defined benefit plans include gratuity

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:
- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

The Company makes contribution to a scheme administered by the insurer to discharge gratuity liabilities to the employees.

Short-term and other long-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.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

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Defined Contribution Plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset). If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Group reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Group reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

Employee defined contribution plans include provident fund and Employee state insurance. All employees of the Company receive benefits from Provident Fund and Employee's State Insurance, which are defined contribution plans. Both, the employee and the Company make monthly contributions to the plan, each equalling to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributes to the Employee Provident Fund and Employee's State Insurance scheme maintained by the Central Government of India and the contribution thereof is charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

2.15 Earnings per equity share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Taxation

<u>Current Tax:</u>

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

<u>Deferred Tax:</u>

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

<u>MAT Credit Entitlement:</u>

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset, in accordance with the provisions contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), 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 same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

<u>Current and deferred tax for the year:</u>

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

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2.17 Contingent liabilities, Contingent Assets and Provisions

Provisions are recognized when the Company has a present obligation (legal/ constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
The amount recognised 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 the effect of the time value of money is material).
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 recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the standalone financial statements since this may result in the recognition of income that may never be realized

2.18 Segment Reporting

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief operating decision maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.19 Goods and ServiceTax Input Credit

Goods and service tax input credit is accounted for in the books during the period when the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

2.20 Insurance Claims

Insurance claims are accrued for on the basis of claims admitted / expected to be admitted and to the extent there is no uncertainty in receiving the claims.

2.21 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.
All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.22 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

- Useful lives of Property, plant and equipment and intangible assets
- Evaluation of Impairment indicators and assessment of recoverable value
- Provision for taxation
- Provision for disputed matters
- Allowance for Expected Credit Loss
- Fair value of financial assets and liabilities
- Assets and obligations relating to employee benefits

Determination of functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupees (₹), the national currency of India, which is the functional currency of the Company. All the financial information have been presented in Indian Rupees except for share data and as otherwise stated.

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Notes forming part of the Standalone Financial Statements for the year ended 31 March 2022

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

3 **Property, Plant and Equipment and Intangible Assets**

Particulars	Property, Plant and Equipment							
	Computers and servers	Call centre equipment	Furniture and Fixtures	Office equipment	Motor Vehicles	Leasehold improvements	Total	Other Intangible assets - Computer software
Gross block								
Balance as at 01 April 2020	394	551	91	283	223	69	1,611	751
Additions	8	62	-	30	-	128	228	302
Disposals	-	-	-	(23)	(147)	-	(170)	-
Balance as at 31 March 2021	402	613	91	290	76	197	1,669	1,053
Additions	303	120	-	68	-	13	504	63
Disposals	(103)	-	(1)	(7)	(68)	-	(179)	-
Balance as at 31 March 2022	602	733	90	351	8	210	1,994	1,116
Accumulated depreciation/amortisation								
Balance as at 01 April 2020	276	362	32	130	116	55	971	433
Depreciation/amortisation expense for the year	89	83	11	44	32	31	290	154
Disposals	-	-	-	(23)	(88)	(3)	(114)	-
Balance as at 31 March 2021	365	445	43	151	60	83	1,147	587
Depreciation/amortisation expense for the year	71	83	10	48	11	47	271	152
Disposals	(103)	-	(1)	(7)	(66)	-	(177)	-
Balance as at 31 March 2022	333	528	53	192	6	130	1,241	739
Net block								
Balance as at 31 March 2021	37	168	48	139	16	114	522	466
Balance as at 31 March 2022	269	205	37	159	2	80	753	377

Note:

1. Depreciation and amortisation expense:

Particulars	For the Year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of Property, Plant and Equipment	272	290
Amortisation of Other intangible assets	152	154
Depreciation of Right of use asset (Refer Note 27(c))	1,382	1,275
Total	1,805	1,719

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4 a) Intangible Assets under development aging schedule

Description	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
FY 2021-22					
Project in Progress	650	134	-	-	784
Grand Total	**650**	**134**	**-**	**-**	**784**
FY 2020-21					
Project in Progress	134	-	-	-	134
Grand Total	**134**	**-**	**-**	**-**	**134**

b) Intangible Assets under development completion schedule

For Intangible Assets under development, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2022 and March 31, 2021 :

Intangible Assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
FY 2021-22				
Project in Progress	784	-	-	-
Grand Total	**784**	**-**	**-**	**-**
FY 2020-21				
Project in Progress	-	-	-	-
Grand Total	**-**	**-**	**-**	**-**

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Notes forming part of the Standalone Financial statements for the year ended 31 March 2022

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

5 Investments

Particulars	As at 31 March 2022	As at 31 March 2021
A. Non-current (Unquoted)		
Investments carried at cost		
Investments in equity instruments of subsidiaries (fully paid-up)		
Allsectech Inc, USA - 100 (31 March 2021 - 100) Common stock of US $ 23,100 each, fuly paid up	1,214	1,214
Allsectech Manila Inc., Philippines - 8,12,500 (31 March 2021 - 8,12,500) Equity shares of Philippine Pesos (PHP) 100 each fully paid up	1,020	1,020
Total	2,234	2,234
Provision for impairment	(1,214)	(1,214)
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	1,214
Extent of investment in subsidiaries		
Allsectech Inc, USA	100%	100%
Allsectech Manila Inc., Philippines	100%	100%
Retreat Capital Management Inc , USA*	0%	0%
*Retreat Capital Management Inc , the wholly owned subsidiary in the US, was wound up during the previous year The Secretary of State (California) had 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	4,694	4,971
Total current investments	4,694	4,971
Aggregate amount of quoted investments and market value thereof	4,694	4,971
Aggregate book value of investments	4,694	4,971
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 2022	31 March 2021	31 March 2022	31 March 2021
Hdfc Floating Rate Debt Fund - Growth	1,338,487	1,338,487	530	508
HDFC Money Market Fund – Growth	3,291	10,186	151	450
ICICI Prudential Savings Fund - Growth	187,596	127,588	821	531
Kotak Money Market Scheme - Growth	13,436	13,436	484	466
Kotak Liquid Regular Plan Growth	-	14,607	-	605
UTI Liquid Cash Plan - Regular Growth Plan	-	4,399	-	148
UTI Money Market Fund - Regular Growth Plan	-	18,838	-	447
HDFC Floating Rate Debt Fund - Direct Plan - Growth Option	1,008,604	1,052,869	404	403
HDFC Ultra Short Term Fund – Direct Growth	3,266,716	2,550,008	406	304
HDFC Ultra Short Term Fund – Regular Growth	-	863,090	-	102
ICICI Prudential Savings Fund - DP - Growth	127,588	71,632	553	301
Kotak Banking and PSU Debt Fund - Growth (Regular Plan)	1,769,612	598,776	937	301
Kotak Money Market Fund - Direct Plan - Growth	-	5,862	-	204
Kotak Bond Short Term Plan - Growth	706,153	-	301	-
UTI Treasury Advantage Fund - DP Growth Option	3,707	-	107	-
UTI Money Market Fund - Direct Growth Plan	-	8,386	-	201
			4,694	4,971

** No of units are in absolute numbers*

6 Other Financial Assets

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Security Deposits		
- Unsecured, considered good	521	511
- Doubtful	-	-
Advance towards rental of lease premises	-	84
Others	-	1
Total	521	596
Current		
Foreign currency forward contracts receivable	5	51
Unbilled Revenue	1,333	1,350
Other Advances	32	10
Total	1,370	1,411

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7 Non-Current tax asset

Particulars	As at 31 March 2022	As at 31 March 2021
Advance Taxes (Net of Provision for taxes)	1,059	722
Total	**1,059**	**722**

8 Other assets

Particulars	As at 31 March 2022	As at 31 March 2021
Non-Current		
Prepaid expenses	40	5
Total	**40**	**5**
Current		
Prepaid expenses	374	261
Advance to suppliers	1	1
Others	39	70
Total	**414**	**332**

9 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Receivables considered good, Unsecured*	4,489	3,507
Less: Allowance for Expected Credit Losses	(82)	(57)
Trade Receivables considered good, Unsecured	4,407	3,450
Trace Receivable - Doubtful - Unsecured	64	51
Less: Allowance for Expected Credit Losses	(64)	(51)
Trace Receivable - Doubtful - Unsecured	-	-
Total Trade Receivables	**4,407**	**3,450**
* Includes Trade Receivables from Related Parties	659	299

Trade receivables ageing schedule for the year ended as on March 31, 2022:

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
	Outstanding for the following periods from due date of payment						
Undisputed trade receivables							
- Considered good	2,872	1,512	64	35	6	-	4,489
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
	2,872	1,512	64	35	6	-	4,489
Disputed trade receivables							
- Considered good	-	-	10	1	29	19	59
- Significant increase in credit risk	-	-	-	2	3	-	5
- Credit impaired	-	-	-	-	-	-	-
	-	-	10	3	32	19	64
Total	**2,872**	**1,512**	**74**	**38**	**38**	**19**	**4,553**
Less : Expected Credit Loss Allowance							(146)
Total Trade Receivables							**4,407**

Trade receivables ageing schedule for the year ended as on March 31, 2021:

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
	Outstanding for the following periods from due date of payment						
Undisputed trade receivables							
- Considered good	2,614	835	29	20	8	1	3,507
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
	2,614	835	29	20	8	1	3,507
Disputed trade receivables							
- Considered good	-	-	-	29	4	13	46
- Significant increase in credit risk	-	-	2	3	-	-	5
- Credit impaired	-	-	-	-	-	-	-
	-	-	2	32	4	13	51
Total	**2,614**	**835**	**31**	**52**	**12**	**14**	**3,558**
Less : Expected Credit Loss Allowance							(108)
Total Trade Receivables							**3,450**

9.1 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 30 days to 90 days. (31 March 2021: Ranging from 7 days to 90 days)
(b) Trade receivables (International) are non-interest bearing and are generally on terms ranging from 30 days to 180 days (31 March 2021: Ranging from 7 days to 90 days)

Of the trade receivable balance as at March 31, 2022, ₹ 1,084 Lakh is due from two of the Company's customers i.e having more than 10% of the total outstanding trade receivable balance. There were no customers who represents more than 10% of the total receivables of the company as at 31 March 2021.

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.

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9.2 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

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.

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

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of the year	108	129
Add: Allowance towards Expected credit loss provided	54	48
Less: Allowances written off during the year	(16)	(69)
Balance at end of the year	**146**	**108**

10 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Cash on hand	-	-
(b) Balance with banks *	3,671	3,737
Total	3,671	3,737

** Bank Balance includes :*
i. Rs. 16 Lakh (FY 21: Rs.5 Lakh) of balance towards unclaimed dividends and
ii. Rs.46 Lakh (FY 21: NIL) towards CSR Expenditure kept in exclusive current accounts for the respective obligations

11 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with bank held as margin money*	28	139
	28	139

**Margin money deposits are provided as security against guarantee.*

12 Equity share capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares *	Amount	Number of Shares *	Amount
Authorised				
Equity shares of Rs.10/- each	20,000,000	2,000	20,000,000	2,000
Convertible preference shares of Rs. 100/- each	1,350,000	1,350	1,350,000	1,350
Issued, subscribed and fully paid-up				
Equity shares of Rs. 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

** No of shares are in absolute numbers*

a) There is no change in issued and subscribed share capital during the current period 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 Rs.10/- each fully paid

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares *	% holding	Number of Shares *	% holding
Conneqt Business Solutions Limited	11,182,912	73.39%	11,182,912	73.39%

** No of shares are in absolute numbers*

c) **Rights, preferences and restrictions attached to equity shares**
The Company has issued only one class of equity shares having a face value of Rs.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 persuant 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 2022.

e) **Shareholding of Promoters**

Promoter Name	31 March 2022			31 March 2021		
	No.of Shares *	% of total Shares	% changes during the year	No.of Shares *	% of total Shares	% changes during the year
Conneqt Business Solutions Limited	11,182,912	73.39%	0%	11,182,912	73.39%	0%

** No of shares are in absolute numbers*

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

13 Other equity

	Particulars	As at 31 March 2022	As at 31 March 2021
a)	**Securities Premium (Refer Note 13.1 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 13.2 below)**		
	Balance at the beginning of the year	(2,175)	(2,175)
	Add : Additions made during the year	-	-
	Balance at the end of the year	**(2,175)**	**(2,175)**
c)	**General reserve (Refer Note 13.3 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 13.4 below)**		
	Balance at the beginning of the year	2,848	1,280
	Less: Dividends (Refer Note 37)	(9,143)	-
	Add: Profit for the year	9,753	1,597
	Add : Remeasurement of defined benefits plan (net of taxes)	(34)	(29)
	Balance at the end of the year	**3,424**	**2,848**
	Total	**14,681**	**14,105**

Notes:

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

13.2: Capital reserve comprises initial application money on warrants received, forfeited subsequently

13.3: This represents appropriation of profit by the Company

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

14 Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
From banks		
(i) Finance lease obligation (Secured) #	-	16
Less: Current Maturities of long-term borrowings	-	15
Total	-	1
Current		
From banks		
(i) Current Maturities of long-term borrowings (Secured) #	-	15
Total	-	**15**

Finance lease from HDFC Bank - Secured

Original Tenor (in Months)	Interest Rate	No. of Instalments outstanding as at 31 March 2022	Repayment Terms	As at 31 March 2022
Ranging between 36 - 60	Ranging between 8% - 10%	NIL	Principal Quarterly, Interest Monthly	-

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 8.25% - 10.75%	91	Principal Quarterly, Interest Monthly	16

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 2021: 8%-10% p.a) with repayment term ranging from 3 to 5 years.

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15 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Creditor for Capital Goods	14	-
Unclaimed dividend	16	5
Others	1	-
Total	**31**	**5**

16 Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for Gratuity	605	508
	605	**508**
Current		
Gratuity	60	60
Compensated absences*	217	209
Provision for CSR Expenditure (Refer Note 25)	46	-
	323	**269**

*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.

17 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
- Other than Acceptances (Refer Note 31)		
- Dues of Micro Enterprises and Small Enterprises	17	2
- Dues of Creditors Other than Micro Enterprises and Small Enterprises*	2,173	1,640
Total Trade payables	**2,190**	**1,642**
* Includes Trade Payable to Related Parties	103	85

There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises. During the year ended March 31, 2022 and March 31, 2021, all the dues were paid to MSME vendors within the agreed credit terms

Trade payables ageing schedule for the year ended as on March 31, 2022 :

Particulars	Outstanding for the following periods from date of transaction					
	Not Due	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
(i). MSME	17	-	-	-	-	17
(ii). Others	2,135	38	-	-	-	2,173
(iii). Disputed Dues - MSME	-	-	-	-	-	-
(iii). Disputed Dues - Others	-	-	-	-	-	-
Total Trade payables	**2,152**	**38**	**-**	**-**	**-**	**2,190**

Trade payables ageing schedule for the year ended as on March 31, 2021 :

Particulars	Outstanding for the following periods from date of transaction					
	Not Due	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
(i). MSME	2	-	-	-	-	2
(ii). Others	1,612	28	-	-	-	1,640
(iii). Disputed Dues - MSME	-	-	-	-	-	-
(iii). Disputed Dues - Others	-	-	-	-	-	-
Total Trade payables	**1,614**	**28**	**-**	**-**	**-**	**1,642**

18 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from customers	23	28
Statutory dues payable	381	255
	404	**283**

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

19 Revenue from operations

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Revenue from Services:		
A. Digital Business Solutions (DBS)		
(i) International	4,885	3,560
(ii) Domestic	6,509	5,970
B. Human Resource Operation (HRO)		
(i) International	1,740	1,617
(ii) Domestic	8,987	7,718
	22,121	18,865

(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	For the Year ended 31 March 2022	Year ended 31 March 2021
Receivables, which are included in 'Trade and other receivables'	4,407	3,450
Unbilled Revenue	1,333	1,350

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).

20 Other Income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Dividend Income from Subsidiaries	9,252	-
Interest Income		
- on fixed deposits	5	9
- income tax refund	84	140
- Others	15	-
Net gain arising on Financial Assets designated as at Fair Value through Profit or Loss	(27)	163
Profit on redemption of current investments	300	35
Net gain on foreign currency transaction and translation	151	24
Profit on sale of assets	3	10
Miscellaneous income	5	-
	9,788	381

21 Employee benefits expense

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Salaries, wages and bonus	11,964	10,652
Contribution to provident and other funds	875	738
Staff welfare expenses	516	297
	13,355	11,687

22 Finance costs

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Interest expense		
(i) Interest on finance lease obligations	1	2
(iii) Interest accrued on lease liabilities	180	208
	181	210

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23 Other expenses

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Professional and Consultancy Charges	1,681	1,281
Travelling and Conveyance	82	40
Power and Fuel	443	368
Rent	59	48
Repairs and maintenance		
-Machinery	998	542
-Others	302	286
Insurance expenses	34	6
Fees, rates and taxes	-	4
Sales and marketing expenses	101	95
Communication charges	42	42
Connectivity cost	498	459
Security charges	178	155
Bank charges	6	11
Allowance for Expected Credit Losses	54	48
Bad Receivables Written off	16	69
Less: Release of allowance for expected credit losses	(16)	(69)
	-	-
Corporate social responsibility expenditure (Refer note 25)	51	52
Directors' sitting fees	7	7
Directors' commission	17	17
Miscellaneous expenses	74	41
	4,626	**3,502**

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

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
As auditor:		
Audit fee*^	47	36
In other capacities:		
Certification fees*	3	4
Other services*	-	-
Re-imbursement of expenses*	1	3
	51	**43**

*excluding taxes

25 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 2022	For the Year ended 31 March 2021
Gross amount required to be spent by the Company during the year	51	52
Amount spent during the year		
(i) Construction or acquisition of any asset	-	-
(ii) On purpose other than (i) above*	5	52
Shortfall at the end of the year	46	-
Total of previous years shortfall	-	-
Reason for Shortfall (Refer note below)	Pertains to ongoing projects	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA

** Contribution made to entity in which Directors having significant influence*

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. Accordingly the Company is needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. During the current Financial Year, the Company has spent an amount of Rs.5 Lakh towards various activities as enumerated in the CSR Policy of the Company which covers promoting education, health and civic amenities etc. and earmarked the balance amount of the obligation amounting to Rs 46 Lakh deposited in an exclusive Current account with Bank for CSR expenditures as the ongoing project spend is in the nature of disbursement in phased manner and not completed as at the year end. The pending amount shall be spent for the intended project in the subsequent months by the Company.

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26 Taxation

26.1 Income tax expense

26.1.1 Recognised in Statement of Profit and Loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current Tax:		
In respect of the current year *	2,053	557
Adjustments in respect of earlier years	-	-
	2,053	**557**
Deferred Tax		
In respect of the current year	136	(26)
	136	**(26)**
Total income tax expense recognised in statement of profit and loss	**2,189**	**531**

During the year ended 31 March 2022, the Company has opted to avail deduction under Section 80M of Income Tax Act, 1961 in respect of dividend income of Rs 9,252 lakhs received from its wholly owned subsidiary, Allsectech Manila Inc , Philippines Consequently, out of the total foreign tax credit of Rs 1,388 lakhs as at March 31, 2022, the Company has retained foreign tax credit of Rs 16 lakhs representing tax on dividend income that can be utilised against dividends paid by the Company during the year ended 31 March 2022 and has written off the balance amount of Rs 1,372 lakhs under 'current tax expense' for the year ended 31 March 2022

26.1.2 Recognised in Other Comprehensive Income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred Tax		
Remeasurements of the defined benefit liabilities/ (asset)	12	12
Total income tax recognised in other comprehensive income	**12**	**12**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	12	12
	12	**12**

26.1.3 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 25 17% for the Financial Year as against 29 12% during previous year,as the Company opted for new tax scheme u/s 115BAA A reconciliation of income tax expense applicable to accounting profit / (loss) 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 2022	For the year ended 31 March 2021
Profit before tax	11,942	2,128
Enacted income tax rate in India	25 17%	29 12%
Computed expected tax expense	**3,006**	**620**
Tax on Dividend Income treated under special provision	(939)	-
Effect of non-deductible expenses	25	10
Effect of Special deductions	(34)	(54)
Adjustment for Bad debts actually written off during the year	4	(20)
Tax on Gain from Mutual Fund investments under special provision	(45)	-
Impact of changes in tax rate	118	-
Others	54	(25)
Total income tax expense recognised in the statement of profit and loss	**2,189**	**531**

26.2 Deferred Tax Balances

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax assets	704	1,012
Less: Deferred tax liabilities	(41)	(46)
Deferred tax asset (net)	**663**	**966**

Movement in the deferred tax balance :

Particulars	For the year ended 31 March 2022				
	Opening Balance	MAT credit utilisation	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Depreciation on Property, Plant and Equipment	530	-	(96)	-	434
Employee Benefit Expenses	244	-	(25)	12	231
Provision for Expected Credit Loss on Financial Assets	31	-	5	-	36
Impact on account of ROU asset and lease liabilities	34	-	(25)	-	9
Fair valuation adjustments - Financial Assets	(46)	-	5	-	(41)
MAT credit	173	(173)	-	-	-
Deferred Tax Asset /(Liabilities)	**966**	**(173)**	**(136)**	**12**	**663**

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**

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27 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 2022:

Particulars	Category of ROU Asset		Total
	Buildings	Computers	
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**
Balance as at 01 April 2021	1,265	446	1,711
Additions ^	2,812	-	2,812
Deletions ^	-	-	-
Depreciation*	(1,149)	(233)	(1,382)
Balance as at 31 March 2022	**2,928**	**213**	**3,141**

^ Net of adjustments on account of modifications

*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 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**
Balance as at 01 April 2021	1,363	467	1,830
Additions	2,813	-	2,813
Finance cost accrued during the year	151	29	180
Deletions	-	-	-
Payment of lease liabilities	(1,376)	(263)	(1,639)
Balance as at 31 March 2022	**2,951**	**233**	**3,184**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	1,228	1,183
Non-current lease liabilities	1,956	647

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation Expenditure	1,382	1,275
Finance Cost on Lease Liabilitities	180	208

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

Particulars	As at 31 March 2022	As at 31 March 2021
Not later than 1 year	1,449	1,289
Later than 1 year and not later than 5 years	2,142	689
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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28 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 Quess Malaysia QDigi Services limited Heptagon Technologies Private Limited MFXchange US, Inc. Quess Malaysia SDN BHD Qdigi Services Limited Trimax Smart Infraprojects Private Limited Vedang Cellular Services Private Limited
Related parties where control exists	
Subsidiaries (Wholly owned)	Allsectech Inc., USA Allsectech Manila Inc., Philippines
Entity in which Directors have significant influence	Careworks Foundation
Key management personnel	
Chief Executive Officer	Mr. Ashish Johri
Chief Financial officer	Mr. Raghunath. P
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 (till 10 February 2022)
Non-executive Non-independent director	Mr. Guruprasad Srinivasan (from 11 February 2022)
Non-executive Non-independent director	Mr. Ravi Vishwanath

* Related Party relationships are as identified by the Management.

28 Related party transactions (continued)

B. Transactions with related parties

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Income from services billed to		
Allsectech Inc., USA	3,109	1,265
Allsectech Manila Inc., Philippines	-	117
Quess Corp Limited	279	116
Conneqt Business Solutions Limited	32	35
Simpliance Technologies Pvt Ltd	30	26
Monster.Com (India) Private Limited	4	4
Heptagon Technologies Private Limited	-	-
Terrier Security Services (India) Private Limited	1	1
MFX Infotech Private Limited	5	4
MFXchange US, Inc	688	522
Quessglobal (Malaysia) Sdn. Bhd.	6	4
Qdigi Services Limited	19	20
Trimax Smart Infraprojects Private Limited *	-	-
Vedang Cellular Services Private Limited *	-	-
Careworks Foundation*	-	-
Golden Star Facilities and Services Private Limited *	-	-

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Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Purchase of capital goods		
MFX Infotech Private Limited	-	-
Terrier Security Services (India) Private Limited	-	1
Expense incurred for recruitment/professional/consulting/security/AMC etc		
MFX Infotech Private Limited	235	190
Monster Com (India) Private Limited	-	1
Simpliance Technologies Pvt Ltd	241	328
Quess Corp Limited	330	469
Terrier Security Services (India) Private Limited	179	154
Quessglobal (Malaysia) Sdn Bhd.	-	71
Heptagon Technologies Private Limited	264	-
Conneqt Business Solutions Limited	248	107
Quess Corp Manpower Supply Services LLC	33	-
Allsectech Manila Inc , Philippines	-	1
Dividend paid to Holding company		
Conneqt Business Solutions Limited	6,710	-
Dividend from wholly owned subsidiary company		
Allsectech Manila Inc., Philippines	9,252	-
Reimbursement of expenses incurred by the company		
Quess Corp Limited	53	-
Payments made towards Corporate Social Responsibility Expense		
Careworks Foundation	5	52
Remuneration and other benefits#		
Chief Executive officer	141	111
Chief Financial Officer	76	74
Company Secretary^	26	25
Non-whole-time directors	24	24

* Amount less than a lakh rupees

Remuneration and other benefits pertain to short term employee benefits. As the gratuity and compensated absences are determined for all the employees in aggregate, the post-employment benefits and other long-term benefits relating to key management personnel cannot be ascertained individually.

^ Till January 2022

C. Balances with related parties

Particulars	As at 31 March 2022	As at 31 March 2021
Investments in equity instruments of subsidiaries		
Allsectech Inc, USA	1,214	1,214
Allsectech Manila Inc , Philippines	1,020	1,020
Trade receivables		
Allsectech Inc., USA	501	168
Quess Corp Limited	73	64
Conneqt Business Solutions Limited	24	13
Simpliance Technologies Pvt Ltd	3	5
MFXchange US, Inc	53	41
Quessglobal (Malaysia) Sdn Bhd	-	1
Qdigi Services Limited	2	3
MFX Infotech Private Limited	-	2
Monster.Com (India) Private Limited	2	1
Terrier Security Services (India) Private Limited	1	1
Golden Star Facilities and Services Private Limited *	-	-

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Particulars	As at 31 March 2022	As at 31 March 2021
Trade Payable		
Simpliance Technologies Pvt Ltd	-	29
Terrier Security Services (India) Private Limited	24	-
Quess Corp Limited	7	24
Conneqt Business Solutions Limited	52	6
Heptagon Technologies Private Limited	20	20
MFX Infotech Private Limited	-	6
Salaries payable to KMP	14	15
Directors' commission payable	17	17
Other financial assets		
Quess Corp Limited	8	18
Allsectech Inc.	27	9
MFXchange US, Inc	53	41
Quessglobal (Malaysia) Sdn. Bhd *	-	1
Simpliance Technologies Pvt Ltd	1	2
QDigi Services limited	1	1
Conneqt Business Solutions Limited	2	-
Terrier Security Services (India) Private Limited*	-	-
Vedang Cellular Services Private Limited *	-	-
Careworks Foundation*	-	-
Golden Star Facilities and Services Private Limited *	-	-
Other financial liabilities		
Conneqt Business Solutions Limited	26	38
MFX Infotech Private Limited	71	12
Quessglobal (Malaysia) Sdn Bhd	-	4
Quess Corp Limited	181	36
Terrier Security Services (India) Private Limited		15
Heptagon Technologies Private Limited	22	-
Quess Corp Manpower Supply Services LLC	4	-
Simpliance Technologies Pvt Ltd	20	-
Investments made in subsidiaries		
Allsectech Inc, USA	1,214	1,214
Allsectech Manila Inc., Philippines	1,020	1,020

* Amount less than a lakh rupees

Notes:

(i) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties The Related Parties have confirmed to the Management that as at 31 March 2022 and 31 March 2021, there are no further amounts payable to / receivable from them, other than as disclosed above The Company incurs certain costs on behalf of other companies in the group. These costs have been allocated/recovered from the group companies on a basis mutually agreed to with the group companies

(ii) Remuneration and other benefits pertain to short term employee benefits. As the gratuity and compensated absences are determined for all the employees in aggregate, the post-employment benefits and other long-term benefits relating to key management personnel cannot be ascertained individually.

(iii) The remuneration payable to key management personnel is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(iv) All transactions with these related parties are priced at arm's length basis The amounts outstanding are unsecured and will be settled in cash There have been no instances of amounts due to or due from related parties that have been written back or written off or otherwise provided for during the year.

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29 Earnings per equity share

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit after tax considered as numerator for calculating basic and diluted earnings per share	9,753	1,597
Weighted average number of equity shares for the purpose of calculating Basic & Diluted EPS	15,238,326	15,238,326
Nominal value of equity shares (in ₹)	10	10
Basic EPS (in ₹)	64.00	10.48
Diluted EPS (in ₹)	64.00	10.48

30 Contingent liabilities and commitments

(a) Contingent liabilities

Claims against the company not acknowledged as debt

The Company had received a demand from the Tamil Nadu Electricity Board for an amount of ₹ 109 lakhs in January 2008 relating to reclassification disputes on the tariff category applicable to the Company in two of its delivery centers with retrospective effect from 2005. The Company had filed a writ with Hon'ble High Court of Madras seeking relief from the demand.

During the current year, the Hon'ble High Court of Madras vide its order dated 12 January 2022 directed the Company to approach the Electricity Regulatory Commission to get the grievances settled and instructed the Commission to conclude the plea in line with applicable provisions laid down by the Commission in this regard. The Company believes that the amount is not payable and continues to considers the claim to be contingent liability.

(b) Commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Capital commitments that are not cancellable - Estimated amount of capital contracts remaining to be executed	5	3

31 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars*	2021-2022	2020-2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	17	2
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as	-	-

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

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32 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 2022	For the year ended 31 March 2021
Included under 'Contributions to Provident and other Funds'		
Contributions to Employee state insurance	132	165
Contributions to provident funds	609	484

b) Defined Benefit Plans:

The Company offers 'Gratuity' (Refer Note 21 - 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 2022. 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 2022	Year ended 31 March 2021
Changes in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	**778**	**690**
Interest cost	41	39
Current service cost	87	61
Past service cost	-	-
Benefits paid	(145)	(56)
Actuarial loss	47	44
Present value of defined benefit obligation at the end of the year	**808**	**778**
Changes in fair value of plan assets		
Fair value of plan assets at the beginning of the year	**210**	**181**
Expected return	10	11
Contributions by the Company	67	81
Benefits paid and charges deducted	(145)	(66)
Actuarial gains	1	3
Fair value of plan assets at the end of the year	**143**	**210**
Net defined benefit obligation (deficit)	**665**	**568**
Current	60	60
Non-current	605	508

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Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Amount recognised in profit or loss		
Current service cost	87	61
Past service cost	-	-
Interest cost	41	39
Expected return on planned assets	(10)	(11)
Total amount recognised in profit or loss	**118**	**89**
Amount recognised in other comprehensive income		
Remeasurement due to changes in actuarial assumptions	46	41
Total amount recognised in other comprehensive income	**46**	**41**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Significant actuarial assumptions		
a) Discount rate and expected return on plan assets	6.03%	5.64%
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%

a. 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.

b. 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.

c. Attrition rate considered is the management's estimate based on the past trend of employee turnover in the Company

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	Attrition Rate		Discount Rate		Future Salary Increase	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2022						
Sensitivity Level	1%	-1%	1%	-1%	1%	-1%
Impact on defined benefit obligation	8	(10)	(83)	98	91	(80)
31 March 2021						
Sensitivity Level	1%	-1%	1%	-1%	1%	-1%
Impact on defined benefit obligation	5	(6)	(84)	100	94	(83)

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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 13 years (31 March 2021: 12.70 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 2022					
Defined benefit obligation	35	54	183	212	484
31 March 2021					
Defined benefit obligation	26	41	171	178	416

c) Compensated Absences

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Included under ' Salaries and Bonus ' *	8	41

** Net of encashments*

Particulars	As at 31 March 2022	As at 31 March 2021
(b) Net asset / (liability) recognised in the Balance Sheet	**217**	**209**
Current portion of the above	217	209
Non - current portion of the above	-	-

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

Particulars	2021-2022	2020 -2021
Discount Rate (% p.a)	6.03%	5.64%
Future Salary Increase (% p.a)	5.00%	5.00%

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33 Ratios

The following are analytical ratios for the year ended 31 March 2022 and 31 March 2021

Particulars	Numerator	Denominator	31 March 2022	31 March 2021	Variance	Remarks
Current Ratio	Current assets	Current liabilities	3.5	4.1	-16%	
Debt – Equity Ratio	Total Debt (including lease liabilities)*	Shareholder's Equity	0.2	0.1	66%	Refer Note 1
Debt Service Coverage Ratio	Earnings available for debt service **	Debt Service @	7.5	1.0	674%	Refer Note 2
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	61%	11%	470%	Refer Note 2
Trade receivables turnover ratio	Revenue	Average Trade Receivable	5.6	5.6	1%	
Trade payables turnover ratio	Purchases and adjusted other expenses	Average Trade Payables	9.4	8.7	8%	
Net Capital turnover ratio	Revenue	Working Capital	2.1	1.9	9%	
Net Profit ratio	Net Profit	Revenue	44%	8%	421%	Refer Note 2
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed #	63%	13%	367%	Refer Note 2
Return on Investment (ROI)	Income generated on investments ##	Average Investments ###	6%	5%	17%	

* *Total debts for the year ended 31 March 2022 comprises of Lease liabilities alone and for the year ended 31 March 2021 it comprises of Borrowings and Lease liabilities*

** *Comprises of Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.*

@ *Debt Service comprises of lease payments, Interest payments and repayment of borrowings*

\# *Capital Employed = Total shareholders equity + Total Debt (including lease liabilities)*

\## *Income generated on investments = Interest income on fixed deposits + Mutual fund investment gain*

\### *Average Investments = Average of investments in mutual funds, margin money and other bank deposits*

Note 1 Variance is on account of extension of period leased premises / new premises, which led to increase in the balance of lease liabilities. Also, there is a dividend payout during the year, which led to decrease in the value of equity.

Note 2 Variance is on account of dividend income received from Allsectech Manila Inc., ("the subsidiary") during the year amounting to Rs.9,252 Lakh reported under Other income.

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34 Financial Instruments

34.1 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 2022	As at 31 March 2021
Borrowings	-	16
Cash and Bank Balance	(3,699)	(3,876)
Net Debt over and above the cash and bank balances (A)	-	-
Total Equity (B)	**16,205**	**15,629**
Net Debt to equity ratio (A/B)	- %	- %

34.2 Categories of Financial Instruments

The carrying value of the financial instruments by categories as on 31 March 2022 and 31 March 2021 is as follows:

Particulars	Carrying Value		Fair Value	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
(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	4,694	4,971	4,694	4,971
- Other financial assets	-	-	-	-
Measured at amortised cost				
- Cash and Bank balances	3,671	3,737	3,671	3,737
- Other Bank balances	28	139	28	139
- Trade receivables	4,407	3,450	4,407	3,450
- Other financial assets	1,891	2,007	1,891	2,007
	15,711	**15,324**	**15,711**	**15,324**
(b) Financial Liabilities :				
Measured at fair value through P&L				
- Other financial liabilities	-	-	-	-
Measured at amortised cost				
- Borrowings	-	16	-	16
- Trade Payables	2,190	1,642	2,190	1,642
- Lease Liabilities	3,184	1,830	3,184	1,830
- Other financial liabilities	31	5	31	5
	5,405	**3,493**	**5,405**	**3,493**

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

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 2022 and 31 March 2021

34.3 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 2022				
Interest bearing*	1,228	1,956	-	3,184
Non-interest bearing	2,221	-	-	2,221
Total	**3,449**	**1,956**	**-**	**5,405**
31 March 2021				
Interest bearing	1,198	648	-	1,846
Non-interest bearing	1,647	-	-	1,647
Total	**2,845**	**648**	**-**	**3,493**

*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 2022				
Interest bearing	28	-	-	28
Non-interest bearing	14,142	521	1,020	15,683
Total	**14,170**	**521**	**1,020**	**15,711**
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**

(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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(c) Market Risk :

Market risk is the risk of loss of any future earnings, in realizable fair values or in future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(c.1) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's management monitors the interest fluctuations, if any, and accordingly, take necessary steps to mitigate any interest rate risk.

Interest rate sensitivity analysis

Borrowings that existed as at 31 March 2022 are at fixed interest rates and hence the Company is not exposed to changes in market interest rates.

(c.2) Foreign Currency Risk Management :

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

Particulars	Currency	As at 31 March 2022 Amount ₹ In lakhs	As at 31 March 2021 Amount ₹ In lakhs
Financial Assets (Trade Receivables, Unbilled Revenue & Cash and Cash equivalents)	USD	3,102	2,995
Financial Assets (Trade Receivables & Unbilled Revenue)	SGD	5	6
Financial Liabilities (Trade Payables and Provisions)	USD	25	-
Financial Liabilities (Trade Payables and Provisions)	RM	-	4

Foreign Currency sensitivity analysis:

The following table details the Company's sensitivity to a 10% increase and decrease in ₹ against the relevant foreign currencies. 10% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates a increase in profit / decrease in loss and increase in equity where the ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

Impact on Profit and loss for the reporting period

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2021
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	308	308	300	300
SGD	1	1	1	1

Impact on total equity as at end of the reporting period

Particulars	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021	As at 31 March 2021
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	308	308	300	300
SGD	1	1	1	1

Note :

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Company at the end of the reporting period.

34.4 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

34.5 Offsetting of financial assets and financial liabilities

The Company has not offset financial assets and financial liabilities.

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35 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 March 2022	31 March 2021		
Investments in Mutual Funds	4,694	4,971	Level 1	Quoted Net Asset Value in Active Markets
Foreign Currency Forward contracts	5	51	Level 2	Refer below

There have been no transfers between Level 1 and Level 2 for the year ended 31 March 2022 and 31 March 2021

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.

36 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.

37 Dividend

During the Financial Year, the Company declared and paid out Interim Dividend of ₹ 15 per equity share (150% of par value of ₹ 10 each) each pursuant to the approval of the Board of Directors, at their meeting held on 29 April 2021 and Rs. 45/- per equity share (450% of par value of ₹ 10 each) pursuant to the approval of the Board of Directors, at their meeting held on 28 October 2021. The Company is in compliance with Section 123 of the Act.

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38 Note on Covid 19 assessment

In assessing the recoverability of receivables including unbilled receivables, other contractual assets and related costs and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports. 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.

39 Relationship with struckoff companies

The Company reviewed the status of all its customers and vendors Company, as at 31 March 2022, in MCA portal, and observed that the Company does not have any transaction or outstanding with struckoff Companies under Section 248 of Companies Act, 2013 or Section 560 of Companies Act,1956.

40 Other Disclosures

(a) The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the income tax assessments under the provisions of Income Tax Act, 1961

(b) The Company neither has any immovable property nor any title deeds of Immovable Property not held in the name of the Company

(c) The Company neither has traded nor invested in Crypto currency or Virtual Currency during the Financial year

(d) The Company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period, as at the year ended 31 March 2022.

(e) During the Financial year, the Company has not revalued any of its Property, Plant and Equipment, Right of Use Asset and Intangible Assets.

(f) The Company does not have any investment properties as at 31 March 2022 as defined in Ind AS 40.

(g) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under Benami Property Transactions (Prohibition) Act, 1988.

(h) The Company has not advanced or loaned or invested funds to any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(i) The Company has not granted any loans or advance in the nature of loans to promoters, directors, Key Managerial Personnel and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(j) As at 31 March 2022, the Company has two wholly owned subsidiaries (Refer Note 1) and the Company complies with clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

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41 Approval of Financial Statements

In connection with the preparation of the standalone financial statements for the year ended 31 March 2022, 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 14 May 2022 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 : 14 May 2022

Guruprasad Srinivasan
Director

Place : Bengaluru
Date : 14 May 2022

Ashish Johri
Chief Executive Officer

Place : Chennai
Date : 14 May 2022

Raghunath P
Chief Financial Officer

Place : Chennai
Date : 14 May 2022

Sripiriyadarshini
Company Secretary

Place : Chennai
Date : 14 May 2022

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS CHENNAI

Allsec Technologies Limited Chennai 600 042

CA. Lokesh Kumar
B.Com (A&F), ACA.
Chartered Accountant

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **M/s. BILLION CAREERS PRIVATE LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of BILLION CAREERS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Statement of changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies, notes to the standalone financial statements 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 31st March, 2022, and its Loss, 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 (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 standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone 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 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 standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including Annexure to the Board's Report but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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

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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 Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity 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.

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 also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities 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.
- 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

LOKESH KUMAR
M.No. 243276
Chartered Accountant

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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 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, 2020 ('the Order'), issued by the Central Government of India in exercise of powers conferred by section 143(11) of the Companies Act, 2013, 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 to the extent applicable that:

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

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

(c) The Balance Sheet, the Statement of Profit and Loss, 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 standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

LOKESH KUMAR M.No. 248276 Chartered Accountant

#MIG-5A, 6th MAIN, KHB COLONY, BASAVESHWARA NAGAR, BENGALURU-560079.
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(e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) Since the Company's turnover as per last audited standalone financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during year is less than Rs.25 Crores, the company is exempt from getting an audit opinion with respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2016 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, as amended, in our opinion and to the best our information and according to the explanations given to us:
(i) The Company does not have any pending litigations which would 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.

LOKESH KUMAR
Chartered Accountant
Membership No. 243276

LOKESH KUMAR M.No. 243276 Chartered Accountant

Place: Bangalore
Date: 11.05.2022

UDIN: **22243276AJNLIE6340**

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Annexure A to Independent Auditor's Report
(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of Billion Careers Private Limited of even date):

To the best of our information and according to the explanations provided to us by the company and the books of account and records examined by us in the normal course of audit, we state that:

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

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

(b) The Company has a regular programme of physical verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of three years, which in our opinion, 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 the records examined by us there are no immovable properties of land and buildings held in the name of the Company as at the balance sheet date.

(d) The company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) (a) The company does not have any inventory and hence reporting under clause 3(ii)(a) of the order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii) According to the information and explanation given to us, the company has not made any investments in and not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided guarantees or given any security or made investments to which the provisions of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the order is not applicable.

LOKESH KUMAR M.No. 243276 Chartered Accountant

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v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi) The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act for any of the activities of the company and accordingly clause (vi) of the order is not applicable.

vii) In respect of Statutory Dues:

(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 Goods and Services tax, provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, duty of excise, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

(b) 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 2022 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no material dues of Statutory Dues referred to in sub clause(a) which have not been deposited with the appropriate authorities on account of any dispute.

viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) a) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The term loan was applied for the purpose for which the loan were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

LOKESH KUMAR
M.No. 243276
Chartered Accountant

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(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, hence reporting on clause 3(ix)(f) of the Order is not applicable.

x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The company has made Right Issue of shares during the year and the requirement of section section 62 and 179 of the Companies Act, 2013 and have been complied with and the funds raised have been used for the purposes for which the funds were raised.

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

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) There are no whistle-blower complaints received during the year by the company.

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

xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) (a)As per Rule 13 of the Companies (Accounts) Rules, 2014, private limited company having turnover less than Rs.200 crores during the immediate preceding financial year or outstanding loans or borrowings from banks or financial institutions is less than Rs. 100 crores. Hence the Internal Audit is not applicable to the company. Hence reporting under clause 3(xiv)(a) of the Order is not applicable.

(b) The Internal Audit was not applicable to the company. Hence reporting under clause 3(xiv)(b) of the Order is not applicable.

xv) In our opinion during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

LOKESH KUMAR
M.No. 243276
Chartered Accountant

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xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b)In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii) The company has incurred cash losses in the financial year. Cash losses in FY 2021-22 is Rs. 6,44,000/-.

xviii) There has been no resignation of the statutory auditors of the Company during the year.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) The Corporate Social Responsibility (CSR) as per section 135(1) Companies Act, 2013 is not applicable to the company. Hence reporting under clause 3(xx)(a) and(b) of the order is not applicable.

xxi) There is no requirement of Consolidated financial statements for the company. Hence reporting under clause 3(xxi) of the order is not applicable.

LOKESH KUMAR M.No. 243276 Chartered Accountant

LOKESH KUMAR
Chartered Accountant
Membership No. 243276

Place: Bangalore
Date: 11.05.2022

UDIN: **22243276AJNLIE6340**

#MIG-5A, 6th MAIN, KHB COLONY, BASAVESHWARA NAGAR, BENGALURU-560079.
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Billion Careers Private Limited
Balance sheet as at 31 March 2022

(Amount in INR lakhs)

Particulars	Note	31 Mar 2022
ASSETS		
Non-current assets		
Property, plant and equipment	3	11.74
Intangible assets under development	4	408.37
Total non-current assets		**420.11**
Current assets		
Financial assets		
(i) Cash and cash equivalents	5	97.05
Total current assets		**97.05**
Total assets		**517.16**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6	601.00
Other equity	7	(115.32)
Total equity		**485.68**
Liabilities		
Current liabilities		
Financial liabilities		
(i) Trade payables	8	
a) Total Outstanding dues of micro enterprises and small enterprises		-
b) Total Outstanding dues of creditors other than micro enterprises and small enterprise		6.44
(ii) Other financial liabilities	9	25.04
Total current liabilities		**31.48**
Total Liabilities		**31.48**
Total Equity and Liabilities		**517.16**
Company overview and Significant accounting policies	**1 & 2**	

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

for and on behalf of Board of Directors of
Billion Careers Private Limited
CIN: U74140KA2021PTC154916

LOKESH KUMAR
CHARTERED ACCOUNTANT
Membership No: 243276

UDIN: 22243276AJNLIE6340

Place: Bengaluru
Date: 11th May 2022

Kundan Kumar Lal
Director
DIN: 06446995

Place: Bengaluru
Date: 11th May 2022

Ravi Vishwanath Narayanaswamy
Director
DIN: 07332234

Place: Bengaluru
Date: 11th May 2022

Billion Careers Private Limited
Statement of Profit and Loss for the year ended 31 March 2022

(Amount in INR lakhs)

Particulars	Note	For the year ended 31 Mar 2022
Income		
Revenue from operations		-
Other income		-
Total income		**-**
Expenses		
Employee benefit expenses		-
Finance costs		-
Depreciation and amortisation expense		-
Other expenses	10	6.44
Total expenses		**6.44**
Profit/(Loss) before tax		**(6.44)**
Tax expense		-
Profit/(Loss) for the year from continuing operations		**(6.44)**
Profit/(Loss) for the year		**(6.44)**
Other comprehensive income		
A.(i)Items that will not be reclassified to profit or loss		-
ii)Income tax relating to items that will not be reclassified to profit or loss		-
B.(i)Items that will be reclassified to profit or loss		-
ii)Income tax relating to items that will be reclassified to profit or loss		-
Total comprehensive income/(Loss) for the year		**(6.44)**
Earnings per equity share (face value of Rs 10 each)		
Basic (in INR)		(32.47)
Diluted (in INR)		(32.47)
Company overview and Significant accounting policies	**1 & 2**	

The notes referred to above form an integral part of the Standalone financial statements

As per our report of even date attached

for and on behalf of Board of Directors of
Billion Careers Private Limited
CIN: U74140KA2021PTC154916

LOKESH KUMAR
CHARTERED ACCOUNTANT
Membership No: 243276
UDIN: 22243276AJNLIE6340

Place: Bengaluru
Date: 11th May 2022

Kundan Kumar Lal
Director
DIN: 06446995

Place: Bengaluru
Date: 11th May 2022

Ravi Vishwanath Narayanaswamy
Director
DIN: 07332234

Place: Bengaluru
Date: 11th May 2022

LOKESH KUMAR M.No. 243276 Chartered Accountant

BILLION CAREERS PRIVATE LIMITED

BILLION CAREERS PRIVATE LIMITED

Billion Careers Private Limited
Statement of Cash Flows for the year ended 31 March 2022

(Amount in INR lakhs)

Particulars	For the year ended 31 Mar 2022
Cash flows from operating activities	
Profit / (Loss) after tax	(6.44)
Operating cash flows before working capital changes	**(6.44)**
Changes in inventories, trade receivables and unbilled revenue	-
Changes in trade payables and other financial liabilities	31.48
Cash generated from operations	**25.04**
Income taxes paid, net of refund	-
Net cash provided by/ (used in) operating activities (A)	**25.04**
Cash flows from investing activities	
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(528.99)
Net cash used in investing activities (B)	**(528.99)**
Cash flows from financing activities	
Proceeds from issue of equity shares, net of issue expenses	601.00
Net cash provided by financing activities (C)	**601.00**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	97.05
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year (refer note 05)	**97.05**

The notes referred to above form an integral part of the Standalone financial statements

As per our report of even date attached

LOKESH KUMAR
CHARTERED ACCOUNTANT
Membership No: 243276

UDIN: 22243276AJNLIE6340

Place: Bengaluru
Date: 11th May 2022

LOKESH KUMAR M.No. 243276 Chartered Accountant

for and on behalf of Board of Directors of
Billion Careers Private Limited
CIN: U74140KA2021PTC154916

BILLION CAREERS PRIVATE LIMITED

Kundan Kumar Lal
Director
DIN: 06446995

Place: Bengaluru
Date: 11th May 2022

BILLION CAREERS PRIVATE LIMITED

Ravi Vishwanath Narayanaswamy
Director
DIN: 07332234

Place: Bengaluru
Date: 11th May 2022

Billion Careers Private Limited
Statement of Changes in Equity for the year ended 31 March 2022

(Amount in INR lakhs)

Particulars	Share Capital	Other equity		Total Equity attributable to Equity holders of the Company
		Reserves and Surplus		
		Capital reserve	Retained Earnings	
Balance as at April 1, 2021	-	-	-	-
Add: Issue of Equity Shares	601.00	-	-	601.00
Add: Loss for the year	-	-	(6.44)	(6.44)
Add: Loss on slump sale of assets by Holding company	-	(108.88)	-	(108.88)
Add: Other comprehensive income for the year	-	-	-	-
Remeasurement gain/ (loss) on defined benefit plan	-	-	-	-
Other comprehensive income / (loss) for the period	-	-	-	-
Balance as at March 31, 2022	**601.00**	**(108.88)**	**(6.44)**	**485.68**

The notes referred to above form an integral part of the Standalone financial statements

As per our report of even date attached

LOKESH KUMAR
CHARTERED ACCOUNTANT
Membership No: 243276

UDIN: 22243276AJNLIE6340

Place: Bengaluru
Date: 11th May 2022

LOKESH KUMAR ★ Chartered Accountant ★ M.No. 243276

for and on behalf of Board of Directors of
Billion Careers Private Limited
CIN: U74140KA2021PTC154916

BILLION CAREERS PRIVATE LIMITED ★

Kundan Kumar Lal
Director
DIN: 06446995

Place: Bengaluru
Date: 11th May 2022

Ravi Vishwanath Narayanaswamy
Director
DIN: 07332234

Place: Bengaluru
Date: 11th May 2022

BILLION CAREERS PRIVATE LIMITED ★

Billion Careers Private Limited
Notes to the Standalone financial statements for the year ended 31 Mar 2022

3. Property, plant and equipment and Capital work-in-progress (Amount in INR lakhs)

Particulars	Computer equipment	Total
Gross carrying amount		
Acquistion through business combination	11.74	11.74
Closing gross carrying amount at 31 Mar 2022	**11.74**	**11.74**
Accumulated depreciation		
Acquistion through business combination	-	-
Closing accumulated depreciation as at 31 Mar 2022	-	-
Net Carrying amount		
As at 31 Mar 2022	**11.74**	**11.74**

LOKESH KUMAR
M.No. 243276
Chartered Accountant

BILLION CAREERS PRIVATE LIMITED

4.Intangible assets and Intangible assets under development

(Amount in INR lakhs)

Particulars	Intangible assets under development
Gross carrying amount	
Acquisition through business combination	408.37
Closing gross carrying amount at 31 Mar 2022	**408.37**
As at 31 Mar 2022	**408.37**

Following is the ageing schedule as on 31 March 2022:

(Amount in INR lakhs)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	408.37				408.37
Projects temporarily suspended					
	408.37	-	-	-	**408.37**

Following is the completion schedule for those intangible assets under development whose completion is overdue or/ and has exceeded its cost compared to

(Amount in INR lakhs)

Particulars	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	ore than 3 years
Project 1	408.37			
Project 2				

LOKESH KUMAR ★ M.No. 243276 ★ Chartered Accountant

BILLION CAREERS PRIVATE LIMITED

Billion Careers Private Limited
Notes to the Standalone financial statements as at 31 Mar 2022

5 **Cash and cash equivalents**

(Amount in INR lakhs)

Particulars	31 Mar 2022
Cash and cash equivalents	
Balances with banks	
In current accounts	97.05
Cash and cash equivalents in balance sheet	**97.05**

6 **Share capital**

Particulars	31 Mar 2022
Authorised	
70,00,000 equity shares of par value of Rs 10 each	700.00
	700.00
Issued, subscribed and paid-up	
60,10,000 (31 March 2021: Nil) equity shares of par value of Rs 10 each,	601.00
	601.00

During the year on 26th November 2021, Billion Career was incorpoarted by Quess Corp Ltd (Holding company) by subscribing to 60,10,000 shares of the Company at face value of Rs.10 each.

7 **Other equity**

Particulars	31 Mar 2022
Capital reserve account (refer note 7.1)	(108.88)
Retained earnings	(6.44)
	(115.32)

7.1 **Capital reserve**

The company has passed a resolution on 30 March 2022 for purchase of the business undertaking of Quess Corp Limited consisting of 'Qjobs', 'WorQ' and 'Dash', blue-collar platform, together with brands, trademarks, goodwill, contracts, relevant employees, inventories, receivables and payables, as the case may be, in relation to the business, as a going concern on a slump sale basis for a lump-sum consideration of ₹ INR 503.91 lakhs against the book value of asset for Rs.420.11 lakhs and salary payable of Rs.25.04 lakhs resulting in capital reserve of Rs.108.88 lakhs.

8 **Trade payables**

Particulars	31 Mar 2022
Undisputed	
- Micro enterprises and small enterprises	-
- Others	6.44
	6.44

All trade payables are current.

Trade payable ageing schedule as on 31 March 2022:

Particulars	Outstanding for the following periods from due date of payment/ date of			
	Less than 1 year	**1 - 2 year**	**2 - 3 year**	**Total**
Undisputed				
- Micro enterprises and small enterprises	-	-	-	-
- Others	6.44	-	-	6.44
Disputed				
- Micro enterprises and small enterprises				
- Others				

9 **Other financial liabilities**

Particulars	31 Mar 2022
Other Payables	
Accrued salaries and benefits	25.04
	25.04

LOKESH KUMAR M.No. 243276 Chartered Accountant

BILLION CAREERS PRIVATE LIMITED

Billion Careers Private Limited
Notes to the Standalone financial statements for the year ended 31 Mar 2022

10 Other expenses

(Amount in INR lakhs)

Particulars	For the period ended 31-03-22
Rates and taxes	6.44

11 Ratios for the year ended 31st March 2022 are as follows:

	Ratios	Numerator	Denominator	As at March 31, 2022
A	Current ratio	97.05	31.48	3.08:1
B	Debt-equity ratio	NA	485.68	NA
C	Debt service coverage ratio	(6.44)	NA	NA
D	Return on equity ratio	(6.44)	485.68	-0.01:1
F	Trade receivables turnover ratio	NA	NA	NA
G	Trade payables turnover ratio	NA	6.44	NA
H	Net capital turnover ratio	NA	65.57	NA
I	Net profit ratio	(6.44)	NA	NA
J	Return on capital employed	(6.44)	485.68	-0.01:1
K	Return on investment	(6.44)	485.68	-0.01:1

A. Current Ratio = Current Assets divided by Current Liabilities

B. Debt-equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings and lease liabilities

C. Debt Service Coverage Ratio (DSCR) = Earnings available for debt services (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc) divided by Total interest and lease payments and principal repayments

D. Return on equity ratio : Net profit after tax less preference dividend divided by Average Shareholder Equity

E. Inventory turnover ratio : Cost of materials consumed divided by Average Inventory (Opening + Closing balance / 2)

F. Trade Receivables turnover ratio = Credit Sales (Total revenue from operations +Opening Unbilled- Closing Unbilled-Opening unearned revenue+ Closing Unearned revenue) divided by Average trade receivables (Opening + Closing balance / 2)

G. Trade payables turnover ratio = Credit purchases (Cost of goods sold+ other expenses+ Opening provision for expenses- Closing Provision for expenses- Impairment loss allowance on financial asset- Loss on sale of fixed asset- forex gain loss-Expenditure on CSR-Bad debt/Deposits written off) divided by average trade payables

H. Net capital turnover ratio = Net Sales divided by Working Capital

I. Net profit ratio = Net profit after tax divided by Revenue from operations

J . Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Average Capital Employed- pre cash (Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability)

K. Return on investment: NA

LOKESH KUMAR M.No. 243276 Chartered Accountant

BILLION CAREERS PRIVATE LIMITED

Billion Careers Private Limited
Notes to the financial statements for the year ended 31 March 2022

12 Related party disclosures

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

- Holding Company	Quess Corp Limited
- 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	MFX Infotech Private Limited Quess East Bengal FC Private Limited Quess Services Limited Conneqt Business Solution Limited Allsec Technologies Limited Quess Corp (USA) Inc. Quess Corp Vietnam Limited Liability Company Brainhunter Systems Limited Quesscorp Holdings Pte. Ltd. MFXchange Holdings Inc. MFXchange (USA), Inc. Allsectech Inc. Allsectech Manila Inc

(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
Heptagon Technoilogies Private Limited**	Subsidiary of Quess Corp Ltd.	India
Terrier Security Services (India) Private Limited	Subsidiary of Quess Corp Ltd.	India
Quess East Bengal FC Private Limited	Subsidiary 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.*
***subsidiary w.e.f 1 March 2022*

LOKESH KUMAR
M.No. 243276
Chartered Accountant

BILLION CAREERS PRIVATE LIMITED

Billion Careers Private Limited
Notes to the financial statements for the year ended 31 March 2022

(A) Name of related parties and description of relationship (continued)
(ii) Key executive management personnel

Kundan Kumar Lal	Director
Ravi Vishwanath Narayanaswamy	Director
Suraj Krishna Moraje	Director (till 10-02-2022)

(B) Transactions with related parties

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2022
Other expenses	
-Quess Corp Limited	6.44
Property plant equipment and intangible asset under development	
-Quess Corp Limited	420.11

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

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2022
Trade payables	
-Quess Corp Limited	6.44
Other current financial liabilities	
-Quess Corp Limited	25.04

As per our report of even date attached

LOKESH KUMAR
CHARTERED ACCOUNTANT
Membership No: 243276

UDIN: 22243276AJNLIE6340

Place: Bengaluru
Date: 11th May 2022

for and on behalf of Board of Directors of
Billion Careers Private Limited
CIN: U74140KA2021PTC154916

Kundan Kumar Lal
Director
DIN: 06446995

Place: Bengaluru
Date: 11th May 2022

Ravi Vishwanath Narayanaswamy
Director
DIN: 07332234

Place: Bengaluru
Date: 11th May 2022

1. Company overview

Billion Careers Private Limited ('Billion Careers' or 'the Company') was incorporated on 26 November 2021 under the provisions of Companies Act, 2013. with its registered office in Bengaluru, India. To carry on the business of manpower consultant and advisors to individuals, bodies corporate, societies, undertakings, institutions, associations, government, local authorities for the recruitment of managerial personnel and other relating to the administration, organization, production, storage and marketing sales and management or industry and business and to carry on the business of industrial and business consultants and to provide services through Information Technology (IT) platform.

2. Basis of preparation

The company being a 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.

The 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 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 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 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.

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

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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.

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.

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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 2022
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.

Directly attributable costs that are capitalized as part of the software includes employee costs and an appropriate portion of relevant overheads.

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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 2022
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.

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.

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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.

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 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 selling price, or as a termination of the existing contract and creation of a new contract if not priced at the 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.

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.

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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.

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.

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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.
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.

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(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.

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 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

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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.

(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

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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.

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.

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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

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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2.18 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.

BILLION CAREERS PRIVATE LIMITED

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INDEPENDENT AUDITOR'S 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 2022, 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 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 2022, and its 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of matter

We draw attention to Note 32(iv) 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 annual report, but does not include the financial statements and our auditor's report thereon.

Conneqt Business Solutions Limited

Independent Auditors' Report on the financial statements (continued)

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' Responsibilities 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 CompanyError! Bookmark not defined. 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, 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.

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 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 in preparation of financial statements 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 (Auditor's Report) Order, 2020 ("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) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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".

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

a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 32 to the financial statements.

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

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

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 36(v) to the accounts, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 36(v) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Companies Act 2013.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231 W/W-100024

JHAHANWIJHA SHYAMSUKHA
Digitally signed by JHAHANWIJHA SHYAMSUKHA
Date: 2022.05.18 14:58:15 +05'30'

Jhahanwijha Shyamsukha
Partner
Membership No. 064550
UDIN:22064550AJEBQK5908

Place: Bengaluru
Date: 18 May 2022

Conneqt Business Solutions Limited

Annexure A to the Independent Auditor's Report

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 2022. We report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(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 has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No 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 (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) 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 revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering Business Process Outsourcing Services including Contact Centre Services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) 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 has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) 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 made any investments in companies, firms, limited liability partnership or any other parties. The Company has granted loans to other parties during the year, in respect of which the requisite information is as below. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to any other entity (employee loans) as below:

Particulars	**Employee Loans (Amount in lakhs)**
Aggregate amount during the year – Others	3.60
Balance outstanding as at balance sheet date - Others	1.73

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the grant of loans provided are, prima facie, not prejudicial to the interest of the company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) 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 granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(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 given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any services rendered by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year, since effective 1 July 2017 these statutory dues have been subsumed into GST.

Conneqt Business Solutions Limited

Annexure A to the Independent Auditor's Report (continued)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, except in case of Professional tax there has been slight delay in large number of cases.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Amount in Lakhs (net off paid under protest)	Period to which it relates to	Forum Where the dispute is pending
Finance Act,1994	Service Tax	4,099.23	2011-12 to 2016-17	Central Excise Service Tax Appellate Tribunal, Hyderabad
Goods and Service Tax Act,2017	GST	79.07	July'17 to June'18	Assistant Commissioner, Tuni Circle, Kakinada Division, Andhra Pradesh
		470.81	July'17 to March'18	Deputy Commissioner, Begumpet-STU 1
		0.94	Mar'19	Assistant Commissioner, Tuni Circle, Kakinada Division, Andhra Pradesh
		48.94	July'17 to March'18	Deputy Commissioner, Thodupuzha, Special Circle
		366.37	July'17 to March'20	Deputy Commissioner, Begumpet-STU 1
		0.88	2017-18 to 2021-22	Superintendent-Gandhinagar, Bellary
		10.75	2017-18 to 2021-22	Superintendent-Range 1, Viman Nagar
The Provident Funds Act, 1925	Provident Fund	152.03	April'14 to Aug'15	High Court of Maharashtra
Income tax Act, 1961	Income tax	211.87	2017-18	Commissioner of Income-tax (Appeals)

Conneqt Business Solutions Limited

Annexure A to the Independent Auditor's Report (continued)

(viii) 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (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 not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(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 has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act. The company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2022.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. The company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2022.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) 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 has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.

Conneqt Business Solutions Limited

Annexure A to the Independent Auditor's Report (continued)

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

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

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(c) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Conneqt Business Solutions Limited

Annexure A to the Independent Auditor's Report (continued)

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a special account within a period of 30 days from the end of the financial year in compliance with section 135(6) of the said Act.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231 W/W-100024

JHAHANWIJHA SHYAMSUKHA
Digitally signed by JHAHANWIJHA SHYAMSUKHA
Date: 2022.05.18 15:02:56 +05'30'

Jhahanwijha Shyamsukha
Partner
Membership No. 064550
UDIN: 22064550AJEBQK5908

Place: Bengaluru
Date: 18 May 2022

Annexure B to the Independent Auditors' report on the financial statements of Conneqt Business Solutions Limited for the period ended 31 March 2022.

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 (f) 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 2022 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 2022, 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.

Annexure B to the Independent Auditors' report on the financial statements of Conneqt Business Solutions Limited for the period ended 31 March 2022. (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

JHAHANWIJHA SHYAMSUKHA
Digitally signed by JHAHANWIJHA SHYAMSUKHA
Date: 2022.05.18 15:05:19 +05'30'

Jhahanwijha Shyamsukha
Partner
Membership No. 064550
UDIN: 22064550AJEBQK5908

Place: Bengaluru
Date: 18 May 2022

Conneqt Business Solutions Limited
Balance Sheet
(All amounts in INR lakhs, except share data and where otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	7,285.43	7,077.88
(b) Capital work-in-progress	3	-	57.89
(c) Right-of-use asset	3 and 31	16,055.83	13,744.82
(d) Intangible assets	4	49.43	253.22
(e) Financial assets			
(i) Investments	5.1	32,996.08	32,996.08
(ii) Other financial assets	5.2	1,166.01	1,191.11
(f) Deferred tax assets (net)	22	2,169.60	1,511.51
(g) Non-current tax assets (net)	6	1,184.65	3,417.48
(h) Other non-current assets	7	640.97	597.93
Total non-current assets		**61,548.00**	**60,847.92**
II Current assets			
(a) Financial assets			
(i) Trade receivables	8.1	21,236.70	17,273.13
(ii) Cash and cash equivalents	8.2	9,568.39	9,840.78
(iii) Loans	8.3	1.73	4.26
(iv) Other financial assets	8.4	1,187.60	1,035.60
(b) Other current assets	9	1,720.21	1,049.91
Total current assets		**33,714.63**	**29,203.68**
TOTAL ASSETS (I+II)		**95,262.63**	**90,051.60**
EQUITY AND LIABILITIES			
III Equity			
(a) Equity share capital	10	14,946.39	14,946.39
(b) Instruments entirely equity in nature	11.1	-	8,200.00
(c) Other equity	11.2	41,348.88	35,088.01
Total equity		**56,295.27**	**58,234.40**
Liabilities			
IV Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	108.97	233.26
(ii) Lease Liabilities		11,622.62	10,015.63
(b) Other non-current liabilities	13	86.44	86.48
Total non-current liabilities		**11,818.03**	**10,335.37**
V Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15.1	127.01	123.65
(ii) Lease Liabilities		5,803.15	5,046.03
(iii) Trade payables	14.1		
Total outstanding dues of micro enterprises and small enterprises		125.82	151.60
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,281.98	4,029.45
(iv) Other financial liabilities	14.2	11,956.65	7,921.45
(b) Other current liabilities	15.2	2,292.80	1,718.72
(c) Provisions	16	2,561.92	2,490.93
Total current liabilities		**27,149.33**	**21,481.83**
VI Total liabilities (IV+V)		**38,967.36**	**31,817.20**
VII TOTAL EQUITY AND LIABILITIES (III+VI)		**95,262.63**	**90,051.60**
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

JHAHANWIJHA SHYAMSUKHA Digitally signed by JHAHANWIJHA SHYAMSUKHA Date: 2022.05.18 15:06:51 +05'30'

Jhahanwijha Shyamsukha
Partner
Membership No.: 064550

Place: Bengaluru
Date:18 May 2022

for **and on behalf of the Board of Directors of Conneqt Business Solutions Limited**
CIN: U64200KA1995PLC148924

Guruprasad Srinivasan Digitally signed by Guruprasad Srinivasan Date: 2022.05.18 13:54:19 +05'30'

Srinivasan Guruprasad
Chairman
DIN: 07596207

Place: Bengaluru
Date: 18 May 2022

Narayanaswamy Ravi Viswanath Digitally signed by Narayanaswamy Ravi Viswanath Date: 2022.05.18 13:45:38 +05'30'

Narayanaswamy Ravi Vishwanath
Director
DIN: 07332234

Place: Bengaluru
Date: 18 May 2022

Arjun Ramaraju Digitally signed by Arjun Ramaraju Date: 2022.05.18 13:32:07 +05'30'

Arjun Ramaraju
Chief Executive Officer

Place: Bengaluru
Date: 18 May 2022

ARANGOTTUKARA SUBRAMANIAN KRISHNAN Digitally signed by ARANGOTTUKARA SUBRAMANIAN KRISHNAN Date: 2022.05.18 13:32:43 +05'30'

A.S. Krishnan
Chief Financial Officer

Place: Hyderabad
Date: 18 May 2022

VISHNUBHOTLA SAMPATH Digitally signed by VISHNUBHOTLA SAMPATH Date: 2022.05.18 13:39:37 +05'30'

V. Sampath
Company Secretary

Place: Hyderabad
Date: 18 May 2022

Conneqt Business Solutions Limited
Statement of Profit and Loss
(All amounts in INR lakhs, except share data and where otherwise stated)

		Note	For the year ended 31 March 2022	For the year ended 31 March 2021
I	**Income**			
	Revenue from operations	17	114,015.13	89,075.64
	Other income	18	7,128.82	716.16
	Total income		**121,143.95**	**89,791.80**
II	**Expenses**			
	Employee benefits expense	19	78,787.45	61,643.41
	Finance costs	20	1,528.20	1,591.56
	Depreciation and amortisation expense	3, 4	8,095.49	8,240.20
	Other expenses	21	15,783.70	9,924.42
	Total expenses		**104,194.84**	**81,399.59**
III	**Profit before exceptional items and tax (I-II)**		**16,949.11**	**8,392.21**
IV	(Reversal of provision)/ provision for impairment of investment in subsidiary	5.1	-	(11,584.91)
V	**Profit / (Loss) after exceptional items before tax (III-IV)**		**16,949.11**	**19,977.12**
VI	**Tax expense:**			
	Current tax	22	2,754.81	1,904.54
	Deferred tax	22	(627.32)	235.28
	Total tax expense		**2,127.49**	**2,139.82**
VII	**Profit / (loss) for the year (V-VI)**		**14,821.62**	**17,837.30**
VIII	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	Re-measurement of gain /(loss) on defined benefit plan		122.23	(128.71)
	Income-tax relating to re-measurement of defined benefit plan		30.76	32.39
	Total other comprehensive income/ (loss), net of tax		**152.99**	**(96.32)**
IX	**Total comprehensive income for the year (VII+VIII)**		**14,974.61**	**17,740.98**
X	**Earnings per equity share (face value of INR 10 each)**			
	Basic (in INR)	29	**9.92**	**11.93**
	Diluted (in INR)	29	**9.69**	**10.12**

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

JHAHANWIJHA SHYAMSUKHA Digitally signed by JHAHANWIJHA SHYAMSUKHA Date: 2022.05.18 15:08:00 +05'30'

Jhahanwijha Shyamsukha
Partner
Membership No.: 064550

Place: Bengaluru
Date: 18 May 2022

for **and on behalf of the Board of Directors of Conneqt Business Solutions Limited**
CIN: U64200KA1995PLC148924

Guruprasad Srinivasan Digitally signed by Guruprasad Srinivasan Date: 2022.05.18 13:53:05 +05'30'

Srinivasan Guruprasad
Chairman
DIN: 07596207
Place: Bengaluru
Date: 18 May 2022

Narayanaswamy Ravi Viswanath Digitally signed by Narayanaswamy Ravi Viswanath Date: 2022.05.18 13:46:17 +05'30'

Narayanaswamy Ravi Vishwanath
Director
DIN: 07332234
Place: Bengaluru
Date: 18 May 2022

Arjun Ramaraju Digitally signed by Arjun Ramaraju Date: 2022.05.18 13:34:33 +05'30'

Arjun Ramaraju
Chief Executive Officer
Place: Bengaluru
Date: 18 May 2022

ARANGOTTUKARA SUBRAMANIAN KRISHNAN Digitally signed by ARANGOTTUKARA SUBRAMANIAN KRISHNAN Date: 2022.05.18 13:34:49 +05'30'

A.S. Krishnan
Chief Financial Officer
Place: Hyderabad
Date: 18 May 2022

VISHNUBHOTLA SAMPATH Digitally signed by VISHNUBHOTLA SAMPATH Date: 2022.05.18 13:39:55 +05'30'

V. Sampath
Company Secretary
Place: Hyderabad
Date: 18 May 2022

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 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit before tax	16,949.11	19,977.12
Adjustments for:		
Depreciation and amortisation expense	8,095.49	8,240.20
Profit on sale of property, plant and equipment, net	(23.20)	(7.79)
Bad debts written off	180.66	103.87
Provision for doubtful advances	-	36.06
Allowance for expected credit loss	(455.80)	(194.45)
Interest income on term deposits and others	(141.65)	(211.18)
Interest on Income tax refund	(163.79)	(402.88)
Rental Income	(66.20)	(91.31)
Unrealised exchange gain	(19.90)	-
Dividend from investment in Subsidiary	(6,709.75)	-
Finance costs	1,528.20	1,591.56
(Reversal) for impairment of investment in shares of subsidiary (Refer note 5.1)	-	(11,584.91)
Operating cash flows before working capital changes	**19,173.17**	**17,456.29**
(Increase)/Decrease in trade and other receivable	(3,681.11)	774.30
(Increase)/Decrease in loans receivables and other financial assets	(115.76)	(81.61)
(Increase)/Decrease in other assets	(705.58)	(215.23)
Increase/(Decrease) in trade payables and other financial liabilities	3,561.95	(3,181.14)
Increase/(Decrease) in other liabilities	574.04	(495.09)
Increase/(Decrease) in provisions	193.22	407.51
Cash generated from operations	**18,999.93**	**14,665.03**
Income-taxes paid, net of refund	(358.19)	2,267.41
Net cash generated from operating activities (A)	**18,641.74**	**16,932.44**
Cash flows from investing activities		
Purchase of property, plant and equipment, capital work-in-progress along with movement in capital advances and capital creditors	(1,679.79)	(1,239.33)
Proceeds from sale of property, plant and equipment	57.76	45.44
Rental income received	66.20	91.31
Interest income on term deposits and others	135.04	202.79
Fixed deposits with banks placed	(2.00)	-
Dividend income from subsidiary	6,709.75	-
Net cash used in investing activities (B)	**5,286.96**	**(899.79)**
Cash flows from financing activities		
Proceeds from long-term borrowings*	19.12	-
Redemption of convertible debentures	(8,200.00)	(6,500.00)
Repayment of long-term borrowings	(140.05)	(59.29)
Dividend Paid	(8,713.74)	-
Payment of lease liabilities	(5,649.88)	(4,920.07)
Payment of interest on lease liabilites	(1,451.79)	(1,457.31)
Finance cost paid	(76.41)	(134.25)
Net cash (used)/generated in financing activities (C)	**(24,212.75)**	**(13,070.92)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(284.05)**	**2,961.73**
Cash and cash equivalents at the beginning of the year	9,840.78	6,879.28
Exchange difference on translation of foreign currency cash and bank balances	11.66	(0.23)
Cash and cash equivalents at the end of the year	**9,568.39**	**9,840.78**

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 2022**	**As at 31 March 2021**
Balances with banks		
- In current accounts	9,368.09	7,296.78
- In EEFC accounts	200.30	32.26
- 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	**9,568.39**	**9,840.78**

***Changes in liablities arising from financing activities**

Particulars	As at 01 April 2021	Cash flow changes	Non-Cash flow changes	As at 31 March 2022
Long-term borrowings	356.91	(120.93)	-	235.98

Notes:
(i) The above cash flow statement has beeen prepared under the 'Indirect Method' as set out in the Indian Accounting Statndrad - 7 on Statement of Cash Flows.

Summary of Significant accounting polices (Refer Note 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

JHAHANWIJHA SHYAMSUKHA Digitally signed by JHAHANWIJHA SHYAMSUKHA Date: 2022.05.18 15:09:22 +05'30'

Jhahanwijha Shyamsukha
Partner
Membership No: 064550

Place: Bengaluru
Date: 18 May 2022

for **and on behalf of the Board of Directors of Conneqt Business Solutions Limited**
CIN: U64200KA1995PLC148924

Guruprasad Srinivasan Digitally signed by Guruprasad Srinivasan Date: 2022.05.18 13:51:58 +05'30'

Srinivasan Guruprasad
Chairman
DIN: 07596207

Place: Bengaluru
Date: 18 May 2022

Narayanaswamy Ravi Viswanath Digitally signed by Narayanaswamy Ravi Viswanath Date: 2022.05.18 13:46:36 +05'30'

Narayanaswamy Ravi Vishwanath
Director
DIN: 07332234

Place: Bengaluru
Date: 18 May 2022

Arjun Ramaraju Digitally signed by Arjun Ramaraju Date: 2022.05.18 13:35:58 +05'30'

Arjun Ramaraju
Chief Executive Officer

Place: Bengaluru
Date: 18 May 2022

ARANGOTTUKARA SUBRAMANIAN KRISHNAN Digitally signed by ARANGOTTUKARA SUBRAMANIAN KRISHNAN Date: 2022.05.18 13:36:13 +05'30'

A.S. Krishnan
Chief Financial Officer

Place: Hyderabad
Date: 18 May 2022

VISHNUBHOTLA SAMPATH Digitally signed by VISHNUBHOTLA SAMPATH Date: 2022.05.18 13:40:10 +05'30'

V. Sampath
Company Secretary

Place: Hyderabad
Date: 18 May 2022

Conneqt Business Solutions Limited
Statement of changes in equity
(All amounts in INR lakhs, except share data and where otherwise stated)

(a) Equity Share Capital

Equity shares of INR 10 each issued, subscribed & fully paid up	Balance at the beginning of the year	Change in equity share capital during the year	Balance at the end of the year
Balance as at 31 March 2021	**14,946.39**	**-**	**14,946.39**
Balance as at 31 March 2020	14,946.39	-	14,946.39

(b) Instruments entirely equity in nature
(1) Compulsorily Convertible Debentures

	Balance at the beginning of the year	Change in compulsorily convertible debentures capital during the year	Balance at the end of the year
Balance as at 31 March 2021	**8,200.00**	**(8,200.00)**	**-**
Balance as at 31 March 2020	14,700.00	(6,500.00)	8,200.00

(c) Other Equity

	Equity share capital	Instruments entirely equity in nature (refer Note 11.1)	Other equity - Reserves and surplus - Securities premium	Other equity - Reserves and surplus - Capital redemption reserve	Other equity - Reserves and surplus - Retained earnings	Total equity attributable to equity holders of the Company
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 benefit 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**
Balance as at 1 April 2021	**14,946.39**	**8,200.00**	**13,515.20**	**1,500.00**	**20,072.81**	**58,234.40**
Less: Dividend Payout					(8,713.74)	(8,713.74)
Less: Convertible debentures redeemed during the year (entirely equity in nature) (Refer note 11.1)		(8,200.00)	-	-	-	(8,200.00)
Profit for the year	-	-	-	-	14,821.62	14,821.62
Re-measurement of defined benefits plan, net of taxes	-	-	-	-	152.99	152.99
Balance as of 31 March 2022	**14,946.39**	**-**	**13,515.20**	**1,500.00**	**26,333.68**	**56,295.27**

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
JHAHANWIJHA SHYAMSUKHA Digitally signed by JHAHANWIJHA SHYAMSUKHA Date: 2022.05.18 15:10:43 +05'30'
Jhahanwijha Shyamsukha
Partner
Membership No.: 064550

Place: Bengaluru
Date: 18 May 2022

for **and on behalf of the Board of Directors of Conneqt Business Solutions Limited**
CIN: U64200KA1995PLC148924

Guruprasad Srinivasan Digitally signed by Guruprasad Srinivasan Date: 2022.05.18 13:50:49 +05'30'
Srinivasan Guruprasad
Chairman
DIN: 07596207
Place: Bengaluru
Date: 18 May 2022

Narayanaswamy Ravi Viswanath Digitally signed by Narayanaswamy Ravi Viswanath Date: 2022.05.18 13:46:54 +05'30'
Narayanaswamy Ravi Vishwanath
Director
DIN: 07332234
Place: Bengaluru
Date: 18 May 2022

Arjun Ramaraju Digitally signed by Arjun Ramaraju Date: 2022.05.18 13:36:56 +05'30'
Arjun Ramaraju
Chief Executive Officer
Place: Bengaluru
Date: 18 May 2022

ARANGOTTUKARA SUBRAMANIAN KRISHNAN Digitally signed by ARANGOTTUKARA SUBRAMANIAN KRISHNAN Date: 2022.05.18 13:37:14 +05'30'
A.S. Krishnan
Chief Financial Officer
Place: Hyderabad
Date: 18 May 2022

VISHNUBHOTLA SAMPATH Digitally signed by VISHNUBHOTLA SAMPATH Date: 2022.05.18 13:40:27 +05'30'
V. Sampath
Company Secretary
Place: Hyderabad
Date: 18 May 2022

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 Bangalore, Karnataka, 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, the Company has acquired controlling stake in Allsec Technologies Limited ("Allsec") during the financial year 2019-20 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 2022 and authorised for issue on 18 May 2022.

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 2022.

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.

- **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).

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.

2 Significant accounting policies (continued)

2.1. Property, plant and equipment (Continued)

iv. Depreciation methods, estimated useful lives and residual value
Depreciation is provided on a Straight Line Method ('SLM') over estimated useful life of the property, plant and equipment 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 property, plant and equipment 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.

2. Significant accounting policies (continued)

2.2 Other intangible assets (continued)

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.

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)

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.

2 Significant accounting policies (continued)

2.4 Leases (Continued)

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 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. Statement of Cash flows

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 Government grants and incentives

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset. Grants related to income are deducted in reporting the related expense in the statement of profit and loss.

2.19 Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

2. Significant accounting policies (continued)

2.19 Standards issued but not effective (Continued)

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.
The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)
The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

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

Particulars	Buildings (refer note (i) below)	Air conditioners	Electrical fittings	Furniture and fittings	Generators	Leasehold improvement	Office equipment	Vehicles (refer note (ii) below)	Information technology and networking assets	Total assets	Capital work-in-progress
Gross carrying amount											
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	57.89
Disposals	-	(8.31)	(41.82)	(20.26)	(7.05)	(41.34)	(6.76)	(109.25)	(0.04)	(234.83)	-
Transfer to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
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**	**57.89**
Balance as at 1 April 2021	3,543.96	404.15	480.21	822.17	35.66	474.39	594.37	717.82	9,362.95	16,435.68	57.89
Additions	-	1.56	18.16	163.64	-	-	34.40	19.33	2,191.61	2,428.70	-
Disposals	-	(7.33)	(25.13)	(22.97)	(0.66)	(37.89)	(12.44)	(38.04)	(177.48)	(321.96)	-
Transfer to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(57.89)
Balance as at 31 March 2022	**3,543.96**	**398.38**	**473.24**	**962.84**	**35.00**	**436.50**	**616.33**	**699.11**	**11,377.08**	**18,542.42**	**-**
Accumulated depreciation											
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**	**-**
Balance as at 1 April 2021	304.36	284.58	325.90	676.59	19.21	347.08	409.05	362.01	6,629.03	9,357.81	-
Depreciation for the year	59.62	21.90	49.64	52.59	2.74	35.58	66.85	115.46	1,782.20	2,186.58	-
Disposals	-	(5.16)	(21.18)	(21.40)	-	(34.65)	(9.21)	(20.00)	(175.79)	(287.39)	-
Balance as at 31 March 2022	**363.98**	**301.32**	**354.36**	**707.78**	**21.95**	**348.01**	**466.69**	**457.47**	**8,235.44**	**11,257.00**	**-**
Carrying amount - net											
As at 31 March 2022	**3,179.98**	**97.06**	**118.88**	**255.06**	**13.05**	**88.48**	**149.64**	**241.64**	**3,141.64**	**7,285.43**	**-**
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**	**57.89**

Note:
(i) The title deeds of immovable properties as disclosed above are held in the name of the Company.
(ii) Certain movable Property, plant and equipment are hypothecated against the non current borrowing availed by the Company.(Refer Note 12)
(iii) The company has not revalued any Property, plant and equipment after initial recognition, during the current and previous financial yea
(iv) Refer note 33 for disclosure of contractual commitments for acquisition of property, plant and equipment.

(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 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**
Balance as at 1 April 2021	21,808.91	1,016.13	1,964.77	24,789.81
Additions	5,773.49	-	2,240.50	8,013.99
Balance as at 31 March 2022	**27,582.40**	**1,016.13**	**4,205.27**	**32,803.80**
Accumulated amortisation				
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**
Balance as at 1 April 2021	9,375.21	571.58	1,098.20	11,044.99
Amortisation for the year	4,863.48	175.85	663.65	5,702.98
Balance as at 31 March 2022	**14,238.69**	**747.43**	**1,761.85**	**16,747.97**
Carrying amount - net				
As at 31 March 2022	**13,343.71**	**268.70**	**2,443.42**	**16,055.83**
As at 31 March 2021	**12,433.70**	**444.55**	**866.57**	**13,744.82**

For details regarding future minimum lease payments at the end of the year, Refer Note 31

Capital work-in-progress (CWIP) Ageing Schedule:

As at 31 March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	-	-	-	-	**-**
Projects temporarily suspended	-	-	-	-	-

Note: The company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

As at 31 March 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	57.87	-	-	-	**57.87**
Projects temporarily suspended	-	-	-	-	-

Note: The company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

(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 2020	1,617.76
Additions	32.46
Disposals	-
As at 31 March 2021	**1,650.22**
Balance as at 1 April 2021	1,650.22
Additions	2.15
Disposals	(1.42)
As at 31 March 2022	**1,650.95**
Accumulated amortisation	
As at 1 April 2020	1,101.43
Charge for the year	295.57
Disposals	-
As at 31 March 2021	**1,397.00**
Balance as at 1 April 2021	1,397.00
Charge for the year	205.94
Disposals	(1.42)
As at 31 March 2022	**1,601.52**
Carrying amounts - net	
As at 31 March 2022	**49.43**
As at 31 March 2021	**253.22**

Note:
(a) There are no intangibles under development as at 31 March 2022 and 31 March 2021.
(b) The company has not revalued any intangible assets after initial recognition, during the current and previous financial year.

		As at 31 March 2022	As at 31 March 2021
Note 5.1	**Investments**		
	(carried at cost)		
	Quoted equity shares of Subsidiary :		
	11,182,912 (31 March 2021: 11,182,912) shares of INR 10 each fully paid-up) of Allsec Technologies Limited	32,996.08	32,996.08
		32,996.08	**32,996.08**
	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	58,352.43	35,539.29

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.

During the financial year 2019-2020, 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 during FY 2020 or the investment may no longer exist or may have decreased and basis such indicators, Management had 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 which was recognized during financial year 2020 was reversed in the previous year.

The key assumptions that were used in the estimation of the recoverable amount as at 31 March 2021 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
Discount rate *	20.89%
Terminal value growth rate **	4%
Budgeted EBITDA for next 5 years***	17.2% to 20.2%

* 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 2022	As at 31 March 2021
Note 5.2	**Other non-current financial assets**		
	Bank deposit accounts with maturity more than 12 months at amortised cost*	127.00	125.00
	Security deposits	1,039.01	1,066.11
		1,166.01	**1,191.11**
	*Represents lien marked deposit against bank guarantees.		
Note 6	**Non-current tax assets (net)**		
	Advance Tax (net of provisions)	1,184.65	3,417.48
		1,184.65	**3,417.48**
Note 7	**Other non-current assets**		
	Unsecured, considered good		
	Capital advances	7.76	-
	Advances other than capital advances		
	Deposit paid under protest	554.46	569.08
	Prepaid expenses	78.75	28.85
		640.97	**597.93**

(All amounts in INR lakhs, except share data and where otherwise stated)

Note 8.1 Trade Receivables

	As at 31 March 2022	As at 31 March 2021
Trade receivables- Billed		
Current		
Trade Receivables considered good - Unsecured	11,730.85	9,503.09
Trade Receivables - which have significant increase in credit risk	126.42	104.42
Trade Receivables - credit impaired	26.19	471.88
	11,883.46	**10,079.39**
Less: Loss allowance (refer Note 25)	(152.61)	(576.30)
	(152.61)	**(576.30)**
Total (A)	**11,730.85**	**9,503.09**
Trade receivables- Unbilled		
Current		
Unbilled revenue	9,536.16	7,832.47
Less: Loss allowance (refer Note 25)	(30.31)	(62.43)
Total (B)	**9,505.85**	**7,770.04**
Total (A+B)	**21,236.70**	**17,273.13**

Trade Receivables ageing schedule:

As at 31 March 2022

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	9,536.16	7,815.44	3,612.52	364.50	66.89	17.95	6.16	21,419.62
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	(30.31)	(17.21)	(25.71)	(31.09)	(28.30)	(17.95)	(6.16)	
								(156.73)
(iii) Undisputed Trade Receivables – credit impaired		-	(1.16)	(13.79)	(11.24)	-	-	(26.19)
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	
								-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**9,505.85**	**7,798.23**	**3,585.65**	**319.62**	**27.35**	**-**	**-**	**21,236.70**

As at 31 March 2021

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	7,832.47	6,550.64	2,926.35	281.66	234.26	40.88	45.60	17,911.86
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	(62.43)	(21.49)	(24.86)	(12.54)	(27.85)	(13.50)	(4.18)	
								(166.85)
(iii) Undisputed Trade Receivables – credit impaired	-	(64.69)	(41.34)	(121.86)	(175.19)	(27.38)	(41.42)	(471.88)
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	
								-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**7,770.04**	**6,464.46**	**2,860.15**	**147.26**	**31.22**	**0.00**	**0.00**	**17,273.13**

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.

(All amounts in INR lakhs, except share data and where otherwise stated)

		As at 31 March 2022	As at 31 March 2021
Note 8.2	**Cash and cash equivalents**		
	Balance with banks		
	In current accounts	9,368.09	7,296.78
	In EEFC accounts	200.30	32.26
	In deposit accounts (having original maturity of three months or less)	-	2,511.74
		9,568.39	**9,840.78**
Note 8.3	**Loans**		
	Unsecured, considered good		
	Employee loans	1.73	4.26
		1.73	**4.26**
Note 8.4	**Other financial assets**		
	Interest accrued on deposits	29.34	22.73
	Others	136.18	75.88
	Security deposits	1,101.03	1,015.94
	Less: Provision for impairment of security deposits	(78.95)	(78.95)
		1,187.60	**1,035.60**
Note 9	**Other current assets**		
	Unsecured, considered good		
	Advance to service providers	174.96	7.48
	Prepaid expenses	1,517.53	1,030.47
	Advance to employees	27.72	11.96
		1,720.21	**1,049.91**

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 2022		As at 31 March 2021	
	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	2021-22		2020-21	
	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	149,463,887	14,946.39
Add: Shares issued	-	-	-	-
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 2022		As at 31 March 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares				
Quess Corp Limited and its nominees	149,463,887	100%	104,624,721	70%
TATA Sons Private Limited and its nominees*	-	-	44,839,166	30%

*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. During the year, 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.

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. Shares held by holding company and their nominees:

Particulars	As at 31 March 2022		As at 31 March 2021	
	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	149,463,887	14,946.39	104,624,721	10,462.47
TATA Sons Private Limited and its nominee	-	-	44,839,166	4,483.92

v. Disclosure of Shareholding of Promoters:
Disclosure of Shareholding of promoters as at March 31, 2022 is as follows

Promotoer Name	Shares held by promoters				% Change during the year
	As at 31 March 2022		As at 31 March 2021		
	No. of shares	%	No. of shares	%	
Quess Corp Limited and its nominees	149,463,887	100%	104,624,721	70%	30%
TATA Sons Private Limited and its nominee	-	-	44,839,166	30%	(30%)

vi. There are no shares issued pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immeditly preceding the reporting date.

		As at 31 March 2022	As at 31 March 2021
Note 11.1	**Instruments entirely equity in nature**		
	(i) Convertible Debentures		
	Opening balance	8,200.00	14,700.00
	Issued during the year	-	-
	Less: Redemption during the year *	(8,200.00)	(6,500.00)
		-	**8,200.00**

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.

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.

On 12 August 2021, the Board of Directors of the Company at its meeting, approved the redemption of 2,500,000 Convertible Debentures of Rs. 100/ each, aggregating INR 2,500 lakhs, out of balance 4,868,000 Convertible Debentures of INR 100/- each.

On 24 March 2022, the Board of Directors of the Company at its meeting, approved the redemption of 2,368,000 Convertible Debentures of Rs. 100/ each, aggregating INR 2,368 lakhs, out of balance 2,368,000 Convertible Debentures of INR 100/- each.

During the previous year, the Company, after obtaining written consent of Tata Sons, redeemed convertible debentures amounting to INR 6,500 lakhs during the year to Holding Company.

Note 11.2	**Other equity**		
	(i) Retained earnings		
	Opening balance	20,072.81	2,331.83
	Add: Profit for the year	14,821.62	17,837.30
	Items of Other comprehensive Income Directly recognised in retained earnings		
	Re-measurement of defined employee benefits plan, net of taxes	152.99	(96.32)
	Amount available for appropriations	**35,047.42**	**20,072.81**
	Less: Appropriations		
	Interim Dividend on Equity Shares (amount per share INR 5.38 (31 March 21: Nil))	(8,713.74)	-
	Closing balance	**26,333.68**	**20,072.81**
	(ii) Capital redemption reserve		
	Opening balance	1,500.00	1,500.00
	Shares issued during the year	-	-
	Closing balance	**1,500.00**	**1,500.00**
	(iii) Securities premium		
	Opening balance	13,515.20	13,515.20
	Shares issued during the year	-	-
	Closing balance	**13,515.20**	**13,515.20**
	Total	**41,348.88**	**35,088.01**

Nature and purpose of reserves
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.

Dividends
Dividends paid during the year ended 31 March 2022 includes an amount of INR 1.13 per share towards interim dividend declared on 17 May 2021 and an amount of INR 4.70 per share towards interim dividend declared on 28 October 2021 for the year ended 31 March 2022.

Note 12	**Borrowings**		
	Non-current		
	Secured loans		
	Vehicle loans		
	From banks (refer note 1 below)	108.97	233.26
		108.97	**233.26**

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 7.65% to 9.65% p.a. (31 March 2021: 7.85% to 10.25% p.a.) and number of instalments pending for payments are ranging between 2- 54 instalments. Amount outstanding (including current maturities) as at 31 March 2022 is INR 235.98 lakhs (31 March 2021: INR 356.91 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 2022	As at 31 March 2021
Note 13	**Other non-current liabilities**		
	Unearned revenue	86.44	86.48
		86.44	**86.48**
Note 14.1	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises	125.82	151.60
	Total outstanding dues of creditors other than micro enterprises and small enterprises*	4,281.98	4,029.45
		4,407.80	**4,181.05**

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 payables .

Trade payables ageing schedule

As at 31 March 2022

Particulars		**Outstanding for following periods from due date of payment**				
	Unbilled Dues	**Less than - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
i) MSME	-	122.10	3.66	0.06	-	125.82
ii) Others	3,398.38	842.27	24.02	6.52	10.79	4,281.98
iii) Disputed dues-MSME	-	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-	-
Total	**3,398.38**	**964.37**	**27.68**	**6.58**	**10.79**	**4,407.80**

As at 31 March 2021

Particulars		**Outstanding for following periods from due date of payment**				
	Unbilled Dues	**Less than - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
i) MSME	-	150.80	0.80	-	-	151.60
ii) Others	2,824.09	1,159.85	31.97	12.01	1.53	4,029.45
iii) Disputed dues-MSME	-	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-	-
Total	**2,824.09**	**1,310.65**	**32.77**	**12.01**	**1.53**	**4,181.05**

Details of dues of Micro Enterprises and Small Enterprises as per Micro, Small and medium Enterprises Development (MSMED) Act, 2006
The information as required under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

Particulars	**31 March 2022**	**31 March 2021**
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		
- Principal	125.82	151.60
- Interest	1.17	0.66
the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
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 the MSMED Act, 2006);	22.29	12.69
The amount of interest accrued and remaining unpaid at the end of each accounting year.	23.46	13.35
The amount of further interest remaining due and payable even in the succeeding year, 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 MSMED Act 2006.	-	-

		31 March 2022	31 March 2021
Note 14.2	**Other financial liabilities**		
	Security deposits	176.58	196.72
	Capital creditors	904.39	203.46
	Employee payables	10,875.68	7,492.52
	Other payables	-	28.75
		11,956.65	**7,921.45**
Note 15.1	**Borrowings**		
	Current		
	Current maturities of long-term borrowings		
	-Vehicle loans from bank (refer note 12)	127.01	123.65
		127.01	**123.65**
Note 15.2	**Other current liabilities**		
	Advance from customers	84.28	64.39
	Unearned revenue	32.72	29.00
	Statutory dues (PF,P Tax, TDS etc.)	2,175.80	1,625.33
		2,292.80	**1,718.72**
Note 16	**Provisions**		
	Current		
	Provisions for employee benefits		
	Compensated absences	649.08	546.47
	Gratuity (Refer note 27)	1,488.67	1,520.29
	Other provisions		
	Provision for contingencies*	424.17	424.17
		2,561.92	**2,490.93**

*Provision for contingencies represents provision towards probable liability against ongoing provident fund and electricity dispute cases.

(All amounts in INR lakhs , except share data and where otherwise stated)

		For the year ended 31 March 2022	For the year ended 31 March 2021
Note 17	**Revenue from operations**		
	Sale of services	114,015.13	89,075.64
		114,015.13	**89,075.64**

(i) Reconciliation of revenue from services recognised with the contracted price is as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract price	112,315.12	88,745.11
Adjustments for:		
Unearned income	(3.68)	(31.16)
Unbilled revenue	1,703.69	361.69
	114,015.13	**89,075.64**

(ii) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended 31 March 2022 and 31 March 2021 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 2022	For the year ended 31 March 2021
Revenues by Geography		
- Within India	108,188.84	84,021.02
- Outside India	5,826.29	5,054.62
	114,015.13	**89,075.64**

(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 2022	As at 31 March 2021
Trade receivables (net) (Refer Note 8.1)	11,730.85	9,503.09
Unbilled revenue (net) (Refer Note 8.1)	9,505.85	7,770.04
Contract liabilities (Unearned revenue and advance received from customers) (Refer Note 13 & 15.2)	203.44	179.87

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 2022 and 31 March 2021:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	179.87	316.76
Add : Additions made during the year	84.28	64.39
Less: Revenue recognised during the year	(60.71)	(201.28)
Balance at the end	**203.44**	**179.87**

(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).

(All amounts in INR lakhs , except share data and where otherwise stated)

		For the year ended 31 March 2022	For the year ended 31 March 2021
Note 18	**Other income**		
	Interest income on :		
	- Fixed deposits	21.82	60.56
	- Income tax refund	163.79	402.88
	- Others	119.83	150.62
	Rental income (Refer note 31)	66.20	91.31
	Dividend from subsidiary (Refer note 23)	6,709.75	-
	Net gain on foreign currency transactions	19.90	-
	Profit on sale of property, plant and equipment, net	23.20	-
	Gain on disposal of right-of-use assets, net	-	7.79
	Miscellaneous income	4.33	3.00
		7,128.82	**716.16**
Note 19	**Employee benefits expense**		
	Salaries and wages	69,702.09	53,220.37
	Contribution to provident and other funds (Refer note 27)	6,309.19	5,532.80
	Staff welfare expenses	2,776.17	2,890.24
		78,787.45	**61,643.41**
Note 20	**Finance costs**		
	Interest expense on:		
	- Vehicle loans	26.88	34.91
	- Other credit facilities	1.61	14.36
	- Others	0.35	25.68
	Interest on lease liability (Refer note 31)	1,451.79	1,457.31
	Bank charges	47.57	59.30
		1,528.20	**1,591.56**

(All amounts in INR lakhs , except share data and where otherwise stated)

		For the year ended 31 March 2022	For the year ended 31 March 2021
Note 21	**Other expenses**		
	Outsourcing services and other contractual costs	5,234.72	2,155.59
	Collection charges	9.69	11.52
	Power and fuel	1,306.56	1,165.74
	Rent (Refer note 31)	438.77	415.14
	Repairs and maintenance		
	- Buildings	526.14	311.44
	- Machineries	1,116.63	813.39
	- Others	164.40	83.18
	Legal and professional fees (Refer note (i) below)	1,214.79	646.87
	Rates and taxes	396.03	303.73
	Insurance	113.46	104.05
	Communication	110.29	74.08
	Travelling and conveyance	1,497.35	1,065.92
	Printing and stationery	22.93	35.70
	Business promotion	194.64	136.71
	Recruitment and training	1,191.30	455.27
	Bad debts written off	180.66	103.87
	Allowance for expected credit loss	(455.80)	(194.45)
	Provision for doubtful advances	-	36.06
	Connectivity expenses	867.70	785.87
	Security charges	647.46	571.73
	Housekeeping charges	485.06	414.27
	Technology helpdesk	369.74	294.49
	Net loss on foreign currency transactions	-	13.27
	Expenditure on corporate social responsibility (refer note ii below)	119.31	81.30
	Loss on sale of property, plant and equipment, net	-	9.98
	Miscellaneous expenses	31.87	29.70
		15,783.70	**9,924.42**

(i) Details of payments to auditors (included in legal and professional fees, excluding tax)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As Auditor		
Statutory audit fee	24.00	24.00
Tax audit fee	2.50	2.50
For Other Services		
Other attest services, certifications & reviews	18.00	20.00
For reimbursement of expenses	0.16	0.36
	44.66	**46.86**

(ii) Details of expenditure on corporate social responsibility

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
1.Gross amount required to be spent by the company during the year	119.51	81.27
2.Amount spent during the year on:		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	30.46	81.30
3.Shortfall at the end of the year	89.05	-
4. Total of previous years shortfall	-	-
5.Reason for shortfall	Refer Note (i) below	NA
6.Nature of CSR activities	Promoting Education	Promoting Education
7.Deatails of related party transactions in relation to CSR	1.70	59.98
8.Movements in the provision of liability created	89.05	-

Note (i): The unspent amount is towards an ongoing project which is expected to be completed within six months from the end of 31 March 2022. The Company has transferred the unspent amount to a special bank account in compliance of guidelines given in Sec 135 of Companies Act, 2013.

(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 2022 and 31 March 2021 are:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Statement of profit and loss account		
Current tax	2,754.81	1,904.54
Deferred tax	(627.32)	235.28
Income-tax expense reported in the statement of profit and loss	**2,127.49**	**2,139.82**
Other comprehensive income		
- Deferred tax arising on income and expense recognised in other comprehensive income	(30.76)	(32.39)
Total	**2,096.73**	**2,107.43**

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 March 2022		31 March 2021	
Profit before tax		16,949.11		19,977.12
Computed expected tax expense	25.17%	4,265.75	25.168%	5,027.84
Effect of:				
Donation paid (including CSR) (Permanent difference)	0.70%	119.31	0.41%	81.30
Dividend income	-39.59%	(6,709.75)	-	-
Tax incentives under Section 80JJAA of the Income-tax Act, 1961	5.27%	893.28	-	-
Impairment of investment in subsidiary	0.00%	-	-14.60%	(2,915.69)
Non-deductible expenses and others	21.00%	3,558.90	-0.27%	(53.63)
Total income tax expense	**12.55%**	**2,127.49**	**10.71%**	**2,139.82**

Deferred tax

Deferred tax relates to the following:

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**

Deferred tax assets/ (liabilities)	Balance as at 1 April 2021	Recognised in profit and loss during 2021-22	Recognised in OCI during 2021-22	Balance as at 31 March 2022
Deferred tax liabilities				
Property, plant and equipment	-			-
Deferred tax assets				
Property, plant and equipment	87.76	31.21		118.97
Employee benefits, net	544.33	233.82	30.76	808.91
Provision for doubtful debts, doubtful loans and contingencies	287.37	(114.69)		172.68
Provision-others	20.88	-		20.88
Tax incentives under Section 80JJAA of the Income-tax Act, 1961	-	449.64		449.64
Disallowance of expenses for short deduction/ non-deduction of TDS	150.48	55.90		206.38
Lease liability	420.69	(28.55)		392.14
Net deferred tax assets	**1,511.51**	**627.33**	**30.76**	**2,169.60**

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
Monster.com India Private Limited	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
Tata Sons Private Limited	Entity Exercising significant influence over company (till 16 April 2021)
TATA Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Infiniti Retail Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
TATA Capital Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
TATA Capital Financial Services Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
TATA Capital Housing Finance Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
TATA Cleantech Capital Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
TATA Securities Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
TATA Housing Development Company Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Kriday Reality Private Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
TATA Value Homes Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Princeton Infrastructure Private Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Arvind & Smart Value Homes LLP	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Sohna City LLP	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
HL Promotors Private Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Sector 113 Gatevida Developers Private Limited (formerly Lemon Tree Land & Developers Private Limited)	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Promont Hilltop Private Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Smart Value Homes (Peenya Project) Private Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Ardent Properties Private Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
TATA Consultancy Services Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Tata International Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
TATA Teleservices Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
TATA Teleservices (Maharashtra) Limited.	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Tata Communication Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Tata Communications Transformation Services Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Tata Communications Payment Solutions Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
TATA AIG General Insurance Company Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Tata Africa Holdings (SA) (Proprietary) Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Tata Realty and Infrastructure Limited	Subsidiary of the entity exercising significant influence over the Company (till 16 April 2021)
Smart Value Homes (Boisar) Private Limited	JV of the entity exercising significant influence over the Company (till 16 April 2021)
TATA Play Limited (formerly TATA Sky Limited)	JV of the entity exercising significant influence over the Company (till 16 April 2021)
TATA Unistores Limited	JV of the entity exercising significant influence over the Company (till 16 April 2021)
Land kart Builders Private Limited	JV of the entity exercising significant influence over the Company (till 16 April 2021)
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 2022	For the year ended 31 March 2021
Quess Corp Limited	Services rendered	789.91	530.59
	Services received	4,891.95	1,297.87
	Rental Income Received	14.63	7.00
	Dividend paid	8,713.74	-
	Redemption of Convertible Debentures	8,200.00	6,500.00
	Reimbursement of expenses - received	174.69	23.73
Terrier Security Service India Private Limited	Services rendered	63.11	45.72
	Services received	639.63	630.61
Heptagon Technologies Pvt Ltd	Services received	5.74	-

(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 2022	For the year ended 31 March 2021
Allsec Technologies Limited	Services rendered	247.80	113.07
	Services received	31.85	33.74
	Dividend received	6,709.75	-
	Reimbursement of expenses - received	0.09	0.10
Quesscorp Manpower Supply Services LLC	Services received	908.26	858.09
MFX Infotech Private Limited	Rental Income Received	51.57	60.37
	Reimbursement of expenses - received	34.88	26.57
Monster.com India Private Limited	Services rendered	63.76	-
	Services received	99.30	-
TATA Sons Private Limited	Services rendered	-	166.41
	Reimbursement of expenses - received	-	0.28
Tata Limited	Services rendered	-	34.20
	Reimbursement of expenses - received	-	2.69
Infiniti Retail Limited	Services rendered	0.08	297.62
TATA Consultancy Services Limited	Services rendered	-	803.18
	Reimbursement of expenses - received	-	14.53
Tata AIG General Insurance Company Limited	Services rendered	-	349.57
	Services received	4.81	109.73
	Reimbursement of expenses - received	-	1.60
	Claims received	-	1.52
TATA Play Limited (formerly TATA Sky Limited)	Services rendered	-	8,503.89
	Reimbursement of expenses - received	-	497.84
TATA Capital Financial Services Limited	Services rendered	-	5,358.07
	Services received	-	200.23
	Reimbursement of expenses - received	-	281.79
	Lease Rentals paid	14.24	404.21
	Purchased of Assets	-	30.90
TATA Capital Housing Finance Limited	Services rendered	-	1,844.18
	Reimbursement of expenses - received	-	89.17
TATA Housing Development Company Limited	Services rendered	-	62.36
TATA Value Homes Limited	Services rendered	-	49.46
	Reimbursement of expenses - received	-	1.44
Kriday Reality Private Limited	Services rendered	-	1.19
Sector 113 Gatevida Developers Private Limited	Services rendered	1.39	17.72
Promont Hilltop Private Limited	Services rendered	0.78	9.78
Smart Value Homes (Peenya Project) Private Limited	Services rendered	1.73	17.97
Smart Value Homes (Boisar) Private Limited	Services rendered	0.96	12.61
Princeton Infrastructure Private Limited	Services rendered	0.30	3.12
HL Promotors Private Limited	Services rendered	0.57	8.04
Tata Unistore Limited	Services rendered	-	3,296.19
	Reimbursement of expenses - received	-	49.38
Tata Capital Limited	Services rendered	-	3.47
	Services received	-	513.55
Tata Cleantech Capital Limited	Services rendered	-	11.08
	Reimbursement of expenses - received	-	0.05
Tata Securities Limited	Services rendered	-	21.38
	Reimbursement of expenses - received	-	0.64
Ardent Properties Pvt Ltd	Services rendered	1.73	21.74
Tata Teleservices Limited	Services rendered	-	70.57
	Services received	-	29.72
	Reimbursement of expenses- paid	-	95.91
Tata Teleservices (Maharashtra) Limited	Services rendered	1.96	20.06
	Services received	-	87.99
	Reimbursement of expenses- paid	-	355.44

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)

ii. Details of related party transactions (continued)

Name of the Related Party	Nature of Transaction	Amount of Transactions	
		For the year ended 31 March 2022	For the year ended 31 March 2021
Tata International Limited	Services rendered	-	16.57
Tata Communications Limited	Services rendered	-	591.66
	Services received	-	658.57
	Reimbursement of expenses - received	-	30.27
	Reimbursement of expenses - paid	-	31.38
	Rental Income Received	-	23.84
Tata Communications Payment Solutions Limited	Services rendered	0.37	4.44
	Reimbursement of expenses - received	-	0.12
Tata Africa Holdings (SA) (Proprietary) Limited	Services rendered	-	26.37
	Reimbursement of expenses - received	-	6.60
Land kart Builders Private Limited	Services rendered	2.40	49.68
Tata Realty and Infrastructure Limited	Services rendered	0.87	14.60
Key Management Personnel			
(i) Mr. Arjun Ramaraju	Remuneration*	129.80	-
(ii) Mr. Neeraj Tandon	Remuneration*	-	183.95
(iii) Mr. A S Krishnan	Remuneration*	61.13	54.51
(iv) Mr. V Sampath	Remuneration*	48.47	43.51

* 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 2022	31 March 2021
Quess Corp Limited	Trade receivables	200.61	153.49
	Trade payables	306.87	479.43
Terrier Security Services India Private Limited	Trade receivables	10.76	16.10
	Trade payables	155.52	118.34
Heptagon Technologies Pvt Ltd	Trade payables	2.90	-
MFX Infotech Private Limited	Trade receivables	-	48.48
Allsec Technologies Limited	Trade receivables	74.72	53.55
	Trade payables	26.19	13.32
Quesscorp Manpower Supply Services LLC	Trade payables	-	0.01
Monster.com India Private Limited	Trade receivables	9.41	-
	Trade payables	72.05	-
TATA Sons Private Limited	Trade receivables	-	20.37
TATA Consultancy Services Limited	Trade receivables	-	191.40
Tata AIG General Insurance Company Limited	Trade receivables	-	50.43
	Advance to Supplier	-	(109.71)
	Current Loans	-	10.00
TATA Play Limited (Formerly TATA Sky Limited)	Trade receivables	-	832.99
Infiniti Retail Limited	Trade receivables	-	49.92
TATA Capital Financial Services Limited	Trade receivables	-	900.61
	Trade payables	-	84.10
	Current Loans	-	37.16
TATA Capital Housing Finance Limited	Trade receivables	-	397.30
TATA Housing Development Company Limited	Trade receivables	-	44.84
TATA Value Homes Limited	Trade receivables	-	28.00
Kriday Reality Private Limited	Trade receivables	-	1.02
Sector 113 Gatevida Developers Private Limited	Trade receivables	-	6.30
Promont Hilltop Private Limited	Trade receivables	-	0.36
Smart Value Homes (Peenya Project) Private Limited	Trade receivables	-	27.48
Smart Value Homes (Boisar) Private Limited	Trade receivables	-	7.31
HL Promotors Pvt Ltd	Trade receivables	-	4.06

(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 2022	31 March 2021
Princeton Infrastructure Private Limited	Trade receivables	-	1.05
Tata Unistore Limited	Trade receivables	-	718.73
Tata Limited	Trade receivables	-	5.70
Tata Capital Limited	Trade receivables	-	1.35
	Trade payables	-	114.51
Tata Cleantech Capital Limited	Trade receivables	-	0.38
Tata Securities Limited	Trade receivables	-	3.31
Ardent Properties Pvt Ltd	Trade receivables	-	4.41
Tata Teleservices Limited	Trade receivables	-	21.34
Tata Teleservices (Maharashtra) Limited	Trade receivables	-	1.92
	Trade payables	-	14.59
Tata International Limited	Trade receivables	-	1.39
Tata Communications Limited	Trade receivables	-	184.09
	Trade payables	-	259.13
Tata Communications Payment Solutions Limited	Trade receivables	-	0.47
Tata Africa Holdings (SA) (Proprietary) Limited	Trade receivables	-	16.19
Land kart Builders Private Limited	Trade receivables	-	27.24
Tata Realty and Infrastructure Limited	Trade receivables	-	13.64

The Transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions other vendors.

(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 2022 is as follows:

Particulars	Carrying value		Fair value
	31 March 2022	31 March 2021	'Level
Financial assets			
Financial assets measured at amortised cost			
Trade receivables	21,236.70	17,273.13	-
Other financial assets (current and non-current)	2,353.61	2,226.71	-
Loans	1.73	4.26	-
Cash and cash equivalents	9,568.39	9,840.78	-
Total assets	**33,160.43**	**29,344.88**	**-**
Financial liabilities			
Financial liabilities not measured at fair value			
Borrowings (current and non-current)	235.98	356.91	-
Trade payables	4,407.80	4,181.05	-
Other financial liabilities	11,956.65	7,921.45	-
Total liabilities	**16,600.43**	**12,459.41**	**-**

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.

(All amounts in INR lakhs, except share data and where otherwise stated)

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 2022 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 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 2022	31 March 2021
Balance as at the beginning of the year	576.30	800.59
Loss allowances (reversed)/ recognised during the year	(423.69)	(224.29)
Balance as at the end of the year	**152.61**	**576.30**

The movement in the allowance for impairment in respect of Unbilled revenue is as follows:

Particulars	31 March 2022	31 March 2021
Balance as at the beginning of the year	62.43	32.59
Loss allowances (reversed)/ recognised during the year	(32.12)	29.84
Balance as at the end of the year	**30.31**	**62.43**

(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 2022 and 31 March 2021:

As at 31 March 2022

Particulars		Contractual cash flows			
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings (Current and Non Current)	235.98	124.22	79.16	59.42	-
Trade payables	4,407.80	4,407.80	-	-	-
Other financial liabilities	11,956.65	11,956.65	-	-	-

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 (Current and Non Current)	356.91	150.92	129.33	140.12	-
Trade payables	4,181.05	4,181.05	-	-	-
Other financial liabilities	7,921.45	7,921.45	-	-	-

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 2022 and 31 March 2021 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 2022		31 March 2021	
		Foreign currency*	INR	Foreign currency*	INR
Trade receivables	USD	388,659.87	294.57	473,644.99	346.28
	GBP	303,479.66	301.84	236,336.29	238.11
	AED	1,065,503.07	219.92	573,266.49	114.11
	QAR	38,283.91	7.92	16,063.73	3.21
	SGD	-	-	237.03	0.13
Cash and cash equivalents	USD	264,266.97	200.30	44,133.00	32.26

*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 2022	31 March 2021
USD/ INR	75.79	73.11
GBP/ INR	99.46	100.75
AED/ INR	20.64	19.91
QAR/ INR	20.69	19.96
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 2022	31 March 2021
Foreign exchange rate - Increases by 5%	51.23	36.71
Foreign exchange rate - Decreases by 5%	(51.23)	(36.71)

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 2022	As at 31 March 2021
Total Borrowings	235.98	356.91
Less: Cash and cash equivalents	9,568.39	9,840.78
Adjusted net debt (borrowings net of Cash and cash equivalents)	**(9,332.41)**	**(9,483.87)**
Total equity	**56,295.27**	**58,234.40**
Adjusted net debt to equity ratio	**(0.17)**	**(0.16)**

(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 2022 and 31 March 2021:

Reconciliation of present value of defined benefit obligation

Particulars	31 March 2022	31 March 2021
Change in defined benefit obligation		
Obligation at the beginning of the year	2,460.74	2,007.72
Current service cost	445.44	408.37
Interest cost	154.04	129.09
Liability transferred in / Acquisitions	-	43.54
Benefit paid	(291.30)	(212.28)
Actuarial loss- experience	(15.37)	17.71
Actuarial loss- demographic assumptions	1.96	-
Actuarial loss- financial assumptions	(181.19)	66.62
Obligation at end of the year	**2,574.32**	**2,460.77**
Change in plan assets		
Plan assets at beginning of the year, at fair value	940.45	819.45
Interest income on plan assets	58.87	52.69
Re-measurement- actuarial loss	(72.37)	(44.38)
Contributions	450.00	325.00
Benefits paid	(291.30)	(212.28)
Plans assets at end of year, at fair value	**1,085.65**	**940.48**

Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the end of the year	1,085.65	940.48
Present value of the defined benefit obligations at the end of the year	(2,574.32)	(2,460.77)
Liability recognised in the balance sheet	(1,488.67)	(1,520.29)

Expense recognised in statement of profit and loss

Particulars	31 March 2022	31 March 2021
Service cost	445.44	408.37
Net interest on net defined benefit liability	95.17	76.40
Total	**540.61**	**484.77**

Expenses recognised in Other comprehensive income (OCI)

	31 March 2022	31 March 2021
Re-measurement- actuarial (gain)/loss in regard with defined benefit obligation	(194.60)	84.33
Re-measurement- actuarial (gain)/loss in regard with plan assets	72.37	44.38
Total	**(122.23)**	**128.71**

Plan assets

Plan assets comprise of the following:

	31 March 2022	31 March 2021
Funds managed by Life Insurance Corporation of India	1,085.65	940.48
	1085.65	**940.48**

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.

(All amounts in INR lakhs, except share data and where otherwise stated)

Note 27 Assets and liabilities relating to employee benefits (continued)

Actuarial assumptions

Particulars	31 March 2022	31 March 2021
Expected return on plan assets	6.70%	6.26%
Discount rate	6.70%	6.26%
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 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Gratuity Plan				
Discount rate (1 % movement)	(355.64)	437.38	(359.77)	445.28
Future salary growth (1 % movement)	425.87	(353.85)	431.54	(356.63)
Withdrawal rate (1% movement)	(72.27)	83.06	(98.57)	113.63

Maturity analysis of the benefit payments: from the fund

Projected benefits payable in future years from the date of reporting:

	31 March 2022	31 March 2021
1st Following year	43.04	32.68
2nd Following year	65.14	38.51
3rd Following year	55.47	64.43
4th Following year	104.78	50.51
5th Following year	71.09	91.95
Sum of years 6 to 10	563.19	464.23
Sum of years 11 and above	7,795.45	7,284.45

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 2022	For the year ended 31 March 2021
Segment revenue		
- Within India	108,188.84	84,021.02
- Outside India	5,826.29	5,054.62
Total	**114,015.13**	**89,075.64**
Segment assets (Non-current assets)*		
- Within India	58,193.75	55,918.93
- Outside India	-	-
Total	**58,193.75**	**55,918.93**

** Segment assets excludes non-current tax assets (net) and deferred tax assets (net)*

c. Information about major customer

The company is not reliant on revenues from transactions with any single customer and does not receive 10% or more of its revenues from transactions with any single customer.

Note 29 Earnings per share (EPS)

	For the year ended 31 March 2022	For the year ended 31 March 2021
i. Nominal value of equity shares (INR per share)	10.00	10.00
ii. Profit attributable to equity shareholders	14,821.62	17,837.30
iii. Weighted average number of equity shares	149,463,887	149,463,887
Basic EPS (in INR)	**9.92**	**11.93**

	For the year ended 31 March 2022	For the year ended 31 March 2021
i. Nominal value of equity shares (INR per share)	10.00	10.00
ii. Profit attributable to equity shareholders	14,821.62	17,837.30
iii. Weighted average number of equity shares	153,009,739	176,241,284
Diluted EPS (in INR)*	**9.69**	**10.12**

*For the year ended 31 March 21, 8,200,000 (31 March 2020: 14,700,000) Convertible debentures were considered for the calculation of diluted earnings per share on a pro-rated basis the outstanding number of days during the year.

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 2022, 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 2022 and 31 March 2021:

Current	5,803.15	5,046.03
Non- current	11,622.62	10,015.63
	17,425.77	**15,061.66**

Amounts recognised in statement of profit or loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Amortisation on right-of-use assets	5,702.97	5,684.61
Interest on lease liabilities	1,451.79	1,457.31
Expenses relating to short-term leases	493.72	470.09
Total	**7,648.48**	**7,612.01**

Amounts recognised in the statement of cash flows

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Payment of lease liabilitie	(7,101.67)	(6,377.38)
Total cash outflow on leases	**(7,101.67)**	**(6,377.38)**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	7,217.61	6,268.33
One to five years	11,207.57	11,153.20
More than five years	3,055.79	149.99
Total undiscounted lease liabilities	**21,480.97**	**17,571.52**

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 2022 is INR 66.20 lakhs (31 March 21: INR 91.31 lakhs) included in 'Other Income'.

C. During the previous year, 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.

Note 32 Contingent liabilities

	As at 31 March 2022	As at 31 March 2021
Claims against Company not acknowledged as Deb		
i. Service tax *	4,465.67	4,855.57
ii. Goods and Service Tax	412.68	126.28
iii. Income Tax matters	211.87	-
iv. Other claims	309.24	305.59
	5,399.46	**5,287.44**

* 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 ineligiblecenvat 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.

Note 32(a) 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.

Note 33 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 321.05 Lakhs (31 March 2021: INR 237.71 lakhs) [Net of Capital advances of INR 7.76 lakhs (31 March 2021: INR Nil).

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 Scheme of Amalgamation

On 07 July 2021, the Board of Directors of the Company at its meeting, approved the scheme of Amalgamation of the Company with its 100% holding Company, Quess Corp Limited subject to the requisite approval of Shareholders/creditors and the sanction of the National Company Law Tribunal, Bengaluru bench.

On 21 January 2022, the Quess Corp Limited has filed on application before the Hon'ble NCLT in the matter of scheme of amalgamation of Conneqt Business Solutions Limited. The hearing is pending before the NCLT till the date of approval of these financial statements.

Note 36 Additional Regulatory Information

The MCA vide notification dated March 24, 2021 has ammended Schedule III of Companies Act. 2013 in respect of certain disclosures. Amendments are applicable from April 1, 2021. The Company has incorporated the changes as per the said amendment in the financial statements and has also changed comparative numbers wherever applicable.

Previous period figures have been re-grouped / re-classified to conform to below requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April 2021:
(a) Security deposits regrouped under 'Other financial assets' (Note 5.2 and Note 8.4) which were earlier part of 'Loans' (Note 8.3)
(b) Current maturities of long term borrowings regrouped under "Current borrowings" (Note 15.1) which were earlier part of Other current financial liabilities" (Note 14.2)
(c) Provision for expenses regrouped under "Trade payables' (Note 14.1) which were earlier part of 'Other current financial liabilities' (Note 14.2)
(d) Unbilled revenue regrouped under 'Trade receivables' (Note 8.1) which were earlier part of 'Other financial assets' (Note 8.4)

Other Statutory Information:

(i) There are no proceeding initiated or pending against the Company as at 31 March 2022, under Benami Property Transactions Act, 1988 (as amended in 2016).

(ii) The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.

(iii) The Company has recorded all transactions in the books of account that has been surrendered. There are no previously unrecorded incomes and related assets that were considered during the year, no unrecorded incomes were identified as income for tax assessments.

(iv) The Company has not entered into any transaction with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(v) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vii) All quarterly returns or statements of current assets are filed by the Company with banks or financial institutions and are in agreement with the books of accounts.

(viii) The loan has been utlised for the purpose for which it was obtained and no short term funds have been used for long term purpose.

(All amounts in INR lakhs, except share data and where otherwise stated)

Note 36 Additional Regulatory Information (continued)

(ix) Ratios

Ratio	Numerator	Denominator	Currrent Year	Previous Year	Change %	Reason for Variance*
Current ratio (in times)	Total current assets	Total current liabilities	1.24	1.36	-8.65%	
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilites	Total equity	0.31	0.26	18.49%	
Debt service coverage ratio (in times)	Earning for Debt Service=Net Profit after taxes + Non-cash operating	Debt service=Interest and lease payments+Principal re payments	3.36	4.26	-21.17%	
Return on equity ratio (in %)	Profit for the year less Preference dividend(if any)	Average shareholder equity	25.88%	33.90%	-23.66%	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	5.92	5.05	17.25%	
Trade payables turnover ratio (in times)	Other expenses	Average trade payables	3.71	2.04	81.97%	The variance is primarily on account of higher outsourcing services and other contractual costs.
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities	15.96	17.64	-9.53%	
Net profit ratio (in %)	Profit for the year (excl. exceptional (profit)/loss)	Revenue from operations	13.00%	7.02%	85.20%	The variance is primarily due to dividend income received from the subsidiary combined with higher revenues.
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed=Net worth+Debt +Deferred tax liabilities	32.57%	20.51%	58.81%	The variance is primarily due to higher profit owing to dividend income received from the subsidiary.
Return on investment (in %)	Income generated from invested funds	Average Invested funds in treasury investments	20.33%	0.00%	100.00%	The variance is due to the dividend income received.

* Reason for variance is given for ratios having % change more than 25%

Note 37 Impact of Covid-19

The Company has considered internal and external sources of information up to the date of approval of the above financial statements in evaluating the possible impact that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, intangible assets, receivables, investments and other financial assets. The Company has applied prudence in arriving at the estimates and assumptions and also performed sensitivity analysis on the assumptions used. The Company is confident about the recoverability of these assets. However, the impact of the global health pandemic may be different from that estimated as at the date of approval of the above financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.: 116231W/ W- 100024

JHAHANWIJHA SHYAMSUKHA Digitally signed by JHAHANWIJHA SHYAMSUKHA Date: 2022.05.18 15:12:17 +05'30'

Jhahanwijha Shyamsukha
Partner
Membership No.: 064550

Place: Bengaluru
Date: 18 May 2022

for **and on behalf of the Board of Directors of Conneqt Business Solutions Limited**
CIN: U64200KA1995PLC148924

Guruprasad Srinivasan Digitally signed by Guruprasad Srinivasan Date: 2022.05.18 13:49:39 +05'30'

Srinivasan Guruprasad
Chairman
DIN: 07596207

Place: Bengaluru
Date: 18 May 2022

Narayanaswamy Ravi Viswanath Digitally signed by Narayanaswamy Ravi Viswanath Date: 2022.05.18 13:48:27 +05'30'

Narayanaswamy Ravi Vishwanath
Director
DIN: 07332234

Place: Bengaluru
Date: 18 May 2022

Arjun Ramaraju Digitally signed by Arjun Ramaraju Date: 2022.05.18 13:38:32 +05'30'

Arjun Ramaraju
Chief Executive Officer

Place: Bengaluru
Date: 18 May 2022

ARANGOTTUKARA SUBRAMANIAN KRISHNAN Digitally signed by ARANGOTTUKARA SUBRAMANIAN KRISHNAN Date: 2022.05.18 13:38:49 +05'30'

A.S. Krishnan
Chief Financial Officer
Place: Hyderabad
Date: 18 May 2022

VISHNUBHOTLA SAMPATH Digitally signed by VISHNUBHOTLA SAMPATH Date: 2022.05.18 13:41:10 +05'30'

V. Sampath
Company Secretary
Place: Hyderabad
Date: 18 May 2022

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 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, 2022, 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, 2022, 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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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 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.

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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, 2020 ("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 March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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(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.

iv.

(1) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) / entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(2) The Management has represented that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) / entity(ies),, including foreign entities, that the company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.

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v. The Company has neither declared nor paid any dividend during the year.

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: 22205226AIWIXV8546

Place: Hyderabad
Date: May 12, 2022.

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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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 M S K A & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
UDIN: 22205226AIWIXV8546

Place: Hyderabad
Date: May 12, 2022

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 2022

[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 Property, Plant and Equipment.

(b) 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.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) 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) (a) to (b) of the Order are not applicable to the Company.

iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.

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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 service rendering entities. 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, 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, 2022 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	Due Date	Date of Payment	Remarks, if any
Professional Tax						
Andhra Pradesh	Statutory Due	Rs.5,750	Apr,21-Sep,21	10th of Subsequent month	Not Paid	Pending Registration
Kerala	Statutory Due	Rs.79,200	Apr,21-Sep,21	31st August of respective year	Not Paid	Pending Registration
Madhya Pradesh	Statutory Due	Rs.32,548	Apr,21-	10th of Subsequent	Not Paid	Pending Registration

			Sep,21	month		
Maharashtra	Statutory Due	Rs.92,600	Apr,21-Sep,21	Every month on last day	Not Paid	Pending Registration
Tamil Nadu	Statutory Due	Rs.43,600	Apr,21-Sep,21	01st October of respective year	Not Paid	Pending Registration
West Bengal	Statutory Due	Rs.3,650	Apr,21-Sep,21	30th April of subsequent year	Not Paid	Pending Registration
Labour Welfare Fund						
Andhra Pradesh	Statutory Due	Rs.100	Apr,21-Sep,21	31st January of respective year	Not Paid	Pending Registration
Chandigarh	Statutory Due	Rs.50	Apr,21-Sep,21	15th October of respective year	Not Paid	Pending Registration
Delhi	Statutory Due	Rs.30	Apr,21-Sep,21	15th January & 15th July of respective year	Not Paid	Pending Registration
Haryana	Statutory Due	Rs.900	Apr,21-Sep,21	31st January of respective year	Not Paid	Pending Registration
Karnataka	Statutory Due	Rs.2,580	Apr,21-Sep,21	15th January of respective year	Not Paid	Pending Registration
Kerala	Statutory Due	Rs.16,080	Apr,21-Sep,21	5th of subsequent month	Not Paid	Pending Registration
Madhya Pradesh	Statutory Due	Rs.1,640	Apr,21-Sep,21	15th January & 15th July of	Not Paid	Pending Registration

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				respective year		
Maharashtra	Statutory Due	Rs.3,456	Apr,21-Sep,21	15th January & 15th July of respective year	Not Paid	Pending Registration
West Bengal	Statutory Due	Rs.72	Apr,21-Sep,21	15th January & 15th July of respective year	Not Paid	Pending Registration

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. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.

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(d) In our opinion, according to the information explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information explanation given to us and on an overall examination of the financial statements of the Company, we report that the company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its securities, joint ventures or associate companies.

x.

(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) 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, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

(a) 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.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.

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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) (a) to (c) 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. In our opinion and based on our examination, the Company does not require to comply with provision of section 138 of the Act. Hence, the provisions stated in paragraph 3(xiv) (a) to (b) of the Order are not applicable to the Company.

However, the entity has conducted IFC Audit by Kumar Jain & Associates for the financial year 21-22.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi.

(a) 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)(a) of the Order are not applicable to the Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

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xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that a material uncertainty exists as on the date of audit report. However, the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date, the same is based on the financial support letter provided by Quess Corp.

xx. According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

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xxi. According to the information and explanations given to us, the Company does not have any subsidiary / Associate/ Joint Venture. Accordingly, there is no preparation of consolidated financial statements. Accordingly, the provisions stated in paragraph clause 3 (xxi) of the Order are not applicable to the Company.

For M S K A & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 22205226AIWIXV8546

Place: Hyderabad
Date: May 12, 2022

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, 2022 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 were established and maintained and if such controls operated effectively in all material respects.

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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

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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, 2022, 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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No.205226
UDIN: 22205226AIWIXV8546

Place: Hyderabad
Date: May 12,2022

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

Balance Sheet as at 31 March 2022
(Amounts in INR Lakhs)

	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	216.72	527.95
Financial assets			
(i) Other non-current financial assets	4	736.98	715.49
Deferred tax assets (net)	5	433.91	408.45
Income tax assets (net)	6	-	25.16
Other non-current assets	7	-	3.70
Total non-current assets		**1,387.61**	**1,680.75**
Current assets			
Financial assets			
(i) Investments		-	-
(ii) Trade receivables	8	2,407.90	2,945.85
(iii) Cash and cash equivalents	9	419.47	137.85
(iv) Bank balances other than cash and cash equivalents above	10	211.27	73.09
(v) Current loans	11	1.86	12.00
(vi) Other current financial assets	12	5.87	121.24
Other current assets	13	37.19	110.93
Total current assets		**3,083.55**	**3,400.96**
Total assets		**4,471.16**	**5,081.71**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1.00	1.00
Instruments entirely equity in nature	15	4,025.00	4,025.00
Other equity	16	(1,954.37)	(404.14)
Total equity attributable to equity holders of the Company		**2,071.63**	**3,621.86**
Non-controlling interests		-	-
Total equity		**2,071.63**	**3,621.86**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Non-current borrowings	17	280.78	576.02
Non-current provisions	18	31.60	44.92
Total non current liabilities		**312.38**	**620.94**
Current liabilities			
Financial liabilities			
(i) Borrowings	19	1,406.48	483.68
(ii) Lease Liabilities	20	-	9.56
(iii) Trade payables	21	4.23	7.46
(iv) Other current financial liabilities	22	596.25	276.67
Income tax liabilities (net)	23	3.90	-
Current provisions	24	10.74	7.77
Other current liabilities	25	65.48	53.77
Total current liabilities		**2,087.09**	**838.91**
Total Liabilities		**2,399.47**	**1,459.85**
Total Equity and Liabilities		**4,471.16**	**5,081.71**

See accompanying notes to the financial statements 1-55

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

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm's Registration No.: 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad
Date: 12 May 2022

For and on behalf of Board of Directors
Excelus Learning Solutions Private Limited
CIN: U74999KA2016PTC097984

Lohit Bhatia
Director
DIN : 07980280

Place: Bengaluru
Date: 12 May 2022

Vijay Sivaram
Director
DIN : 07990452

Place: Bengaluru
Date: 12 May 2022

Excelus Learning Solutions Private Limited

(A Subsidiary of Quess Corp Limited)

Statement of Profit and Loss for the year ended 31 March 2022

(Amounts in INR Lakhs)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	26	1,202.94	1,108.78
Other income	27	75.42	71.64
Total income		**1,278.36**	**1,180.42**
Expenses			
Employee benefit expenses	28	879.85	961.69
Finance costs	29	105.49	86.01
Depreciation and amortisation expense	30	259.58	642.57
Other expenses	31	1,620.59	672.14
Total expenses		**2,865.51**	**2,362.41**
Loss before exceptional items and tax		(1,587.15)	(1,181.99)
Share of profit of equity accounted investees (net of income tax)		-	-
Loss before tax		(1,587.15)	(1,181.99)
Tax expense			
Current tax		-	-
Deferred tax	41	(27.63)	(266.42)
Total income tax expense		(27.63)	(266.42)
Profit for the year		(1,559.52)	(915.57)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit plans	38	11.46	12.98
Income tax relating to items that will not be reclassified to profit or loss		(2.18)	(3.27)
Total comprehensive income for the year		(1,550.24)	(905.86)
Other comprehensive income attributable to			
Owners of the Company		9.29	9.71
Non-controlling interests		-	-
Total other comprehensive income attributable to		**9.29**	**9.71**
Total comprehensive income attributable to :			
Equity holders of the parent		(1,550.24)	(905.86)
Non-controlling interests		-	-
Earnings / (Loss) per share	35		
Basic earnings /(loss) per share (INR)		(0.16)	(0.09)
Diluted earnings /(loss) per share (INR)		(0.13)	(0.08)

See accompanying notes to the financial statements 1-55

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

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm's Registration No.: 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad
Date: 12 May 2022

For and on behalf of Board of Directors
Excelus Learning Solutions Private Limited
CIN: U74999KA2016PTC097984

Excelus Learning Solutions Private Limited

Lohit Bhatia
Director
DIN : 07980280

Place: Bengaluru
Date: 12 May 2022

Vijay Sivaram
Director
DIN : 07990452

Place: Bengaluru
Date: 12 May 202

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

Statement of Changes in Equity for the year ended 31 March 2022
(Amounts in INR Lakhs)

a) Equity share Capital

Particulars	31 March 2022	31 March 2021
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 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)**

Particulars	Retained Earnings	Other Reserves	Total
Balance as of 01 April 2021	(421.61)	17.48	(404.13)
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	(1,559.52)	-	(1,559.52)
Add: Other comprehensive income	9.29	-	9.29
Balance as of 31 March 2022	**(1,971.84)**	**17.48**	**(1,954.36)**

c) Instruments entirely equity in nature

Compulsorily Convertible debentures

Balance as of 01 April 2021	**Changes in compulsorily convertible debentures during the period**	**Balance as of 31 March 2022**
4,025.00	-	4,025.00

Total equity attributable to equity holders of the Company as of 31 March 2022 (a+b+c)	**2,071.64**

See accompanying notes to the financial statements 1-55

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

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm's Registration No.: 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad
Date: 12 May 2022

For and on behalf of Board of Director
Excelus Learning Solutions Private Limited
CIN: U74999KA2016PTC097984

Excelus Learning Solutions Private Limited

Lohit Bhatia
Director
DIN : 07980280

Place: Bengaluru
Date: 12 May 2022

Vijay Sivaram
Director
DIN : 07990452

Place: Bengaluru
Date: 12 May 2022

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

Statement of cash flows for the year ended 31 March 2022
(Amounts in INR Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Profit/ Loss before tax	(1,577.87)	(1,169.01)
Adjustments for:		
Depreciation and amortisation	259.58	436.35
Depreciation and amortisation (Ind AS 116)	-	206.22
Finance income on present valuation of financial instruments	-	(4.82)
Rent amortization on financial instruments	-	4.90
Finance cost on leases (Ind AS 116)	-	10.36
Rent reversal on leases (Ind AS 116)	-	(229.46)
Loss on sale of property, plant and equipment, net	32.91	-
Provision for bad and doubtful debts, net	404.66	(1.77)
Interest income on term deposits	(69.20)	(45.51)
Interest on tax refunds due	(5.65)	(21.17)
Finance costs	-	75.65
Operating cash flows before working capital changes	**(955.57)**	**(738.26)**
Changes in inventories, trade receivables and unbilled revenue	133.30	532.45
Changes in loans, other financial assets and other assets	187.34	62.81
Changes in trade payables and other financial liabilities	290.46	(877.00)
Changes in other liabilities and provisions	30.42	(52.61)
Cash generated from operations	**(314.05)**	**(1,072.61)**
Income taxes paid, net of refund	-	258.98
Net cash used in operating activities (A)	**(314.05)**	**(813.63)**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	18.74	194.77
Bank deposits (having original maturity of more than three months)	(138.18)	-
Interest income on term deposits	63.33	3.43
Interest on IT Refund	5.65	21.17
Deferred tax assets (net)	2.17	-
Net cash used in investing activities (B)	**(48.29)**	**219.37**
Cash flows from financing activities		
Proceeds from borrowings	(227.43)	(228.18)
Loans from related parties	854.99	141.41
Interest paid	16.33	(54.61)
Net cash provided by financing activities (C)	**643.89**	**(141.38)**
Net increase in cash and cash equivalents (A+B+C)	281.61	(735.64)
Cash and cash equivalents at the beginning of the period	137.85	873.49
Cash and cash equivalents at the end of the year (refer note 9)	**419.47**	**137.85**

See accompanying notes to the financial statements 1-55

The accompanying notes are an integral part of the financial statements

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm's Registration No.: 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Bengaluru
Date: 12 May 2022

For and on behalf of Board of Directors
Excelus Learning Solutions Private Limited
CIN: U74999KA2016PTC097984

Lohit Bhatia
Director
DIN : 07980280

Place: Bengaluru
Date: 12 May 2022

Vijay Sivaram
Director
DIN : 07990452

Place: Bengaluru
Date: 12 May 2022

4 Other non-current financial assets

Particulars	31 March 2022	31 March 2021
Security deposits	166.45	186.31
Bank deposits (due to mature after 12 months from the reporting date)*	570.53	529.18
	736.98	715.49
4.1 Fixed deposits lien marked as at 31 March 2022 INR 781.81 lacs. Refer note 10.	-	-

5 Deferred tax assets (net)

Particulars	31 March 2022	31 March 2021
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset on liabilities:		
Impairment loss allowance on financial assets	101.84	-
Provision on employee benefits- Gratuity	5.59	6.83
Provision on employee benefits- Compensated absences	2.18	3.17
Deffered Tax on Bonus	-	-
Provision for disputed Claims	-	-
Interest on Service Tax	-	-
Business loss current year and carried forward	156.53	259.23
Present Valuation of Financial Instruments	0.07	0.93
Customer relationship	-	-
Goodwill	-	-
80JJAA	10.16	10.16
Deferred Tax others	-	1.25
Deferred tax asset on assets:	-	-
Minimum alternate tax credit entitlement	-	-
Deffered tax on fixed assets	157.54	126.88
Net deferred tax assets	**433.91**	**408.45**
	-	-

6 Income tax assets (net)

Particulars	31 March 2022	31 March 2021
Advance income tax	-	25.16
	-	**25.16**

7 Other non-current assets

Particulars	31 March 2022	31 March 2021
Capital advances	-	2.17
Prepaid expenses	-	1.53
	-	**3.70**

8 Trade receivables

Particulars	31 March 2022	31 March 2021
Unsecured		
Undisputed Trade receivables		
Considered good*	173.98	34.97
Significant increase in credit risk	-	-
Credit impaired	-	-
Less: Allowance for expected credit loss (considered good)	-	-
Less: Allowance for expected credit loss (considered doubtful)	-	-
	173.98	**34.97**
Disputed Trade receivables		
Considered good*	-	-
Significant increase in credit risk	-	-
Credit impaired	-	-
Less: Allowance for expected credit loss (considered good)	-	-
Less: Allowance for expected credit loss (considered doubtful)	-	-
	-	-
Net trade receivables	**173.98**	**34.97**

All trade receivables are current.

ii) Trade receivables - unbilled

Particulars	31 March 2022	31 March 2021
Unbilled revenue (refer note 32 (i))	2,638.57	**2,910.88**
Less: Provision for impairment of unbilled revenue	(404.66)	
	2,233.91	2,910.88
	2,407.90	**2,945.85**

Of the above , trade receivables from related party are as below:

Particulars	31 March 2022	31 March 2021
Trade receivables from related parties	-	-
Less: Loss allowance	-	-
Net trade receivables	-	-

8.1 The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 42

8.2 Refer Ageing schedule of Trade receivables in note 54 (i)

Excelus Learning Solutions Private Limited

9 **Cash and cash equivalents**

Particulars	31 March 2022	31 March 2021
Cash and cash equivalents		
Cash in hand	-	-
Balances with banks		
In current accounts	419.47	137.85
Cash and cash equivalents in balance sheet	**419.47**	**137.85**
Bank overdraft used for cash management purpose	-	-
Cash and cash equivalent in the statement of cash flow	**419.47**	**137.85**

10 **Other bank balances**

Particulars	31 March 2022	31 March 2021
In deposit accounts (mature within 12 months from the reporting date)	211.27	73.09
	211.27	**73.09**

10.1 Fixed deposits lien marked as at 31 March 2022 INR 781.81 lacs. Refer note 4.

11 **Current loans**

Particulars	31 March 2022	31 March 2021
Unsecured, considered good		
Loans to employees	1.86	12.00
	1.86	**12.00**

11.1 Loans granted to promoters, directors, KMPs and related parties:

Particulars	31 March 2022		31 March 2021	
	Amount	% to total loans and advances	Amount	% to total loans and advances
Promoter	-	-		-
Directors	-	-		-
KMPs	-	-		-
Related parties	-	-		-
Total	-		-	

12 **Other financial assets**

Particulars	31 March 2022	31 March 2021
Interest accrued but not due	5.87	121.24
	5.87	**121.24**

13 **Other current assets**

Particulars	31 March 2022	31 March 2021
Advances other than capital advances		
Advances to suppliers	5.51	-
Other advances	-	2.35
Prepaid expenses	31.68	108.58
Balances with government authorities	-	-
	37.19	**110.93**

14 **Share capital**

Particulars	31 March 2022	31 March 2021
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
Share Application money	-	-
	1.00	**1.00**

Excelus Learning Solutions Private Limited

14.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

	31 March 2022		31 March 2021	
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**

14.2 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

14.3 Shares held by Holding Company

	31 March 2022		31 March 2021	
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**

14.4 Details of shareholders holding more than 5% shares in the Company

	31 March 2022		31 March 2021	
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
	9,999.00	**1.00**	**9,999.00**	**1.00**

14.5 There are no shares held by promoters at the end of the year i.e., 31 March 2022

15 Instruments entirely equity in nature

Particulars	**31 March 2022**	**31 March 2021**
Compulsorily Convertible Debentures		
4,025 (31 March 2021: 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 Private Limited

15.1 a) Reconciliation of number of compulsorily convertible debentures outstanding at the beginning and at the end of reporting period

Particulars	31 March 2022		31 March 2021	
	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.

Particulars	31 March 2022		31 March 2021	
	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	31 March 2022		31 March 2021	
	% of holding	No	% of holding	No
Quess Corp Limited , holding company	100%	4,025	100%	4,025.00

16 Other equity

Particulars	31 March 2022	31 March 2021
Other comprehensive income (refer note 16.1)	9.15	(0.14)
Other Equity- Corporate Guarantee (refer note 16.2)	17.48	17.48
Retained earnings	(1,981.00)	(421.48)
	(1,954.37)	**(404.14)**

16.1 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).

16.2 A corporate guarantee was issued by holding company Quess Corp Limited against the loan secured from NSDC.

17 Non-current borrowings

Particulars	31 March 2022	31 March 2021
Secured		
Term loan (refer note 19 & 45)	280.78	576.02
Total borrowing	**280.78**	**576.02**

18 Non-current provisions

Particulars	31 March 2022	31 March 2021
Provision for gratuity (refer note 38)	26.57	37.49
Provision for compensated absences (refer note 38)	5.03	7.43
	31.60	**44.92**

Excelus Learning Solutions Private Limited

19 Current borrowings

Particulars	31 March 2022	31 March 2021
Current maturities of long-term borrowings (refer note 17 & 45)	410.08	342.27
Loan from related parties, unsecured		
Unsecured		
- Quess Corp Limited (refer note 38 (iii))	996.40	141.41
Working capital loan	-	-
	1,406.48	**483.68**

Information about the Company exposure to interest rate and liquidity risk is included in note 43.

19.1 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.

19.2 The company has not taken any borrowings from Bank/Financial Institutions during the financial year 2021-22

20 Lease Liabilities

Particulars	31 March 2022	31 March 2021
Current Lease Liabilities (refer note 33)	-	9.56
	-	**9.56**

21 Trade payables

Particulars	31 March 2022	31 March 2021
Undiputed dues		
Trade payables to related parties	-	-
Dues to micro, small and medium enterprises (refer note 39)	-	-
Other trade payables	4.23	7.46
Disputed dues		
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties		
	4.23	**7.46**

ii) Trade payables - unbilled dues

Particulars	31 March 2022	31 March 2021
Undiputed dues		
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding to related parties		
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties		
Disputed dues		
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties		
	-	-

21.1 Refer Ageing Schedule of Trade payables in note 54 (ii)

22 Other current financial liabilities

Particulars	31 March 2022	31 March 2021
Interest accrued and not due	16.33	35.63
Amount payable to related parties (refer note 37 (iii))	222.54	79.83
Other Payables		
Accrued salaries and benefits	74.17	72.59
Provision for expenses	283.21	88.62
	596.25	**276.67**
	-	-

22.1 Current maturities of long-term includes loan outstanding of Rs.4,10,07,685 towards working capital loan taken from NSDC and is repayable in 24 months i.e. 31st March 2024.

23 Current income tax liabilities

Particulars	31 Mar 2022	31 Mar 2021
Provision for tax (net of advance tax)	3.90	-
	3.90	-
	-	-

24 Current provisions

Particulars	31 March 2022	31 March 2021
Provision for employee benefits		
Provision for gratuity (refer note 38)	7.10	2.62
Provision for compensated absences (refer note 38)	3.64	5.15
	10.74	**7.77**

25 Other current liabilities

Particulars	31 March 2022	31 March 2021
Advance received from customers	-	22.27
Balances payable to government authorities	65.48	31.50
	65.48	**53.77**

Notes forming part of the Financial Statements for the year ended 31 March 2022
(Amounts in INR Lakhs)

26 Revenue from operations

Particulars	31 March 2022	31 March 2021
Training services	1,202.94	1,108.78
Total sale of services	**1,202.94**	**1,108.78**

27 Other income

Particulars	31 March 2022	31 March 2021
Interest income under the effective interest method on:		
Cash and cash equivalents	69.20	45.51
Interest income on present valuation of financial instruments	0.15	4.82
Interest on tax refunds due	5.65	21.17
Miscellaneous income	0.42	0.14
	75.42	**71.64**

28 Employee benefits expense

Particulars	31 March 2022	31 March 2021
Salaries and wages	769.04	830.86
Contribution to provident and other funds	53.50	94.52
Expenses related to post-employment defined benefit plan (refer note 38)	10.61	14.75
Expenses related to compensated absences (refer note 38)	(2.37)	(4.80)
Staff welfare expenses	49.07	26.36
	879.85	**961.69**

29 Finance costs

Particulars	31 March 2022	31 March 2021
Interest expense on financial liabilities measured at amortised cost	99.36	83.70
Other borrowing costs	6.13	2.31
	105.49	**86.01**

30 Depreciation and amortisation expense

Particulars	31 March 2022	31 March 2021
Depreciation of property, plant and equipment (refer note 3)	259.58	642.57
	259.58	**642.57**

31 Other expenses

Particulars	31 March 2022	31 March 2021
Recruitment and training expenses	166.73	269.74
Rent (refer note 33)	775.05	260.90
Power and Fuel	22.45	-
Repairs & maintenance		
- buildings	166.69	-
- plant and machinery	0.08	-
- others	0.11	-
Legal and professional fees (refer note 44)	21.07	106.04
Rates and taxes	1.67	-
Printing and stationery	4.60	-
Travelling and conveyance	16.66	0.41
Communication expenses	6.65	-
Impairment loss on financial assets (refer note 2.2.7)	404.66	(1.77)
Equipment hire charges	0.57	-
Insurance	-	34.75
Bank charges	0.05	-
Business promotion and advertisement expenses	0.10	-
Loss on sale of fixed assets, net	32.91	-
Miscellaneous expenses	0.44	2.07
	1,620.59	**672.14**

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(Amounts in INR Lakhs)

3 Property, plant and equipment

Particulars	Leasehold improvements	Furniture and fixtures	Office equipment	Computer equipment	ROU Building	Total
Gross Block						
As at 1 April 2019	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 2020	**290.32**	**416.77**	**638.77**	**644.83**	**495.72**	**2,486.41**
As at 1 April 2021	290.32	416.77	638.77	644.83	495.72	**2,486.41**
Additions during the year	1.17	-	-	-	-	**1.17**
Deletions during the year	(32.77)	(74.58)	(66.67)	(90.07)	-	**(264.09)**
As at 31 Mar 2022	**258.72**	**342.19**	**572.10**	**554.74**	**495.72**	**2,223.49**
Accumulated Depreciation						**-**
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**
As at 1 April 2021	238.33	242.06	387.73	605.90	484.44	**1,958.46**
Additions during the year	31.61	74.13	119.57	22.98	11.28	**259.58**
Deletions during the year	(31.75)	(48.25)	(43.25)	(88.02)		**(211.27)**
As at 31 Mar 2022	**238.19**	**267.94**	**464.05**	**540.86**	**495.72**	**2,006.77**
Net Block :						
As at 31 Mar 2022	**20.54**	**74.25**	**108.06**	**13.88**	**(0.00)**	**216.72**
As at 31 Mar 2021	**51.99**	**174.71**	**251.04**	**38.93**	**11.28**	**527.95**

3.1 The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets), intangible assets and investment property as at the balance sheet date.

3.2 The Company doesn't have title deeds which are held other than in the company's name as at the balance sheet date.

3.3 The Company has no Capital Work in Progress and Intangibles under Development.

3.4 The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

Excelus Learning Solutions Private Limited

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

Notes forming part of the Financial Statements for the year ended 31 March 2022

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 instrume
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.
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.

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.

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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.

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

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.

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

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Notes forming part of the Financial Statements for the year ended 31 March 2022

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%).

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.

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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,

(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.

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

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.

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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.

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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(A Subsidiary of Quess Corp Limited)

Notes forming part of the Financial Statements for the year ended 31 March 2022
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32 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.

Particulars	31 March 2022	31 March 2021
Receivables, which are included in 'Trade receivables'	173.98	34.97
Contract assets	2,233.91	2,910.88
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 2022

Particulars	For the year ended 31 March 2022
Balance as at 1 April 2021	2,910.88
Add : Revenue recognized during the year	1,202.94
Less : Invoiced during the year	1,879.90
Less : Impairment / (reversal) during the year	-
Add : Translation gain/(Loss)	-
Balance as at 31 March 2022	**2,233.92**

(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 2022, 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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33 Lease liability

Particulars	31 March 2022	31 March 2021
Current lease liability	-	9.56
Non-current lease liability	-	-
Total	**-**	**9.56**

The following is the movement in lease liabilities

Particulars	31 March 2022	31 March 2021
Operating lease recognised on adoption of Ind AS 116	9.56	231.24
Reclassification on adoption of Ind AS 116 - Fin lease obligation	-	-
Add: Additions	-	-
Add: Additions through business combination		-
Less: Deletion	(9.56)	-
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 2022	**-**	**9.56**

Amount recognised in PL *(Amount in INR lakhs)*

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2022
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 2022 on an undiscounted basis:

Particulars	31 March 2022	31 March 2021
Less than one year	-	9.56
One to five years	-	-
More than five years	-	-
	-	**9.56**

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34 Capital commitments

Particulars	31 March 2022	31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	0.99
	-	**0.99**

35 Earnings per share

(Amount in Reporting Currency except number of shares and per share data)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
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	(1,559.52)	(915.57)
Weighted average number of shares used in computing basic earnings per share	10,000	10,000
Basic earnings per share (INR)	**(0.16)**	**(0.09)**
Weighted average number of shares used in computing diluted earnings per share	12,185.0	12,185.0
Diluted earnings per share (INR)	**(0.13)**	**(0.08)**

Computation of weighted average number of shares *(Amount in numbers)*

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
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	2,185
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	**12,185**	**12,185**

36 Expenditure in foreign currency

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Miscellaneous expenses	-	-
	-	-

37 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.

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(Amount in INR Lakhs)

	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 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

Lohit Bhatia	Director
Vijay Sivaram	Director

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(Amount in INR Lakhs)

(ii) Related party transactions

(Amount in INR Lakhs)

Particulars		For the year ended	For the year ended
Other expenses			
Rent	Monster.com (India) Private Limited	-	27.55
Security Expenses	Terrier Security Services (India) Private Limited	-	-
Legal and Professional fees	Quess Corp Limited	-	-
Finance costs			
- Interest expense	Quess Corp Limited	43.71	1.42
Payment made by related parties on behalf of the Company			
	Quess Corp Limited	-	-
Loans received from related parties			
	Quess Corp Limited	910.50	140.00
Repayments/adjustments of loans received from related parties			
	Quess Corp Limited	(99.00)	-

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

(Amount in INR Lakhs)

Particulars		31 March 2022	31 March 2021
Trade payables	Terrier Security Services (India) Private Limited	-	-
Other current liabilities	Quess Corp Limited	222.54	79.83
Current borrowings			
	Quess Corp Limited	996.40	141.41
Corporate Guarantee			
	Quess Corp Limited	835.19	835.19

Corporate Guarantee has been provided by Quess Corp towards NSDC Loan (Refer Note 45)

(iv) Compensation of key managerial personnel

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
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

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.

Excelus Learning Solutions Private Limited

38 Assets and liabilities relating to employee benefits

A

(Amount in INR Lakhs)

Particulars	ended 31 March 2022	ended 31 March 2021
Net defined benefit liability, gratuity plan	33.67	40.11
Liability for compensated absences	8.67	12.58
Total employee benefit liability	**42.34**	**52.69**
Current	10.74	7.77
Non-current	31.60	44.92
	42.34	**52.69**

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

(Amount in INR Lakhs)

Particulars	For the year ended	For the year ended
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	40.11	38.34
Additions through business combination	-	-
Current service cost	9.04	12.68
Interest cost	1.92	2.07
Past service cost		
Benefit settled	(5.94)	
Actuarial (gains)/ losses recognized in other comprehensive income		
- Changes in experience adjustments	(9.90)	(14.03)
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(1.57)	1.05
Obligation at the end of the year	**33.67**	**40.11**
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	**33.67**	**40.11**

C i) Expense recognized in statement of profit or loss

(Amount in INR Lakhs)

Particulars	For the year ended	For the year ended
Current service cost	9.04	12.68
Interest cost	1.92	2.07
Past service cost	-	
Interest income	-	
Net gratuity cost	**10.96**	**14.75**

Excelus Learning Solutions Private Limited

ii) Re-measurement recognized in other comprehensive income

(Amount in INR Lakhs)

Particulars	For the year ended	For the year ended
Remeasurement of the net defined benefit liability	11.46	12.98
Remeasurement of the net defined benefit asset	-	-
	11.46	**12.98**

D Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount rate	5.55%	4.80%
Future salary growth	7.00%	7.50%
Attrition rate	30.00%	30.00%
Rate of return on planned asset	-	-
Average duration of defined benefit obligation (in years)	3	4

E Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have

Core employees

(Amount in INR Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	32.14	34.57	38.38	41.97
Future salary growth (1% movement)	34.54	32.14	41.91	38.41
Attrition rate (1% movement)	30.00	38.25	29.99	55.73

Associate employees

(Amount in INR Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	0.33	0.37	-	-
Future salary growth (1% movement)	0.38	0.33	-	-
Attrition rate (1% movement)	0.15	0.74	-	-

39 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 2022 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.

40 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

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41 Taxes

A Amount recognized in profit or loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
In respect of the current period	-	-
Excess provision related to prior years	-	-
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	(27.63)	(266.42)
Increase/ reduction of tax rate	-	-
Income tax expense reported in the Statement of Profit and Loss	(27.63)	(266.42)

B Income tax recognized in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement of the net defined benefit liability/ asset		
Before tax	11.46	12.98
Tax (expense)/ benefit	-	-
Net of tax	**11.46**	**12.98**

C Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Rate	Amount	Rate	Amount
Profit before tax		(1,587.15)		(1,181.99)
Tax using the Company's domestic tax rate	26.27%	-	26.27%	-
Effect of:				
Tax Expense as per MAT	0.00%	-	0.00%	-
Deferred tax	1.74%	(27.63)	22.49%	(265.85)
MAT Credit	0.00%	-	0.05%	(0.57)
Non-deductible expenses	0.00%	-	0.00%	-
Difference in enacted tax rate	0.00%	-	-	-
Depreciation	0.00%	-	-	-
Others	0.00%	-	-	-
Effective tax rate	**1.74%**	**(27.63)**	**22.54%**	**(266.42)**
Excess provisions relating to earlier years	-	-	-	-
Income tax credit/(expense) reported in the Statement of Profit	**1.74%**	**(27.63)**	**22.54%**	**(266.42)**

D The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2022 and 31 March 2021

Non-current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax assets	-	25.16
Income tax liabilities	-	-
Net income tax assets at the end of the year	**-**	**25.16**

Current tax liabilities (net)*

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax assets	-	-
Income tax liabilities	3.90	-
Net income tax liabilities at the end of the year	**(3.90)**	**-**

*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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(Amount in INR Lakhs)

E Deferred tax assets, net

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax assets:		
Impairment loss allowance on financial assets	101.84	-
Provision on employee benefits- Gratuity	5.59	6.83
Provision on employee benefits- Compensated absences	2.18	3.17
Present valuation of financial instruments	0.07	0.93
80JJAA	10.16	10.16
Business loss current year and carried forward	156.53	259.23
Deferred tax on fixed assets	157.54	126.88
Deferred Tax others	-	1.25
Deferred tax assets	**433.91**	**408.45**
Deferred tax liabilities:		
Customer relationships	-	-
Goodwill on merger	-	-
	-	-
Net deferred tax assets	**433.91**	**408.45**
Deferred income tax liabilities:		
Deferred income tax liabilities	-	-
	433.91	**408.45**

F Recognized deferred tax assets and liabilities
Movement of deferred tax assets / liabilities presented in the balance sheet

For the year ended 31 March 2022	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	-	-	101.84	-	101.84
Provision for employee benefits	6.83	-	0.94	(2.18)	5.59
Provision on employee benefits- Compensated al	3.17	-	(0.99)	-	2.18
Present valuation of financial instruments	0.93	-	(0.86)	-	0.07
Business loss current year and carried forward	259.23		(102.70)		156.53
Unabsorbed Depreciation current year & carried	-		-		-
Provision for interest on service tax	-	-	-	-	-
80JJAA	10.16	-	(0.00)	-	10.16
Fixed assets	126.88	-	30.66	-	157.54
MAT credit entitlement	-	-	-	-	-
Others	1.25	-	(1.25)	-	-
	408.45	**-**	**27.64**	**(2.18)**	**433.91**
Deferred tax liabilities:					
Customer relationships	-	-	-	-	-
Goodwill on merger	-	-	-	-	-
	-	-	-	-	-
Net deferred tax assets	**408.45**	**-**	**27.64**	**(2.18)**	**433.91**
Deferred income tax liabilities:					
Deferred income tax liabilities	-	-	-	-	-
Deferred tax assets/(liabilities)	**408.45**	**-**	**27.64**	**(2.18)**	**433.91**

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(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:					
Impairment loss allowance on financial assets	-	-	-	-	-
Provision for employee benefits	9.97	-	0.13	(3.27)	6.83
Provision for bonus	4.52	-	(1.35)	-	3.17
Provision for disputed claims	-	-	0.93	-	0.93
Business loss current year and carried forward	-		259.23		259.23
Unabsorbed Depreciation current year & carried	-		-		-
Provision for interest on service tax	-	-	-	-	-
Provision for rent escalation	-	-	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)	-	1.25
	145.31	**-**	**266.23**	**(3.27)**	**408.45**
Deferred tax liabilities:					
Customer relationships	-	-	-	-	-
Goodwill on merger	-	-	-	-	-
	-	-	-	-	-
Net deferred tax assets	**145.31**	**-**	**266.23**	**(3.27)**	**408.45**
Deferred income tax liabilities:					
Deferred income tax liabilities	-	-	-	-	-
Deferred tax assets/(liabilities)	**145.31**	**-**	**266.23**	**(3.27)**	**408.45**

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:

31 March 2022	Unabsorbed business losses
2022	-
2023	-
2024	-
2025	-
Thereafter	-
	-

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42 Financial instruments - fair value and risk management
Financial instruments by category

Particulars	Note	31 March 2022 FVTPL	31 March 2022 FVTOCI	31 March 2022 Amortized Cost	31 March 2021 FVTPL	31 March 2021 FVTOCI
Financial Assets:						
Non-current investments		-			-	
Loans	11	1.86			12.00	
Current investments		-			-	
Trade receivables	8	173.98			34.97	
Cash and cash equivalents including other bank balances	9	419.47			137.85	
Unbilled revenue	8	2,233.91			2,910.88	
Other financial assets	4,10 & 12	954.13			909.82	
Total financial assets		**3,783.35**	-	-	**4,005.52**	
Financial Liabilities:						
Non-convertible debentures		-			-	
Lease liability	20	-			9.56	
Borrowings other than above*	17 & 19	1,687.26			1,059.70	
Trade payables	21	4.23			7.46	
Other financial liabilities	22	596.25			276.67	
Total financial liabilities		**2,287.74**	-	-	**1,353.39**	-

*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 2022

(Amount in INR Lakhs)

Particulars	Note	Carrying amount 31 March 2022	Fair value Level 1	Fair value Level 2	Fair value Level 3
Financial assets not measured at fair value (measured at amortized cost)					
Loans	11	1.86	-	-	-
Trade receivables	8	173.98	-	-	-
Cash and cash equivalents including other bank balances	9	419.47	-	-	-
Other financial assets	4,10 & 12	954.13	-	-	-
Unbilled revenue	8	2,233.91	-	-	-
Financial assets measured at fair value					
Other non-current investments		-	-	-	-
Current investments		-	-	-	-
Total financial assets		**3,783.35**	-	-	-
Financial liabilities not measured at fair value (measured at amortized cost)					
Non-convertible debentures		-	-	-	-
Finance lease obligations		-	-	-	-
Borrowings other than above		-	-	-	-
Term Loan	17 & 19	690.86	-	-	-
Bank overdraft		-	-	-	-
Loans and borrowings		-	-	-	-
Loan from related party - Quess Corp Limited	19	996.40	-	-	-
Contingent consideration		-	-	-	-
Trade payables	21	4.23	-	-	-
Other financial liabilities*	22	596.25	-	-	-
Financial liabilities measured at fair value					
Contingent consideration		-	-	-	-
Non-controlling interests put option		-	-	-	-
Financial liabilities		-	-	-	-
Total financial liabilities		**2,287.74**	-	-	-

*Current maturities of long-term borrowings forms part of other financial liabilities

Fair value of financial instruments as at 31 March 2021

(Amount in INR Lakhs)

Particulars	Note	Carrying amount	Fair value		
		31 March 2021	Level 1	Level 2	Level 3
Financial assets not measured at fair value (measured at amortized cost)					
Loans	11	12.00	-	-	-
Trade receivables	8	34.97	-	-	-
Cash and cash equivalents including other bank balances	9	137.85	-	-	-
Unbilled revenue	4,10 & 12	2,910.88	-	-	-
Other financial assets	8	909.82	-	-	-
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	20	9.56	-	-	-
Borrowings other than above		-	-	-	-
Term Loan	17 & 19	918.29	-	-	-
Loan from related party - Quess Corp Limited	19	141.41	-	-	-
Bank overdraft		-	-	-	-
Loans and borrowings		-	-	-	-
Contingent consideration		-	-	-	-
Bank overdraft		-	-	-	-
Trade payables	21	7.46	-	-	-
Other financial liabilities*	22	276.67	-	-	-
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

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.690.86 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.

Excelus Learning Solutions Private Limited

43 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 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 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 2022 and 31 March 2021 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 2022

(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	-
	-		-		-

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

Notes forming part of the Financial Statements for the year ended 31 March 2022

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	-
	-		-		-

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 2022 and 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 2022

(Amount in INR Lakhs)

Particulars	Carrying amount	Contractual cash flows			
		0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	1,687.26	410.08	280.78	-	-
Non-convertible debentures	-	-	-	-	-
Unsecured loans from banks	-	-	-	-	-
Trade payables	4.23	4.23	-	-	-
Other financial liabilities	596.25	596.25		-	-

As at 31 March 2021

(Amount in INR Lakhs)

Particulars	Carrying amount	Contractual cash flows			
		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 bank loans	-	-	-	-	-
Trade payables	7.46	7.46	-	-	-
Other financial liabilities	276.67	168.45	108.55	-	-

Excelus Learning Solutions Private 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 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 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 2022	As at 31 March 2021
Variable rate borrowings	-	-
Fixed rate borrowings	1,687.26	918.29
Total borrowings	**1,687.26**	**918.29**

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 2022				
Variable rate borrowings	-	-	-	-
31 March 2021				
Variable rate borrowings	-	-	-	-

Excelus Learning Solutions Private Limited

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

Notes forming part of the Financial Statements for the year ended 31 March 2022
(Amount in INR Lakhs)

44 Payment to auditors (included in legal and professional fees)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Statutory audit fees	3.00	3.00
Tax audit fees	0.50	0.50
Others	2.25	1.50
Reimbursement of expenses	-	-
	5.75	**5.00**

45 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 2022	Carrying amount as at 31 March 2021
Secured NSDC loan	INR	6.00%	671.31	888.97
Secured NSDC loan	INR	0.00%	19.55	29.32
Total borrowings			**690.86**	**918.29**

Secured by way of :
Corporate Guarantee from Quess Corp and Bank Guarantee
First charge on assets of the project

46 Head Count details

Particulars	31 March 2022 Core	31 March 2022 Associate	31 March 2021 Core	31 March 2021 Associate
Opening	318	-	684	-
Addition	17	172	78	-
Deletions	204	11	444	-
Closing	**131**	**161**	**318**	**-**

47 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,
The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

48 Registration of charges or satisfaction with Registrar of Companies
The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

49 Details of Crypto Currency or Virtual Currency
The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

50 Utilisation of Borrowed funds and share premium:

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a)directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b)provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii)The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a)directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b)provide any guarantee, security or the like on behalf of the Ultimate Beneficiari

51 Undisclosed income
The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other

52 The Code on Social Security 2020
The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.
The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Excelus Learning Solutions Private Limited

53 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, compulsory covertible debentures and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

overall financing structure, i.e. equity and debt. Total debt comprises of borrowings from NSDC (Non-current & Current) and loan from Ultimate holding company Quess Corp. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31 March 2022	31 March 2021
Total Equity	(i)	2,072	3,622
Borrowings		1,687	1,060
Less: cash and cash equivalents		(419)	(138)
Total debt	(ii)	1,268	922
Overall financing	(iii) = (i) + (ii)	3,759	4,682
Gearing ratio	(ii)/ (iii)	34%	20%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022, 31 March 2021.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm's Registration No.: 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad
Date: 12 May 2022

For and on behalf of Board of Directors
Excelus Learning Solutions Private Limited
CIN: U74999KA2016PTC097984

Lohit Bhatia
Director
DIN : 07980280

Place: Bengaluru
Date: 12 May 2022

Vijay Sivaram
Director
DIN : 07990452

Place: Bengaluru
Date: 12 May 2022

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

Notes forming part of the Financial Statements for the year ended 31 March 2022

54 Ageing Schedule
(i) Trade Receivables
Trade receivable ageing schedule as on 31 March 2022:

(Amounts in INR Lakhs)

Particulars	Outstanding for the following periods from due date of payment/ date of transaction							
	Not billed	Not due	Less than 6 months	6 months 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables								
- Considered good	2,234	92.34	78.77	0.26	0.55	2.06	-	2,407.90
- Significant increase in credit	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	-
- Significant increase in credit	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-

Trade receivable ageing schedule as on 31 March 2021:

(Amounts in INR Lakhs)

Particulars	Outstanding for the following periods from due date of payment/ date of transaction							
	Not billed	Not due	Less than 6 months	6 months 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables								
- Considered good	######	31.50	3.47	-	-	-	-	2,945.85
- Significant increase in credit	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	-
- Significant increase in credit	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-

(ii) Trade Payables
Trade payable ageing schedule as on 31 March 2022:

Particulars	Outstanding for the following periods from due date of payment/ date of transaction					
	Unbilled dues	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	4.04	0.06	0.13	-	4.23
Disputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	-	-	-	-	-

Excelus Learning Solutions Private Limited

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

Notes forming part of the Financial Statements for the year ended 31 March 2022

Trade payable ageing schedule as on 31 March 2021:

Particulars	Outstanding for the following periods from due date of payment/ date of transaction					
	Unbilled dues	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	7.46	-	-	-	7.46
Disputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	-	-	-	-	-

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm's Registration No.: 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad
Date: 12 May 2022

For and on behalf of Board of Directors
Excelus Learning Solutions Private Limited
CIN: U74999KA2016PTC097984

Lohit Bhatia
Director
DIN : 07980280

Place: Bengaluru
Date: 12 May 2022

Vijay Sivaram
Director
DIN : 07990452

Place: Bengaluru
Date: 12 May 2022

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

Notes forming part of the Financial Statements for the year ended 31 March 2022
(Amount in INR Lakhs)

55 Ratios

Ratios	Numerator	Denominator	Ratio 21-22	Numerator	Denominator	Ratio 20-21	%variance	Reason for variance (greater than 25%)
Current ratio	3,083.55	2,087.09	148%	3,400.96	838.91	405%	258%	Increase in Borrowings -Quess Corp
Debt-equity ratio	1,687.26	2,071.63	81%	1,059.70	3,621.86	29%	-52%	Increase in borrowings and decrease in other equity (accumulated losses)
Debt service coverage ratio	(1,161.53)	1,422.81	-82%	(186.99)	519.31	-36%	46%	Increase in losses made in CY 21-22 & borrowings- Quess Corp
Return on equity ratio	(1,550.24)	2,071.63	-75%	(905.86)	3,621.86	-25%	50%	Increase in loss for the year and accumulated losses
Inventory turnover ratio								Company does not hold inventory , hence not applicable
Trade receivables turnover ratio	1,475.25	2,774.73	53%	1,648.96	3,211.19	51%	-2%	No major variance noted
Trade payables turnover ratio	988.43	5.85	16906%	673.91	46.58	1447%	-15459%	Increase in credit purchases during the current year.
Net capital turnover ratio	1,202.94	996.47	121%	1,108.78	2,562.05	43%	-77%	Decrease in working capital due to increase in current liabilities towards borrowings
Net profit ratio	(1,559.52)	1,202.94	-130%	(915.57)	1,108.78	-83%	47%	Increase in loss for the year and accumulated losses due to huge credit purchases
Return on capital employed	(1,454.02)	2,384.07	-61%	(829.56)	4,242.80	-20%	41%	Decrease in earnings and capital employed, the same is due to borrowings
Return on investment	(1,559.52)	2,071.63	-75%	(915.57)	3,621.86	-25%	50%	Increase in accumlated losses due to CY Losses

A. Current Ratio = Current Assets divided by Current Liabilities
B. Debt-equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings and lease liabilities
C. Debt Service Coverage Ratio (DSCR) = Earnings available for debt services (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc) divided by Total interest and lease payments and principal repayments
D. Return on equity ratio : Net profit after tax less preference dividend divided by Average Shareholder Equity
E. Inventory turnover ratio : Cost of materials consumed divided by Average Inventory (Opening + Closing balance / 2)
F. Trade Receivables turnover ratio = Credit Sales (Total revenue from operations +Opening Unbilled- Closing Unbilled-Opening unearned revenue+ Closing Unearned revenue) divided by Average trade receivables ((Opening + Closing balance / 2)
G. Trade payables turnover ratio = Credit purchases (Cost of goods sold+ other expenses+ Opening provision for expenses- Closing Provision for expenses- Impairment loss allowance on financial asset- Loss on sale of fixed asset- forex gain loss-Expenditure on CSR-Bad debt/Deposits written off) divided by average trade payables
H. Net capital turnover ratio = Net Sales divided by Working Capital
I. Net profit ratio = Net profit after tax divided by Revenue from operations
J . Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Average Capital Employed- pre cash (Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax
K. Return on investment: PAT divided by Total Equity

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm's Registration No.: 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad
Date: 12 May 2022

For and on behalf of Board of Directors
Excelus Learning Solutions Private Limited
CIN: U74999KA2016PTC097984

Lohit Bhatia
Director
DIN : 07980280

Place: Bengaluru
Date: 12 May 2022

Vijay Sivaram
Director
DIN : 07990452

Place: Bengaluru
Date: 12 May 2022

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, 2022, 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, 2022 and its loss, 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 ("SA"s) 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 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 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.

N.S. SHASTRI & CO. BANGALORE CHARTERED ACCOUNTANTS

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.

   E. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 the financial reporting of the Company and the operating effectiveness of such controls, the Ministry of Corporate Affairs (MCA) has issued a Notification vide No. G.S.R. 583(E) dated 13th June, 2017 exempting the applicability of the provisions of Section 143(3)(i) of the Act, to certain category of Companies, which is applicable to the Company. Accordingly, no report has been issued under the said provisions of the Act.

N.S. SHASTRI & Co. BANGALORE CHARTERED ACCOUNTANTS

G. Based on our audit, we report that the provisions of section 197 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, reporting under section 197(16) 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 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.

iv) (a).The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

(b).The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c).Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v) The Company has not declared or paid any dividend during the year ended 31 March 2022.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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: 02nd May 2022
UDIN: 22037676AJNGBI8183

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report on Companies (Auditor's Report) Order, 2020 ("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) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible 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.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The management has conducted the physical verification of inventory at reasonable intervals and the coverage and procedure applied by the management during the verification is appropriate. 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.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Bank of Baroda and Yes Bank on the basis of security of inventory and book debts of the Company and the quarterly returns or statements filed by the company with the above mentioned banks are in agreement with the books of account of the Company.

(iii) The Company has not made investments in, has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(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.

N.S. SHASTRI & 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 services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) Undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any 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.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) The Company has not defaulted in repayment of loans or borrowings or interest thereon to any lender or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans on the pledge of securities held in its subsidiaries, joint ventures or associate companies during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) The Company has not received any whistle blower complaints during the year (and upto the date of this report), and hence reporting on clause 3(xi)(c) of the Order is not applicable

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order is not applicable.

V.S. SHASTRI & CO. CHARTERED ACCOUNTANTS BANGALORE

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) In our opinion provisions of section 138 of the Act is not applicable to the Company. Accordingly, provisions of clause 3(xiv) of the Order is not applicable.

(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) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses of Rs.6,04,64,788/- during the financial year covered by our audit and Rs 2,36,52,058/- during the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion Provisions of section 135 of the Act is not applicable to the Company. Accordingly, provisions of clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

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: 02nd May 2022
UDIN: 22037676AJNGBI8183

Greenpiece Landscapes India Private Limited
CIN: U01403KA2008PTC044865

Balance Sheet	Note	As at 31 March 2022	As at 31 March 2021
			(Amount in INR)
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,22,655	8,71,560
Other intangible assets	4	20,758	67,958
Financial assets			
(i) Non-current investments		-	-
(ii) Non-current loans	5	-	-
Deferred tax assets (net)		-	-
Income tax assets (net)	6	24,63,848	18,72,572
Total non-current assets		**28,07,261**	**28,12,090**
Current assets			
Inventories	7	15,96,498	6,37,51,012
Financial assets			
(ii) Trade receivables	8	4,78,03,797	5,47,63,331
(iii) Cash and cash equivalents	9	-	13,429
(iv) Bank balances other than cash and cash equivalents above	10	1,22,25,202	95,71,605
(v) Current loans	11	2,68,000	2,66,000
(vi) Unbilled revenue	12	2,41,41,823	3,05,55,364
(vii) Other current financial assets	13	4,18,379	6,07,779
Other current assets	14	22,90,322	8,44,564
Total current assets		**8,87,44,020**	**16,03,73,084**
Total Assets			
Total assets		**9,15,51,281**	**16,31,85,174**
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	(22,58,52,324)	(16,44,63,574)
Total equity attributable to equity holders of the Company		**(13,34,21,324)**	**(7,20,32,574)**
Non-controlling interests		-	-
Total equity		**(13,34,21,324)**	**(7,20,32,574)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Non-current provisions	18	25,30,907	33,46,663
Total non-current liabilities		**25,30,907**	**33,46,663**
Current liabilities			
Financial liabilities			
(i) Current borrowings	19	18,85,07,397	19,46,26,936
(ii) Trade payables	20	73,60,763	2,41,10,832
(iii) Other current financial liabilities	21	1,38,74,343	94,52,652
Income tax liabilities (net)		-	-
Current provisions	22	4,48,248	3,83,627
Other current liabilities	23	1,22,50,947	32,97,038
Total current liabilities		**22,24,41,698**	**23,18,71,085**
Total Liabilities		**22,49,72,605**	**23,52,17,748**
Total Equity and Liabilities		**9,15,51,281**	**16,31,85,174**

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
Partner
Membership No.: 037676

Place: Bengaluru
Date: 02 May 2022

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: 02 may 2022

Vijay Shivaram
Director
DIN:07990452

Place: Bengaluru
Date: 02 May 2022

Greenpiece Landscapes India Pvt. Ltd.

Greenpiece Landscapes India Private Limited
CIN: U01403KA2008PTC044865

(Amount in INR)

Statement of profit and loss	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	24	5,87,12,547	6,86,25,306
Other income	25	12,70,755	8,94,291
Total income		**5,99,83,302**	**6,95,19,597**
Expenses			
Cost of material and stores and spare parts consumed	26	6,72,64,127	2,25,36,666
Employee benefit expenses	27	2,98,06,952	4,14,34,257
Finance costs	28	1,48,78,937	1,54,89,264
Depreciation and amortisation expenses	29	5,86,709	10,38,910
Other expenses	30	92,86,597	4,20,72,656
Total expenses		**12,18,23,322**	**12,25,71,754**
Profit before share of profit of equity accounted investees and income tax		**(6,18,40,020)**	**(5,30,52,157)**
Share of profit of equity accounted investees (net of income tax)		-	-
Profit before tax		**(6,18,40,020)**	**(5,30,52,157)**
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)		-	-
Total tax credit/ (expense)		-	-
Profit for the year		**(6,18,40,020)**	**(5,30,52,157)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement Income on defined benefit plans	37	4,51,271	2,90,715
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		**4,51,271**	**2,90,715**
Total comprehensive income for the year		**(6,13,88,749)**	**(5,27,61,442)**
Profit attributable to			
Owners of the Company		(6,18,40,020)	(5,30,52,157)
Non-controlling interests		-	-
Total profit for the year		**(6,18,40,020)**	**(5,30,52,157)**
Other comprehensive income attributable to			
Owners of the Company		-	2,90,715
Non-controlling interests		-	-
Total other comprehensive income for the year		-	**2,90,715**
Total comprehensive income attributable to :			
Owners of the Company		(6,13,88,749)	(5,27,61,442)
Non-controlling interests		-	-
Total comprehensive income for the year		**(6,13,88,749)**	**(5,27,61,442)**
Earnings per equity share (face value of INR 10.00 each)			
Basic (in INR)	34	(77.30)	(66.32)
Diluted (in INR)	34	(60.95)	(52.29)

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
Partner
Membership No.: 037676

Place: Bengaluru
Date: 02 may 2022

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: 02 may 2022

Vijay Shivaram
Director
DIN: 07990452

Place: Bengaluru
Date: 02 May 2022

Greenpiece Landscapes India Pvt. Ltd.

Greenpiece Landscapes India Private Limited
Statement of Changes in Equity for the year ended 31 March 2022

(A) Equity share capital

(Amount in INR)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Opening balance	15	80,00,000	80,00,000
Changes in equity share capital	15	-	-
Closing balance		**80,00,000**	**80,00,000**

(B) Other equity

(Amount in INR)

Particulars	Reserves & Surplus: Retained earnings	General reserve	Capital Reserve	Other reserves	Other Comprehensive Income: Remeasurement of the net defined benefit	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	(5,30,52,157)	-		-	-	(5,30,52,157)
Merger Impact	-		-			-
Other comprehensive income (net of tax)	-	-			2,90,715	2,90,715
Add: Fair value of financial guarantee received				-		-
Total comprehensive income	**(5,30,52,157)**	**-**	**-**	**-**	**2,90,715**	**(5,27,61,442)**
Balance as at 31 March 2021	**(17,67,68,277)**	**19,26,309**	**67,04,051**	**8,00,000**	**28,74,343**	**(16,44,63,574)**

Particulars	Note	Reserves & Surplus: Retained earnings	General reserve	Capital Reserve	Other reserves	Other Comprehensive Income: Remeasurement of the net defined benefit liability/asset	Total attributable to equity holders of the Company
Balance as of 1 April 2021		**(17,67,68,277)**	**19,26,309**	**67,04,051**	**8,00,000**	**28,74,343**	**(16,44,63,574)**
Total comprehensive income for the year ended 31 March 2022							
Profit for the year		(6,18,40,020)	-		-		(6,18,40,020)
Other comprehensive income (net of tax)		-	-			4,51,271	4,51,271
Total comprehensive income		**(6,18,40,020)**	**-**	**-**	**-**	**4,51,271**	**(6,13,88,749)**
Balance as of 31 March 2022		**(23,86,08,298)**	**19,26,309**	**67,04,051**	**8,00,000**	**33,25,614**	**(22,58,52,324)**

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
Partner
Membership No. 037676

Place: Bengaluru
Date: 02 May 2022

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: 02 May 2022

Greenpiece Landscapes India Pvt. Ltd.

Vijay Shivaram
Director
DIN 07990452

Place: Bengaluru
Date: 02 May 2022

Greenpiece Landscapes India Private Limited
Statement of Cash Flows

(Amount in INR)

Particulars	For the year ended 31 March 2022	ended 31 March 2021
Cash flows from operating activities		
Profit before tax	(6,18,40,020)	(5,30,52,157)
Adjustments for:		
Interest income on term deposits	(3,32,238)	(3,91,265)
Interest on income tax refunds	-	(5,02,959)
(Profit)/ Loss on sale of property, plant and equipment, net	(3,90,096)	1,11,270
Liabilities no longer required written back	(5,48,379)	-
Finance costs	1,48,78,937	1,54,89,264
Depreciation and amortisation expense	5,86,709	10,38,910
Impairment loss allowance on financial assets	7,88,524	2,83,61,189
Bad debts written off	10,90,072	11,24,461
Operating cash flows before working capital changes	**(4,57,66,492)**	**(78,21,287)**
Changes in operating assets and liabilities		
(Increase)/Decrease in inventories	6,21,54,514	3,02,27,095
(Increase)/ decrease in trade receivables	50,80,939	(20,17,167)
(Increase) in unbilled revenue	64,13,541	2,96,04,686
(Increase) in Non Current loans	-	7,16,268
(Increase) in current loans	(2,000)	9,05,800
Decrease in other current financial assets	4,98,695	-
(Increase) in other current assets	(14,45,758)	28,55,508
(Decrease) in trade payables	(1,64,81,630)	(5,09,24,716)
(Decrease) in other current financial liabilities	1,10,570	(2,29,39,611)
(Decrease) in non-current and current provisions	(19,882)	(6,09,296)
Increase in other current liabilities	89,53,909	(66,55,281)
Cash generated from operations	**1,94,96,406**	**(2,66,58,001)**
Income taxes paid, net of refund	(5,91,276)	99,89,915
Net cash provided by operating activities (A)	**1,89,05,130**	**(1,66,68,086)**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(50,550)	2,55,338
Proceeds from sale of fixed assets	4,50,000	(1,11,270)
Bank deposits (having original maturity of more than three months)	(26,53,597)	19,67,896
Interest income on term deposits	22,943	3,18,002
Interest on IT Refund	-	5,02,949
Net cash used in investing activities (B)	**(22,31,204)**	**29,32,915**
Cash flows from financing activities		
Proceeds from/ (repayment of) vehicle loan, net		
Proceeds from short term borrowings, net	(4,78,01,313)	(8,33,335)
Loans received from/ (repayment to) related parties	4,16,81,774	2,70,60,764
Interest paid	(1,05,67,816)	(1,25,12,352)
Net cash provided by financing activities (C)	**(1,66,87,354)**	**1,37,15,077**
Net increase in cash and cash equivalents (A+B+C)	(13,429)	(20,094)
Cash and cash equivalents at the beginning of the year	13,429	33,523
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**

Components of cash and cash equivalents (refer note 10)

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Cash in hand	-	-
Cheque in hand		
Balances with banks		
In current accounts	-	13,429
In EEFC accounts		
In deposit accounts (with original maturity of less than 3 months)		
Cash and cash equivalents in consolidated balance sheet	-	**13,429**
Bank overdraft used for cash management purpose		
Cash and cash equivalent in the consolidated statement of cash flow	-	**13,429**

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: 02 May 2022

for and on behalf of the Board of Directors of
Greenpiece Landscapes India Private Limited

Rajesh Kharidehal
Director
DIN: 08472077

Place: Bengaluru
Date 02 May 2022

Vijay Shivaram
Director
DIN:07990452

Place: Bengaluru
Date 02 May 2022

Greenpiece Landscapes India Pvt. Ltd.

5 Non current loans

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Loans receivable considered good - unsecured- repayable on demand		
Security deposits	-	-
Loans to employees		-
	-	-

A Amount recognised in profit or loss

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
In respect of the current period	-	-
Excess provision related to prior years	-	-
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	-	-

B Income tax recognised in other comprehensive income

(Amount in INR)

Particulars	ended 31 March 2022	ended 31 March 2021
Remeasurement of the net defined benefit liability/ asset		
Before tax	-	2,90,715
Tax (expense)/ benefit	-	-
Net of tax	-	**2,90,715**

D Reconciliation of effective tax rate

(Amount in INR)

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Rate	**Amount**	**Rate**	**Amount**
Profit before tax		(6,18,40,020)		(5,30,52,157)
Tax using the Company's domestic tax rate	27.82%	(1,72,03,894)	27.82%	(1,47,59,110)
Effect of:				
Non-deductible expenses	0%	-	0.0%	
Difference in enacted tax rate	0.00%	-	0.0%	
Others	0.00%	-	0.0%	292
Effective tax rate	**27.82%**	**(1,72,03,894)**	**27.82%**	**(1,47,58,818)**
Excess provisions relating to earlier years	-	**(1,72,03,894)**	-	**(1,47,58,818)**
Income tax credit/(expense) reported in the Statement of Profit and Loss	**0.00%**	-	**0.00%**	-

E The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2022 and 31 March 2021

Non-current tax assets (net)

(Amount in INR)

Particulars	ended 31 March 2022	ended 31 March 2021
Income tax assets	24,63,848	18,72,572
Income tax liabilities	-	-
Net income tax assets at the end of the year	**24,63,848**	**18,72,572**

Greenpiece Landscapes India Pvt. Ltd. *

7 **Inventories**

(Amount in

Particulars	As at 31 March 2022	As at 31 March 2021
Valued at lower of cost and net realizable value		
Raw material and consumables	15,96,498	6,37,51,012
	15,96,498	**6,37,51,012**

8 Trade receivables

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured		
Undisputed Trade receivables		
Considered good	4,79,45,750	6,03,60,595
Considered doubtful	5,39,55,400	4,77,11,565
	10,19,01,150	**10,80,72,160**
disputed Trade receivables		
Considered good	-	-
Considered doubtful	77,51,555	77,51,556
	77,51,555	**77,51,556**
TOTAL	**10,96,52,705**	**11,58,23,716**
Loss allowance [refer note 32]		
Undisputed Trade receivables		
Unsecured considered good	(78,93,508)	(1,33,48,819)
Doubtful	(4,62,03,845)	(3,99,60,009)
	(5,40,97,353)	**(5,33,08,829)**
disputed Trade receivables		
Unsecured considered good	-	-
Doubtful	(77,51,555)	(77,51,556)
	(77,51,555)	**(77,51,556)**
TOTAL	**(6,18,48,908)**	**(6,10,60,385)**
Net trade receivables	**4,78,03,797**	**5,47,63,331**

All trade receivables are current.

The Company exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 32.

Trade receivable ageing schedule as on 31 March 2022:

Particulars	Outstanding for the following periods from due date of payment/ date of transaction					
	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables						
- Considered good and Doubtful	5,40,86,151	16,11,153	1,07,40,985	3,07,15,588	47,47,272	#########
- Significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	(64,70,283)	(14,23,225)	(1,07,40,985)	(3,07,15,588)	(47,47,272)	#########
Disputed trade receivables						
- Considered good and Doubtful	-	-	-	58,97,038	18,54,517	77,51,555
- Significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	(58,97,038)	(18,54,517)	(77,51,555)

Trade receivable ageing schedule as on 31 March 2021:

Particulars	Outstanding for the following periods from due date of payment/ date of transaction					
	Less than 6	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3	Total
Undisputed trade receivables						
- Considered good	6,28,63,672	85,90,716	3,09,26,607	52,75,320	4,15,844	#########
- Significant increase in credit risk						-
- Credit impaired	(91,55,618)	(75,35,440)	(3,09,26,607)	(52,75,320)	(4,15,844)	#########
Disputed trade receivables						
- Considered good			58,97,038	4,74,838	13,79,680	77,51,556
- Significant increase in credit risk						-
- Credit impaired			(58,97,038)	(4,74,838)	(13,79,680)	(77,51,556)

9 Cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Cash in hand	-	-
Balances with banks	-	
In current accounts	-	13,429
Cash and cash equivalents in balance sheet	-	**13,429**
Bank overdraft used for cash management purpose	-	-
Cash and cash equivalent in the statement of cash flow	-	**13,429**

10 Bank balances other than cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
In deposit accounts (mature within 12 months from the reporting date)	1,22,25,202	95,71,605
	1,22,25,202	**95,71,605**

Greenpiece Landscapes India Pvt. Ltd.

11 **Current loans**

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured Considered good		
Security deposits	2,68,000	2,66,000
	2,68,000	**2,66,000**

12 **Unbilled revenue**

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Unbilled revenue*	2,41,41,823	3,05,55,364
	2,41,41,823	**3,05,55,364**

13 **Other current financial assets**

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due	4,18,379	6,07,779
	4,18,379	**6,07,779**

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14 Other current assets

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances other than capital advances		
Travel advances to employees	36,249	3,39,126
Prepaid expenses	27,911	38,761
Balances with government authorities	22,26,162	4,66,677
	22,90,322	**8,44,564**

15 Equity share capital

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
8,50,000 (31 March 2021: 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 2021: 8,50,000) equity shares of par value of Rs 10 each, fully paid up	80,00,000	80,00,000
Share Application money	-	-
	80,00,000	**80,00,000**
Details of shareholding of promoters:	**NIL**	**NIL**

15.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2022		As at 31 March 2021	
	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	8,00,000	80,00,000
Add: Shares issued during the year	-	-	-	-
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

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 2022		As at 31 March 2021	
	Number of shares	Amount in Rs.	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 2022		As at 31 March 2011	
	Number of shares	% held	Number of	% held
Equity shares				
Quess Corp Limited	7,99,990	100%	7,99,990	100%
Ajit Isaac	10	0%	10	0%
	8,00,000	**100%**	**8,00,000**	**100%**

16 Instruments entirely equity in nature

Particulars	As at 31 March 2022	As at 31 March 2021
Compulsorily Convertible Debentures		
84,431 (31 March 2021: 84,431) compulsorily convertible debentures of par value of Rs 1,000	8,44,31,000	8,44,31,000
	8,44,31,000	**8,44,31,000**

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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 2022		As at 31 March 2021	
	Number of CCDs	**Amount in Rs.**	**Number of CCD**	**Amount in Rs.**
Number of compulsorily convertible debentures (CCDs)	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
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

Particulars	As at 31 March 2022	As at 31 March 2021
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

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 2022	As at 31 March 2021
General reserve account	19,26,309	19,26,309
Other comprehensive income (refer note 17.1)	33,25,614	28,74,343
Other Equity- Corporate Guarantee	8,00,000	8,00,000
Retained earnings	(23,86,08,298)	(17,67,68,277)
Capital Reserve	67,04,051	67,04,051
	(22,58,52,324)	**(16,44,63,574)**

* 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 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity (refer note 37)	25,30,907	33,46,663
	25,30,907	**33,46,663**

Greenpiece Landscapes India Pvt. Ltd.

19 Current borrowings

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities (refer note 19.1 & 19.2)	5,97,64,859	10,75,66,172
Loan from related parties, unsecured		
- Quess Corp Limited (refer note 19.3)	12,87,42,538	8,70,60,764
	18,85,07,397	**19,46,26,936**

Information about the Company exposure to interest rate and liquidity risk is included in note 33.

Quarter	*Name of Bank*	*Particulars of security provided*	*Amount as per books of accounts*	*Amount as reported in quartely statement*	*Amount of difference*	*Reason for material discrepancies*
Quarter-1 FY 21-22	*Bank Of Baroda*	*Net Stock Value*	*5,13,63,135*	*5,13,63,135*	-	*- NA -*
		Net Sundry	*8,14,07,560*	*8,14,07,560*	-	*- NA -*
	Yes Bank	*Net Stock Value*	*5,13,63,135*	*5,13,63,135*	-	*- NA -*
		Net Sundry	*8,14,07,560*	*8,14,07,560*	-	*- NA -*
Quarter-2 FY 21-22	*Bank Of Baroda*	*Net Stock Value*	*5,76,64,566*	*5,76,64,566*	-	*- NA -*
		Net Sundry	*6,99,25,961*	*6,99,25,961*	-	*- NA -*
	Yes Bank	*Net Stock Value*	*5,76,64,566*	*5,76,64,566*	-	*- NA -*
		Net Sundry	*6,99,25,961*	*6,99,25,961*	-	*- NA -*
Quarter-3 FY 21-22	*Bank Of Baroda*	*Net Stock Value*	*5,58,10,168*	*5,58,10,168*	-	*- NA -*
		Net Sundry	*6,89,64,322*	*6,89,64,322*	-	*- NA -*
	Yes Bank	*Net Stock Value*	*5,58,10,168*	*5,58,10,168*	-	*- NA -*
		Net Sundry	*6,89,64,322*	*6,89,64,322*	-	*- NA -*

19.1 The Company has taken Overdraft facilities having interest rates ranging from MCLR+ strategic premium (0.25%) i.e., 10.25% 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 6 month CD Rate + 3.84% and 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)

i) Trade Payables - billed dues

Particulars	As at 31 March 2022	As at 31 March 2021
Undisputed		
Dues to micro, small and medium enterprises (refer note 40)	8,94,026	16,04,479
Trade payables to related parties (refer note 38)	-	-
Other trade payables	38,02,242	90,64,821
	46,96,268	**1,06,69,300**

i) Trade Payables - unbilled dues

Particulars	As at 31 March 2022	As at 31 March 2021
Undisputed		
Dues to micro, small and medium enterprises	60,000	24,07,988
Trade payables to related parties	-	-
Other trade payables	26,04,495	1,10,33,544
	26,64,495	**1,34,41,532**
Total	**73,60,763**	**2,41,10,832**

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2022:

Particulars	Outstanding for the following periods from due date of payment/ date of transaction					
	Less than 6	**6 months - 1 year**	**1 - 2 year**	**2 - 3 year**	**More than 3**	**Total**
Undisputed						
- Micro enterprises and small enterprises	3,49,037	6,04,989	-	-	-	9,54,026
- Others	35,00,733	11,38,699	8,04,656	9,62,649	-	64,06,737
Disputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	-	-	-	-	-

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2021:

Particulars	Outstanding for the following periods from due date of payment/ date of transaction					
	Less than 6	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3	Total
Undisputed						
- Micro enterprises and small enterprises	1,64,434	26,23,274	11,49,532	-	75,227	40,12,467
- Others	1,40,54,102	20,36,742	4,68,427	16,17,959.50	19,21,135	##########
Disputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	-	-	-	-	-

Greenpiece Landscapes India Pvt. Ltd. *

The Company exposure to liquidity risk related to trade payables is disclosed in note 33

21 Other current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued and not due	1,98,864	56,609
Amount payable to related parties	82,92,895	39,81,774
Other Payables		
Accrued salaries and benefits	30,59,996	25,51,633
Provision for bonus and incentive	23,22,588	28,62,636
	1,38,74,343	**94,52,652**

(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 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity (refer note 37)	4,48,248	3,83,627
	4,48,248	**3,83,627**

23 Other current liabilities

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance received from customers	1,15,86,879	13,35,435
Balances payable to government authorities	6,64,068	19,61,603
	1,22,50,947	**32,97,038**

Greenpiece Landscapes India Pvt. Ltd.

24 Revenue from operations

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from Projects		
- Landscape & Softscape Income	2,14,93,606	2,93,82,988
Total revenue from Projects	**2,14,93,606**	**2,93,82,988**
Revenue from Service		
- Maintenance Income	3,72,18,941	3,90,17,318
- Consultancy Income	-	2,25,000
Total revenue from Service	**3,72,18,941**	**3,92,42,318**
	5,87,12,547	**6,86,25,306**

25 Other income

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income under the effective interest method on		
Cash and cash equivalents	3,32,238	3,67,409
Interest income on present valuation of financial instruments	-	23,856
Interest on tax refunds due	-	5,02,949
Profit on sale of property, plant and equipment and intangible assets	3,90,096	-
Reversal of Gratuity provision in excess to Liability	2,79,982	-
Liabilities no longer required written back	2,68,439	-
Miscellaneous income	-	77
	12,70,755	**8,94,291**

26 Cost of material and stores and spare parts consumed

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory at the beginning of the year	6,37,51,012	9,39,78,107
Add: Purchases	51,09,613	(76,90,429)
Less: Inventory at the end of the year	15,96,498	6,37,51,012
Cost of materials and stores and spare parts consumed	**6,72,64,127**	**2,25,36,666**

27 Employee benefits expense

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	2,64,24,571	3,60,47,035
Contribution to provident and other funds	32,24,701	42,14,762
Expenses related to post-employment defined benefit plan	-	10,47,479
Staff welfare expenses	1,57,680	1,24,981
	2,98,06,952	**4,14,34,257**

28 Finance costs

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on financial liabilites measured at amortised cost	1,43,64,502	1,51,47,819
Other borrowing costs	5,14,435	3,41,445
	1,48,78,937	**1,54,89,264**

* MSME Ineterst provided 1,42,355 - as at 31 March 2022 and 56,059 - as at 31 March 2021

29 Depreciation and amortisation expense

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 3)	5,39,552	9,91,753
Amortisation of intangible assets (refer note 4)	47,157	47,157
	5,86,709	**10,38,910**

Greenpiece Landscapes India Pvt. Ltd.

30 Other expenses

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sub-contractor charges	14,04,737	42,18,237
Rent (refer note 30.1)	5,82,636	30,12,507
Power and Fuel	-	20,525
Repairs & maintenance		
- buildings	-	47,857
- plant and machinery	6,33,154	7,32,618
- others	84,858	-
Legal and professional fees (refer note 30.2)	16,37,822	7,97,926
Rates and taxes	11,95,259	4,41,240
Printing and stationery	63,897	90,780
Stores and tools consumed	-	220
Travelling and conveyance	2,65,909	8,75,173
Communication expenses	3,742	8,138
Transportation Charges	83,833	5,71,636
Loss allowance on financial assets, net [refer note 32]	7,88,524	2,83,61,189
Equipment hire charges	11,59,620	10,98,447
Insurance	75,660	71,792
Office expenses	41,612	1,19,899
Bank charges	1,75,227	3,68,741
Bad debts written off	10,90,072	11,24,461
Loss on sale of fixed assets, net	-	1,11,270
Miscellaneous expenses	36	-
	92,86,597	**4,20,72,656**

30.1 Rent

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent-Project	2,66,700	21,11,300
Rent-Office	3,15,936	8,71,272
	5,82,636	**29,82,572**

30.2 Payment to auditors (net of GST; included in legal and professional fees)

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Statutory audit fees	2,25,000	2,25,000
Other fees	25,000	25,000
	2,50,000	**2,50,000**

30.3 Details of CSR expenditure

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	NIL	NIL

30.4 Undisclosed income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	NIL	NIL

30.5 Exceptional items

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	NIL	NIL

Greenpiece Landscapes India Pvt. Ltd.

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 ₹ 6,18,40,020 - during the year ended 31 March 2022 and, Further, as at that date the Company's accumulated losses amounted to ₹ 23,86,08,298.- 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
Gross Value as at 01 April 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**
Additions during the Year	-	-	-	50,550	-	50,550
Disposals for the Year	-	-	-	-	(7,74,225)	(7,74,225)
Balance as at 31 March 2022	**10,93,701**	**11,35,674**	**4,81,807**	**22,58,968**	-	**49,70,150**
Accumulated depreciation as at 1 April 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**
Depreciation for the year	1,07,923	55,529	63,301	73,185	2,39,614	5,39,552
Accumulated depreciation on deletions				-	(7,14,322)	(7,14,322)
Balance as at 31 March 2022	**9,11,874**	**11,24,718**	**4,29,144**	**21,81,759**	-	**46,47,495**
Net Carrying Amount						-
As at 31 March 2022	**1,81,827**	**10,956**	**52,663**	**77,209**	-	**3,22,655**
As at 31 March 2021	**2,89,750**	**66,485**	**1,15,964**	**99,844**	**2,99,517**	**8,71,560**

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 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**
Additions during the Year	-	-
Disposals for the Year	-	-
Balance as at 31 March 2022	**8,07,996**	**8,07,996**
Accumulated Amortisation	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**
Amortisation for the Year	47,200	47,200
Accumulated Amortisation on deletions	-	-
Balance as at 31 March 2022	**7,87,238**	**7,87,238**
Net Carrying Amount		
As at 31 March 2022	**20,758**	**20,758**
As at 31 March 2021	**67,958**	**67,958**

There has been No Impairment losses recognised during the year or previous year

The Company has not revalued its Property, Plant and Equipment(including Right-ofUse Assets) ,intangible assets and investment property as at the balance sheet date

The Company doesn't have title deeds which are held other than in the company's name as at the balance sheet date

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31 Financial instruments - fair value and risk management

Financial instruments by category

(Amount in INR)

Particulars	Note	31 March 2022			31 March 2021		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets:							
Non-current investments	0	-	-	-	-	-	-
Loans	5 & 11	-	-	2,68,000	-	-	2,66,000
Trade receivables	8	-	-	4,78,03,797	-	-	5,47,63,331
Cash and cash equivalents including other bank balances	9 & 10	-	-	1,22,25,202	-	-	95,85,034
Unbilled revenue	12	-	-	2,41,41,823	-	-	3,05,55,364
Other financial assets	13	-	-	4,18,379	-	-	6,07,779
Total financial assets		-	-	**8,48,57,201**	-	-	**9,57,77,508**
Financial liabilities:							
Borrowings	19	-	-	18,85,07,397	-	-	19,46,26,936
Trade payables	20	-	-	73,60,763	-	-	1,06,69,300
Other current financial liabilities	21	-	-	1,38,74,343	-	-	2,28,94,184
Total financial liabilities		-	-	**20,97,42,503**	-	-	**22,81,90,420**

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 2022	Level 1	Fair Value Level 2	Level 3
Financial assets measured at amortised cost					
Non-current investments	0	-			
Loans	5 & 11	2,68,000	-	-	-
Trade receivables	8	4,78,03,797	-	-	-
Cash and cash equivalent including other bank balances	9 & 10	1,22,25,202	-	-	-
Unbilled revenue	12	2,41,41,823			
Other financial assets	13	4,18,379			
Total financial assets		**8,48,57,201**	-	-	-
Financial liabilities measured at amortised cost					
Borrowings	19	18,85,07,397	-	-	-
Trade payables	20	73,60,763	-	-	-
Other current financial liabilities	21	1,38,74,343	-	-	-
Total financial liabilities		**20,97,42,503**	-	-	-

Financial instruments - fair value and risk management

(Amount in INR)

Particulars	Note	Carrying Amount 31 March 2021	Level 1	Fair Value Level 2	Level 3
Financial assets measured at amortised cost					
Non-current investments	0	-			
Loans	5 & 11	2,66,000	-	-	-
Trade receivables	8	5,47,63,331	-	-	-
Cash and cash equivalent including other bank balances	9 & 10	95,85,034	-	-	-
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**	-	-	-

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:

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

Greenpiece Landscapes India Pvt. Ltd.

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 2022 *(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	4,67,97,868	3.87%	18,11,233	No	4,49,86,635
Past due 1-90 days	14,11,380	43.45%	6,13,178	No	7,98,202
Past due 91-180 days	58,76,904	68.84%	40,45,872	No	18,31,032
Past due 181-270 days	16,11,153	88.34%	14,23,225	No	1,87,928
Past due 271-365 days	13,54,507	100.00%	13,54,507	Yes	-
Above 365 days	5,26,00,893	100.00%	5,26,00,893	Yes	-
	10,96,52,705		**6,18,48,908**		**4,78,03,797**

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**

Greenpiece Landscapes India Pvt. Ltd.

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 2022	As at 31 March 2021
Balance as at the beginning of the year	**6,10,60,385**	**3,26,99,196**
Impairment loss recalculated after adopting Ind AS 115	-	-
Impairment loss allowance recognised	7,88,524	2,83,61,188
Balance as at the end of the year	**6,18,48,908**	**6,10,60,385**

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 2022 and 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 2022

(Amount in INR)

Particulars		Contractual cash flows			
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	18,85,07,397	18,85,07,397			
Trade payables	73,60,763	73,60,763	-	-	-
Other financial liabilities	1,38,74,343	1,38,74,343	-	-	-

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	-	-	-

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%) i.e., 10.25% 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 Cash credit from YES BANK having interest rate of 3 months MCLR and Working capital demand loan from YES BANK having interest rate of 6 month CD Rate + 3.84% and 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 2022	As at 31 March 2021
Variable rate borrowings	-	-
Fixed rate borrowings	18,85,07,397	19,46,26,936
Total borrowings	**18,85,07,397**	**19,46,26,936**

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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 2022	As at 31 March 2021
Gross debt	18,85,07,397	19,46,26,936
Less: Cash and cash equivalents	1,22,25,202	95,85,034
Adjusted net debt	**17,62,82,195**	**18,50,41,902**
Total equity	(13,34,21,324)	(7,20,32,574)
Less: Effective portion of cash flow hedges and cost of hedging		
Equity	**(13,34,21,324)**	**(7,20,32,574)**
Net debt to equity ratio	**(1.32)**	**(2.57)**

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34 Earnings per share

(Amount in INR except number of shares and per share data)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Nominal value of equity shares (amount per share)	10	10
Net profit after tax for the purpose of earnings per share	(6,18,40,020)	(5,30,52,157)
Weighted average number of shares used in computing basic earnings per share	8,00,000	8,00,000
Basic earnings per share	**(77.30)**	**(66.32)**
Weighted average number of shares used in computing diluted earnings per share	10,14,591	10,14,591
Diluted earnings per share	**(60.95)**	**(52.29)**

Computation of weighted average number of shares

(Amount in numbers)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Number of equity shares outstanding at beginning of the year	8,00,000	8,00,000
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 share	8,00,000	8,00,000
Add: Impact of potentially dilutive equity shares	2,14,591	2,14,591
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	10,14,591	10,14,591

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

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(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
Stellars Log Technovation Private Limited	Associate of holding company	India
Himmer Industrial Services (M) SDN. BHD.	Joint venture of holding company	Malaysia

(iii) **Related party transactions**

(Amount in INR)

Particulars		**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Revenue from operations	Quess Corp Limited	2,38,18,749	1,74,40,508
Finance costs			
- Interest expense	Quess Corp Limited	83,34,567	40,01,785
Loans taken from related parties	Quess Corp Limited	3,98,16,972	3,40,60,762
Loans repaid to related parties	Quess Corp Limited	-	70,30,000
Advance received from customer	Quess Corp Limited	8,87,878	3,61,477

Greenpiece Landscapes India Pvt. Ltd.

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

(Amount in INR)

Particulars		As at 31 March 2022	As at 31 March 2021
Current borrowings	Quess Corp Limited	12,87,42,538	8,70,60,764
Other financials liabilities			
- Interest payable	Quess Corp Limited	82,92,895	39,81,774
- Provision for expenses	Quess Corp Limited	3,60,000	77,00,000
Other current liabilities			
- Advance received from customers	Quess Corp Limited	8,87,878	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 2022	For the year ended 31 March 2021
Total rental expense relating to operating lease	5,82,636	29,82,572
- Non-cancellable	-	-
- Cancellable	5,82,636	29,82,572

37 **Assets and liabilities relating to employee benefits**

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability - gratuity plan	29,79,155	37,30,290
Total employee benefit liability	**29,79,155**	**37,30,290**
Current [refer note 22]	4,48,248	3,83,627
Non-current [refer note 18]	25,30,907	33,46,663
	29,79,155	**37,30,290**

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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.

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 2022**	**As at 31 March 2021**
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	25,21,782	52,92,435
Current service cost	7,47,364	7,94,684
Interest cost	1,61,280	2,74,299
Past service cost		
Benefit settled	-	(27,34,289)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	(3,26,977)	1,64,155
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(1,24,294)	77,929
Obligation at the end of the year	**29,79,155**	**38,69,213**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	1,38,923	6,62,134
Additions through business combination		-
Interest income on plan assets	-	21,504
Remeasurement- actuarial gain/(loss)	(1,38,923)	-
Return on plan assets recognised in other comprehensive income	-	5,32,799
Contributions		-
Benefits settled	-	(10,77,514)
Plan assets as at the end of the year	**-**	**1,38,923**
Net defined benefit liability	**29,79,155**	**37,30,290**

C i) Expense recognised in statement of profit or loss

(Amount in INR)

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Current service cost	7,47,364	7,94,684
Interest cost	1,61,280	2,74,299
Past service cost	-	-
Interest income	-	(21,504)
Net gratuity cost	**9,08,644**	**10,47,479**

ii) Re-measurement recognised in other comprehensive income

(Amount in INR)

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Remeasurement of the net defined benefit liability	(4,51,271)	2,42,084
Remeasurement of the net defined benefit asset	-	(5,32,799)
	(4,51,271)	**(2,90,715)**

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D Plan assets

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Funds managed by insurer	-	1,38,923
	-	**1,38,923**

E Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount rate	6.90%	6.20% - 6.40%
Future salary growth	5.40%	6.00%
Attrition rate	7.40%	7.00%
Rate of return on planned asset	0.00%	3.00%
Average duration of defined benefit obligation (in years)	9 - 13	9 - 13

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

Associate employees

(Amount in INR)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-7.50%	8.60%	-8.00%	9.30%
Future salary growth (1% movement)	8.60%	-7.60%	9.20%	-8.10%
Attrition rate (1% movement)	-0.70%	0.10%	-3.50%	3.30%

Note: Core employees of Greenpiece Landscapes India Private Limited has been transferred to Quess Corp Limited during the previous financial year

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 2022	As at 31 March 2021
Receivables, which are included in 'Trade and other receivables'	4,78,03,797	5,47,63,331
Contract assets	2,41,41,823	3,05,55,364

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 2022
Balance at the beginning of the reporting period	3,05,55,364
Add: Revenue recognized during the reporting period	5,87,12,547
Less: Invoiced during the reporting period	6,51,26,088
Balance at the end of the reporting period	**2,41,41,823**

Greenpiece Landscapes India Pvt. Ltd.

(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 Ratios

Ratios	Ratio 21-22	Ratio 20-21
Current ratio	0.40	0.69
Debt-equity ratio	(1.41)	(2.70)
Inventory turnover	2.01	0.61
Trade receivables	0.33	1.53
Trade payables	2.29	2.22
Net profit ratio	(1.05)	(0.77)
Return on	0.46	0.73

40 Utilisation of borrowed funds and share premium

(i) Details of loans and advances given to intermediary companies which is further lent/ invested directly or indirectly or given guarantee/ security in other beneficiary company in compliance with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), Companies Act and the Prevention of Money-Laundering act, 2002

As on 31 March 2022	As on 31 March 2021
NIL	NIL

(ii) Details of loans and advances received by the Company which is further lent/ invested directly or indirectly or given guarantee/ security in other beneficiary company in compliance with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), Companies Act and the Prevention of Money-Laundering act, 2002

As on 31 March 2022	As on 31 March 2021
NIL	NIL

41 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.

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 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 2022	As at 31 March 2021
i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	8,94,026	16,04,479
ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,42,353	56,059
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	17,638	56,059
vii) Further interest remaining due and payable for earlier years	56,059	-

43 The Ourbreak of Coronavirus(Covid-19) pandemic globallay and in India is causing significant distrubance and slowdown of economic activity. In many countries, business 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-1p significantly impacting business operations of the Company, by way of interruption of supply chain distruption, 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 statments.

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 N S Shastri & Co.,
Chartered Accountants
Firm's Registration No. 015093S

for and on behalf of the Board of Directors of
Greenpiece Landscapes India Private Limited

SHASTRI & CO. BANGALORE CHARTERED ACCOUNTANTS

N S Shastri
Partner
Membership No. 037676

Place: Bengaluru
Date: 02 May 2022

Rajesh Kharidehal
Director
DIN: 08472077

Place: Bengaluru
Date: 02 May 2022

Vijay Shivaram
Director
DIN: 07990452

Place: Bengaluru
Date: 02 May 2022

SRIRAMULU NAIDU & CO.
Chartered Accountants

G-8 "H" Block, "Golden Orchid Apartments"
Kasturba Road, Bangalore - 560 001
Phone : 080-4124 6474, 4853 0807
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 2022, 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.

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 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 31st March 2022 and its profits and cash flows for the year ended on that date.

Basis of 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 independent requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI 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 Ind AS financial statements.

Information Other than the 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 Director's report including Annexures to 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 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 Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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), change 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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

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.

As part of an audit in accordance with Standard 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 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 companies Act,2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and 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.

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

SRIRAMULU NAIDU & Co. BANGALORE Chartered Accountants

(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.

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.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2020 ("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;

   c) The balance sheet, the statement of profit and loss including other comprehensive income, Statement of change in Equity and statement of cashflow dealt with by this report are in agreement with the books of accounts;

   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 31 March 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 expressed an unmodified opinion on the adequacy and operating effectiveness of the Company's internal 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;

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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 has no pending litigations that would impact the financial position of the Company.
   ii) The company did not have material foreseeable loss on long term contracts including derivatives contracts;
   iii) There were no amounts which were required to be transferred to Investor Education and Protection Fund by the Company.

FOR SRIRAMULU NAIDU & CO.
Chartered Accountants
FRN : 008975S

SRIRAMULU NAIDU & Co. BANGALORE Chartered Accountants

CA. S Deenadayal
Partner
Membership No. 205194

Place: Bangalore
Date: 06 MAY 2022
UDIN: 22205194ALYGQR7743

Annexure - A to the Independent Auditor's Report

Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March, 2022, we report that:

(i) (a) (A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets, Accordingly the provisions of clause 3(i)(B) of the order is not applicable.

(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, The Company does not have immovable property. Accordingly, the provisions of clause 3(i)(c) of the order is not applicable.

(d) 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 revalue its property, plant and Equipment or intangible assets or both during the year. Accordingly, the provisions of clause 3(i)(d) of the order is not applicable.

(e)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 have any proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the order is not applicable.

(ii) (a) 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.

(b) According to the information and explanation given to us during any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets and unencumbered moveable fixed assets of the company. the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) The Company has not made investments in, provided any guarantee or security granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties. 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 explanations given us, according to the information and explanations given to us, the company has not made investment, granted loans, guarantees and security to companies, firms or other parties, hence section 185 and 186 of the Act is not applicable with respect to investment, grant of loans, guarantees and security. Thus, paragraph 3(iv) of the order is not applicable.

SRIRAMULU NAIDU & CO. BANGALORE Chartered Accountants

(v) The Company has not accepted any deposits or amounts which are deemed to be 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 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. Details of the same has been given below.

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where Dispute is pending	Remarks, if any
The Income Tax Act,1961	Demand	1,17,38,304	A.Y.2018-19	CIT(Appeals)	In the computation of the Tax liability by A.O, deduction under section 80JJA of income tax Act 1961 has not been considered and raised demand For Rs.1,17,38,304 erroneously.

(viii) According to information and explanation given to us, the Company has no transactions, not recorded in the book's accounts have been surrendered or disclosed as income during the year in the tax assessments under the Income tax act 1961.

(ix) (a) According to information and explanation given to us, the Company does not defaulted in repayment of loans or other borrowings or in the repayment of interest thereon to any lender.

(b) According to information and explanation given to us, the Company did not declared wilful defaulter by any bank or financial institution or other lender.

(c) According to information and explanation given to us, the Company did not have any term loans. Accordingly, the provisions of clause 3(ix) (c) of the order are not applicable.

(d) According to information and explanation given to us, the Company has no funds raised on short term basis have been utilised for long term purposes. Accordingly, the provisions of clause 3(ix) (d) of the order are not applicable.

SRIRAMULU NAIDU & Co. BANGALORE Chartered Accountants

(e) According to information and explanation given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(ix) (e) of the order are not applicable.

(f)According to information and explanation given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. The provisions of clause 3(ix) (f) of the order are not applicable.

(x) (a) 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)(a) of the order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x) (b) of the order is not applicable.

(xi) (a)According to the information and explanation given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the course of our audit. Accordingly, paragraph 3(xi) (a) of the order is not applicable.

(b) According to the information and explanation given to us, no offence involving fraud is being or has been committed against the company by the officers or employee. Accordingly, paragraph 3(xi) (b) of the order is not applicable.

(c) According to the information and explanation given to us, the company has no whistle-blowers. Accordingly, paragraph 3(xi) (c) of the order 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, 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 financial statements as required by the applicable accounting standards.

(xiv) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(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. Accordingly, paragraph 3(xvi) of the order is not applicable.

(xvii) According to the information and explanations given to us the Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, paragraph 3(xvii) of the order is not applicable

(xviii) According to the information and explanations given to us, no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the order is not applicable.

(xix) According to the information and explanations given to us, On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, In our opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) (a) According to the information and explanations given to us, the Company has other than ongoing projects, and the company has spent the amount required to be spent as per the provisions of Section 135 of the Act and no unspent amount is required to be transferred fund specified in schedule VII of the companies Act.

(b) According to the information and explanations given to us the Company did not have any ongoing project, accordingly, paragraph 3(xx) (b) of the order is not applicable.

(xxi) According to the information and explanations given to us, the company has not required to prepare the consolidated financials as per the Companies, Act 2013. Accordingly, paragraph 3(xxi) of the order is not applicable.

FOR SRIRAMULU NAIDU & CO.
Chartered Accountants
FRN: 008975S

SRIRAMULU NAIDU & Co. BANGALORE Chartered Accountants

CA. S Deenadayal
Partner
Membership No. 205194

Place: Bangalore
Date: 06 MAY 2022
UDIN: 22205194ALYGQR7743

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 Golden Star Facilities and Services Private Limited ("the Company") as of 31st March 2022 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.

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;

SRIRAMULU NAIDU & CO.
BANGALORE
Chartered Accountants

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 31st March 2022, 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: **22205194ALYGQR7743**

Place: Bangalore

Date : 06 MAY 2022

Golden Star Facilities And Services Private Limited

(Amount in Rs Mn)

Balance Sheet	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	11.26	13.67
Financial assets			
(i) Other non-current financial assets	4	4.73	5.02
Deferred tax assets (net)	5	18.98	40.60
Income tax assets (net)	5	73.34	79.18
Total non-current assets		**108.31**	**138.47**
Current assets			
Inventories	6	1.36	3.17
Financial assets			
(i) Trade and other receivables	7	437.47	422.39
(ii) Cash and cash equivalents	8	0.22	0.64
(iii) Bank balances other than cash and cash equivalent above	9	-	0.46
(iv) Current loans	10	0.37	0.24
(v) Other current financial assets	11	0.29	0.27
Other current assets	12	15.03	11.60
Total current assets		**454.73**	**438.77**
Total Assets		**563.04**	**577.25**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	10.00	10.00
Other equity	14	301.73	267.49
Total equity		**311.73**	**277.49**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease Liabilities		-	0.30
Non-current provisions	15	27.49	27.79
Total non-current liabilities		**27.49**	**28.09**
Current liabilities			
Financial liabilities			
(i) Current borrowings	16	(13.02)	37.78
(ii) Trade and payables	17	48.66	30.64
(iii) Lease Liabilities		0.30	3.46
(iv) Other current financial liabilities	18	148.46	169.04
Other current liabilities	19	39.42	30.75
Total current liabilities		**223.82**	**271.66**
Total Liabilities		**251.31**	**299.75**
Total Equity and Liabilities		**563.04**	**577.25**

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

Madhu Damodaran
Additional Director
DIN: 00424780

Vijay Sivaram
Additional Director
DIN: 07990452

Place: Bengaluru
Date: 6-May-2022

Golden Star Facilities And Services Private Limited

			(Amount in Rs Mn)
Statement of Profit and loss	Note	For the year ended	
		31 March 2022	**31 March 2021**
Income			
Revenue from operations	20	1,962.52	2,005.57
Other income	21	4.62	3.75
Total Income		**1,967.14**	**2,009.31**
Expenses			
Cost of materials, stores and spare parts consumed	22	39.71	41.46
Employee benefits expenses	23	1,687.52	1,674.75
Finance costs	24	7.89	13.03
Depreciation expenses	25	11.38	20.89
Other expenses	26	160.15	182.12
Total expenses		**1,906.65**	**1,932.25**
Profit before income tax		**60.49**	**77.06**
Tax expense			
Current tax	5	-	-
Income tax for earlier years	5	3.50	(2.49)
Deferred tax	5	21.91	17.78
Total tax expenses		**25.40**	**15.29**
Profit for the year		**35.08**	**61.77**
Other comprehensive (income)/expense			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset		1.13	2.79
Income tax relating to items that will not be reclassed to profit or loss		(0.29)	(0.70)
Other comprehensive (income) / expense for the year, net of income tax		**0.85**	**2.09**
Total comprehensive income for the period		**34.24**	**59.69**
Earnings per equity share (face value of Rs 10 each)			
Basic	31	35.08	61.77
Diluted	31	35.08	59.71

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: 6-May-2022

for and on behalf of Board of Directors of
Golden Star Facilities And Services Private Limited

Madhu Damodaran
Additional Director
DIN: 00424780

Vijay Sivaram
Additional Director
DIN: 07990452

Golden Star Facilities And Services Private Limited

(Amount in Rs Mn)

Statement of Cash Flows	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit before tax	60.49	77.06
Adjustments for:		
Depreciation expense	11.38	20.89
Loss/(Profit) on sale of fixed assets, net	(0.03)	-
Bad debts written off	11.59	9.62
Impairment loss allowance on financial assets, net	(7.61)	(25.13)
Interest income	(4.58)	(3.52)
Finance costs	7.89	13.03
Operating cash flows before working capital changes	**79.12**	**91.96**
Working capital adjustments:		
Changes in:		
Inventories	1.81	1.73
Trade receivables and security deposits	(19.05)	240.81
Other current, non-current, unbilled revenue and financial assets	(2.82)	9.16
Trade payables and other financial liabilities	2.66	(61.40)
Other liabilities and provisions	(1.43)	(2.71)
Cash generated from operating activities	**60.28**	**279.55**
Income taxes paid, net of refund	2.34	11.27
Net cash (used in) / provided by operating activities (A)	**62.62**	**290.82**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(8.98)	(3.15)
Proceeds from sale of fixed assets	0.04	-
Interest income on term deposits and others	4.58	3.52
Net cash (used in) / provided by investing activities (B)	**(4.35)**	**0.37**
Cash flows from financing activities		
Finance cost paid	(7.89)	(85.26)
Short-term borrowings, net of repayments	(50.80)	(207.83)
Net cash (used in) / provided by financing activities (C)	**(58.69)**	**(293.10)**
Net increase in cash and cash equivalents (A+B+C)	(0.42)	(1.90)
Cash and cash equivalents at the beginning of the year	0.64	2.54
Cash and cash equivalents at the end of the period (refer note 8)	**0.22**	**0.64**

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: 6-May-2022

for and on behalf of Board of Directors of
Golden Star Facilities And Services Private Limited

Madhu Damodaran
Additional Director
DIN: 00424780

Vijay Sivaram
Additional Director
DIN: 07990452

Golden Star Facilities And Services Private Limited
Statement of Changes in Equity for the year ended 31 March 2022

(A) Equity share capital

(Amount in Rs Mn)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Opening balance	13	10.00	10.00
Changes in equity share capital	13	-	-
Closing balance		**10.00**	**10.00**

(B) Other equity

(Amount in Rs Mn)

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 2020		**201.96**	**3.25**	**2.60**	**207.81**
Add: Profit for the Period		61.77	-	-	61.77
Add: Fair value of financial guarantee received	14	-	-	-	-
Add: Other comprehensive income (net of tax)	14	-	-	(2.09)	(2.09)
Balance as of 31 March 2021		**263.73**	**3.25**	**0.51**	**267.49**
Balance as of 31 March 2021		**263.73**	**3.25**	**0.51**	**267.49**
Add: Profit for the Period		35.08	-	-	35.08
Add: Fair value of financial guarantee received	14	-	-	-	-
Add: Other comprehensive income (net of tax)	14	-	-	(0.85)	(0.85)
Balance as of 31 March 2022		**298.82**	**3.25**	**(0.34)**	**301.73**

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

S Deenadayal
Partner
Membership No. : 205194

Place: Bengaluru
Date: 6-May-2022

for and on behalf of Board of Directors of
Golden Star Facilities And Services Private Limited

Madhu Damodaran
Additional Director
DIN: 00424780

Vijay Sivaram
Additional Director
DIN: 07990452

Golden Star Facilities And Services Private Limited
Notes to the financial statements for the year ended 31 March 2022

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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Notes to the financial statements for the year ended 31 March 2022

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 36 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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Notes to the financial statements for the year ended 31 March 2022

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 28 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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Golden Star Facilities And Services Private Limited
Notes to the financial statements for the year ended 31 March 2022

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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Golden Star Facilities And Services Private Limited
Notes to the financial statements for the year ended 31 March 2022

3. Property, plant and equipment

(Amount in Rs Mn)

Particulars	Computer equipment	Plant & Machinery	Office equipment	Furniture & fixtures	Vehicles	ROU Building	Total
Gross carrying amount as at 1 April 2020	4.72	64.71	1.74	0.87	2.44	14.44	88.92
Additions during the year	0.11	3.04	-	-	-	-	3.15
Disposals for the year *	-	-	-	-	-	-	-
Balance as at 31 March 2021	4.83	67.75	1.74	0.87	2.44	14.44	92.06
Additions during the year	0.26	8.47	-	0.25	-	-	8.98
Disposals for the year *	-	1.61	-	-	-	-	1.61
Balance as at 31 March 2022	5.09	74.62	1.74	1.11	2.44	14.44	99.44
Gross carrying amount as at 1 April 2020	3.99	43.76	1.21	0.59	2.34	5.60	57.50
Depreciation for the year	0.54	14.16	0.27	0.22	0.11	5.60	20.89
Accumulated depreciation on deletions	-	-	-	-	-	-	-
Balance as at 31 March 2021	4.53	57.92	1.48	0.81	2.44	11.21	78.39
Depreciation for the year	0.22	7.84	0.14	0.19	-	2.98	11.38
Accumulated depreciation on deletions	-	1.60	-	-	-	-	1.60
Balance as at 31 March 2022	4.75	64.16	1.63	1.01	2.44	14.19	88.18
Net carrying amount:							
As at 31 March 2022	0.34	10.45	0.11	0.10	0.00	0.25	11.26
As at 31 March 2021	0.31	9.83	0.25	0.05	0.00	3.23	13.67

There has been no impairment losses recognised during the year or previous year.

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4 Other non-current financial assets

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits	4.27	5.02
Bank deposits (due to mature after 12 months from the reporting date)	0.46	-
	4.73	**5.02**

5 Taxes

A Amount recognized in profit or loss

(Amount in Rs Mn)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
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	3.50	(2.49)
Deferred tax:		
Attributable to:		
Deferred tax expense for earlier periods	-	-
Origination and reversal of temporary differences	21.91	17.78
Income tax expense reported in the Statement of profit and loss	**25.40**	**15.29**

B Income tax recognized in other comprehensive income

(Amount in Rs Mn)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement of the net defined benefit liability/ asset		
Before tax	1.13	2.79
Tax expense/(benefit)	(0.29)	(0.70)
Net of tax	**0.85**	**2.09**

C Reconciliation of effective tax rate

(Amount in Rs Mn)

Particulars	For the year ended 31 March 2022		31 March 2021	
Profit before tax		60.49		77.06
Tax using the Company's domestic tax rate	25.17%	15.22	25.17%	19.40
Effect of:				
Difference in enacted tax rate	0.00%		0.00%	-
Non-deductible expenses	-0.25%	(0.15)	0.09%	0.07
80JJA Tax incentives	11.29%	6.83	-2.19%	(1.69)
Others	0.00%	-	0.00%	-
Effective tax rate	**36.22%**	**21.91**	**23.07%**	**17.78**
Add: Provisions relating to earlier years	5.78%	3.50	(3.23%)	(2.49)
Income tax expense reported in the Statement of profit and loss	**42.00%**	**25.40**	**19.84%**	**15.29**

D The following table provides the details of income tax assets and income tax liabilities as of 31 March 2022 and 31 March 2021

Non-current tax assets (net) *(Amount in Rs Mn)*

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax assets	94.10	103.59
Income tax liabilities	(20.76)	(24.41)
Net income tax asset at the end of the	**73.34**	**79.18**

E Deferred tax assets, net

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset:		
Provision on employee benefits- Gratuity	6.92	6.99
Impairment loss allowance on financial assets	2.89	4.80
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	9.16	9.12
Defered Tax - Leases 116	0.01	0.13
Deferred Tax others	-	19.55
Net deferred tax assets	**18.98**	**40.60**

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The movement of deferred tax aggregating to Rs. 21.62 for the year ended 31 March 2022 (31 March 2021: Rs 17.08) comprises of Rs. 21.91 (31 March 2021: Rs. 17.78) charged to Statment of profit and loss and Rs. (0.29) {31 March 2021: Rs (0.70)} charged to other comprehensive income.

F Recognized deferred tax assets and

Movement of deferred tax assets / liabilities presented in the balance sheet *(Amount in Rs Mn)*

For the year ended 31 March 2022	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:				
Provision for employee benefits	6.99	(0.36)	(0.29)	6.92
Impairment loss allowance on financial	4.80	(1.92)	-	2.89
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	9.12	0.04	-	9.16
Leases IndAs 116	0.13	(0.12)	-	0.01
Others	19.55	(19.55)	-	-
Gross deferred tax assets	**40.60**	**(21.91)**	**(0.29)**	**18.98**
Net deferred tax assets	**40.60**	**(21.91)**	**(0.29)**	**18.98**

(Amount in Rs Mn)

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	6.97	(0.68)	(0.70)	6.99
Impairment loss allowance on financial	11.13	(6.33)	-	4.80
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	7.37	1.75	-	9.12
Leases IndAs 116	0.22	(0.09)	-	0.13
Others	31.98	(12.43)	-	19.55
Gross deferred tax assets	**57.68**	**(17.78)**	**(0.70)**	**40.60**
Net deferred tax assets	**57.68**	**(17.78)**	**(0.70)**	**40.60**

6 Inventories

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Valued at lower of cost and net realizable value		
Raw material and consumables	1.36	3.17
	1.36	**3.17**

7 Trade receivables

(i) Trade Receivables - Billed *(Amount in Rs Mn)*

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured		
Undisputed Trade Receivables		
Considered good*	259.08	263.87
Credit impaired	(0.84)	(0.11)
Less: Allowance for expected credit loss (considered good)	(1.21)	(8.09)
Less: Allowance for expected credit loss (considered doubtful)	0.84	0.11
	257.87	**255.78**
Disputed Trade Receivables		
Considered good*	-	-
Credit impaired	11.10	11.10
Less: Allowance for expected credit loss (considered good)	-	-
Less: Allowance for expected credit loss (considered doubtful)	(11.10)	(11.10)
	-	-
Net trade receivables	**257.87**	**255.78**

All trade receivables are current.

(ii) Trade receivables - unbilled

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Unbilled revenue	179.60	166.61
Less: Provision for impairment of unbilled revenue	-	-
	179.60	**166.61**

Of the above, trade receivables from related parties are as below:

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables from related parties	0.93	0.70
Less: loss allowance	(0.00)	(0.00)
Net trade receivables	**0.93**	**0.70**

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 28.

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Vijendra

Trade receivable ageing schedule as on 31 March 2022:

(Amount in Rs Mn)

Particulars	Outstanding for the following periods from due date of payment/ date of transaction							
	Not billed	Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables								
- Considered good	179.60	201.74	52.20	4.21	-	-	-	437.75
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	1.82	2.38	(1.52)	(3.52)	(0.84)
		-	-	-	-	-	-	
Disputed trade receivables		-	-	-	-	-	-	
- Considered good	-	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	6.06	5.04	11.10
		-	-	-	-	-	-	
Intercompany AR balance		-	-	-	-	-	-	
- Quess Corp Ltd	-	0.62	0.31	-	-	-	-	0.93

Trade receivable ageing schedule as on 31 March 2021:

(Amount in Rs Mn)

Particulars	Outstanding for the following periods from due date of payment/ date of transaction							
	Not billed	Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables								
- Considered good	166.61	190.30	66.90	5.98	-	-	-	429.79
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	0.43	2.51	(0.87)	(2.17)	(0.11)
		-	-	-	-	-	-	
Disputed trade receivables		-	-	-	-	-	-	
- Considered good	-	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	6.06	3.66	1.39	11.10
		-	-	-	-	-	-	
Intercompany AR balance		-	-	-	-	-	-	
- Quess Corp Ltd	-	0.70	-	-	-	-	-	0.70

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8 Cash and cash equivalents

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Cash in hand	-	0.02
Balances with banks	-	-
In current accounts	-	0.40
In deposit accounts (with orginal maturity of less than 3 months)	0.22	0.22
Cash and cash equivalents in the statement of cash flow	**0.22**	**0.64**

9 Bank balances other than cash and cash equivalent above

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
In deposit accounts (Due to mature within 12 months from the reporting date)	-	0.46
	-	**0.46**

10 Current Loans

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Advances to employees	0.37	0.24
	0.37	**0.24**

11 Other current financial assets

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits	0.15	0.17
Interest accrued but not due	0.15	0.10
	0.29	**0.27**

12 Other current assets

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances other than capital advances		
Other advances	5.32	2.23
Prepaid expenses	9.71	9.36
	15.03	**11.60**

13 Equity share capital

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorized		
10,00,000 (31 March 2021: 10,00,000) equity shares of par value of Rs 10 each	10.00	10.00
	10.00	**10.00**
Issued, subscribed and paid-up		
10,00,000 (31 March 2021: 10,00,000) equity shares of par value of Rs 10 each, fully paid up	10.00	10.00
	10.00	**10.00**

13.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

(Amount in Rs Mn)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount in Rs	Number of shares	Amount in Rs
At the commencement of the year	10,00,000	10.00	10,00,000	10.00
Shares issued during the year	-	-	-	-
At the end of the year	**10,00,000**	**10.00**	**10,00,000**	**10.00**

13.2 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 shareholders.

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Golden Star Facilities And Services Private Limited
Notes to the financial statements for the year ended 31 March 2022

13.3 Shares held by holding company

(Amount in Rs Mn)

Particulars	As at 31 March 2022		As at 31 March 2021	
	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	9,99,999	10.00	9,99,999	10.00
Ajit Isaac *(Nominee of Quess Corp Limited)*	1	0.00	1	0.00
	10,00,000	**10.00**	**10,00,000**	**10.00**

13.4 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% Held	Number of shares	% Held
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	10,00,000	100.00%	10,00,000	100.00%
	10,00,000	**100.00%**	**10,00,000**	**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.

13.5 Details of shareholding of promoters:

Promoter name	31 March 2022			31 March 2021		
	Number of shares	% held	% change during the year	Number of shares	% held	% change during the year
Quess Corp Limited	9,99,999	100%	-	9,99,999	100%	-
Ajit Isaac *(Nominee of Quess Corp Limitea*	1	0%	-	1	0%	-
	10,00,000	**100%**	-	**10,00,000**	**100%**	-

14 Other Equity *

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Retained earnings	298.82	263.73
Other reserves	3.25	3.25
Other comprehensive income	(0.34)	0.51
	301.73	**267.49**

* For detailed movement of reserves refer statement of changes in equity.

14.1 Other comprehensive income

Remeasurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income).

15 Non-current provisions

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefit		
Provision for gratuity (refer note 35)	27.49	27.79
	27.49	**27.79**

16 Current borrowings

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities (refer note 16.1 & 16.2)	(13.02)	37.78
	(13.02)	**37.78**

Information about the Company's exposure to interest rate and liquidity risk is included in note 28.

16.1 The company has working capital limits of Rs. 240.00 (31 March 2021 Rs 240.00) with HDFC Bank at interest rate of various facilities from 7.35% p.a. - 7.60% 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.

16.2 The company has working capital limits of Rs 110.00 (31 March 2021: Rs. 110.00) with Kotak Mahindra Bank Limited at interest rate of various facilities from 6.75% p.a. - 7.40 % 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.

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Golden Star Facilities And Services Private Limited
Notes to the financial statements for the year ended 31 March 2022

17 Trade payables

i) Trade payables - billed dues *(Amount in Rs Mn)*

Particulars	As at 31 March 2022	As at 31 March 2021
Undisputed dues		
Trade payables to related parties (refer note 33 (iii))	3.67	1.70
Other trade payables	16.41	14.03
Dues to micro, small and medium enterprises (refer note 38)	-	-
Disputed dues	-	-
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	-	-
	20.08	**15.73**

All trade payables are current.

ii) Trade payables - unbilled dues *(Amount in Rs Mn)*

Particulars	As at 31 March 2022	As at 31 March 2021
Undisputed dues		
Total outstanding dues of micro	-	-
Total outstanding to related parties	6.42	1.45
Total outstanding dues of creditors other	22.16	13.47
Disputed dues	-	-
Total outstanding dues of micro	-	-
Total outstanding dues of creditors other	-	-
	28.58	**14.92**

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2022: *(Amount in Rs Mn)*

Particulars	Outstanding for the following periods from due date of payment/ date of transaction					
	Unbilled dues	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed						
- Micro enterprises and small enterprises						
- Others	28.58	16.41	-	-	-	44.99
Disputed						
- Micro enterprises and small enterprises						
'- Others						
Intercompany AP balance						
- Terrier Security Services (India)	-	3.52	-	-	-	3.52
- Quess Corp Ltd	-	0.15	-	-	-	0.15

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2021: *(Amount in Rs Mn)*

Particulars	Outstanding for the following periods from due date of payment/ date of transaction					
	Unbilled dues	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed						
- Micro enterprises and small enterprises						
- Others	14.92	14.03	-	-	-	28.94
Disputed						
- Micro enterprises and small enterprises						
'- Others						
Intercompany AP balance						
- Terrier Security Services (India)	-	1.70	-	-	-	1.70

18 Other current financial liabilities

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Current maturities of finance lease obligations		
Amount payable to related parties	1.76	-
Capital creditors	1.95	1.79
Other payables	-	-
Accrued salaries and benefits	144.75	167.24
	148.46	**169.04**

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 28.

19 Other current liabilities

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances payable to government authorities	39.42	30.75
	39.42	**30.75**

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20 Revenue from operations

(Amount in Rs Mn)

Particulars	For the year ended	
	31 March 2022	31 March 2021
Facility management services	1,962.52	2,005.57
	1,962.52	**2,005.57**

21 Other income

(Amount in Rs Mn)

Particulars	For the year ended	
	31 March 2022	31 March 2021
Interest income under the effective interest method on:		
Deposits with Banks	0.05	0.24
Interest on tax refunds due	4.54	3.28
Profit on sale of property, plant and equipment and intangible assets	0.03	-
Miscellaneous income	-	0.23
	4.62	**3.75**

22 Cost of material and stores and spare parts consumed

(Amount in Rs Mn)

Particulars	For the year ended	
	31 March 2022	31 March 2021
Inventory at the beginning of the year	3.17	4.90
Add: purchases during the year	37.90	39.73
Less: Inventory at the end of the year	1.36	3.17
Cost of materials, stores and spare parts consumed	**39.71**	**41.46**

23 Employee benefits expenses

(Amount in Rs Mn)

Particulars	For the year ended	
	31 March 2022	31 March 2021
Salaries and wages	1,485.96	1,481.08
Contribution to provident and other funds	187.87	174.90
Expenses related to post-employment defined benefit plan	4.70	5.29
Staff welfare expenses	8.99	13.47
	1,687.52	**1,674.75**

24 Finance costs

(Amount in Rs Mn)

Particulars	For the year ended	
	31 March 2022	31 March 2021
Interest expense on financial liabilites measured at amortised cost	7.89	13.03
	7.89	**13.03**

25 Depreciation expenses

(Amount in Rs Mn)

Particulars	For the year ended	
	31 March 2022	31 March 2021
Depreciation of property, plant and equipment (refer note 3)	11.38	20.89
	11.38	**20.89**

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26 Other expenses

(Amount in Rs Mn)

Particulars	For the year ended	
	31 March 2022	**31 March 2021**
Sub-contractor charges	53.01	53.65
Recruitment and training expenses	0.54	1.25
Rent (refer note 34)	1.20	0.73
Power and fuel	0.61	0.68
Repairs & maintenance	-	-
- plant and machinery	2.68	2.07
- others	3.28	3.98
Legal and professional fees (refer note 26.1)	8.05	7.43
Rates and taxes	0.92	1.75
Printing and stationery	0.74	0.84
Stores and tools consumed	74.67	113.29
Travelling and conveyance	1.66	1.38
Communication expenses	1.99	2.38
Insurance	3.23	5.99
Bad debts written off	11.59	9.62
Bank charges	0.19	0.56
Impairment loss allowance on financial assets, net [refer note 28(i)]	(7.61)	(25.13)
Business promotion and advertisement expenses	1.38	0.33
CSR contributions [refer note 26.2]	0.78	0.65
Miscellaneous expenses	1.26	0.68
	160.15	**182.12**

26.1 Payment to auditors (net of goods and services tax included in legal and professional fees)

(Amount in Rs Mn)

Particulars	For the year ended	
	31 March 2022	**31 March 2021**
Statutory audit	0.40	0.40
Limited review	0.12	0.12
Tax audit fee	0.05	0.05
	0.57	**0.57**

26.2 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 Mn)

Particulars	For the year ended	
	31 March 2022	**31 March 2021**
a) Gross amount required to be spent by the Company during the year	0.78	0.64
b) Amount spent during the year		
i) Construction or acquisition of any asset	-	-
ii) On purpose other than i) above	0.78	0.65
c) Shortfall at the end of the year	-	-
d) Total of previous years' shortfall	-	-
e) nature of CSR activities	Student Enrichment	School Mental Health Program
g) Details of related party transactions,	0.78	0.59
h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown	-	-

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27 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 2022 and 31 March 2021 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 Mn)

Particulars	Carrying value	Fair Value		
	31 March 2022	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Non current financials assets	4.73	-	-	-
Loans	0.37	-	-	-
Trade receivables	437.47	-	-	-
Cash and cash equivalents	0.22	-	-	-
Total financial assets	**442.78**	-	-	-
Financial liabilities measured at amortised cost				
Lease Liability	0.30		-	
Loans and borrowings	(13.02)	-	-	-
Trade payables	48.66	-	-	-
Other current financial liabilities	148.46	-	-	-
Total financial liabilities	**184.40**	-	-	-

(Amount in Rs Mn)

Particulars	Carrying value	Fair Value		
	31 March 2021	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Non current financials assets	5.02	-	-	-
Loans	0.24	-	-	-
Trade receivables	422.39	-	-	-
Cash and cash equivalents	0.64	-	-	-
Total financial assets	**428.30**	-	-	-
Financial liabilities measured at amortised cost				
Lease Liability	3.76		-	
Loans and borrowings	37.78	-	-	-
Trade payables	30.64	-	-	-
Other current financial liabilities	169.04	-	-	-
Total financial liabilities	**241.22**	-	-	-

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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28 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 2022 and 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 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 2022

(Amount in Rs Mn)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	202.36	0.03%	0.05	No	202.31
Past due 1–90 days	48.07	0.80%	0.38	No	47.69
Past due 91–180 days	4.44	5.39%	0.24	No	4.21
Past due 181–270 days	4.21	12.81%	0.54	No	3.67
Past due 271–360 days	10.26	100.00%	10.26	Yes	-
	269.34		**11.48**		**257.87**

As at 31 March 2021

(Amount in Rs Mn)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	190.99	0.08%	0.15	No	190.85
Past due 1–90 days	53.08	3.97%	2.11	No	50.97
Past due 91–180 days	13.82	21.54%	2.98	No	10.84
Past due 181–270 days	5.98	47.78%	2.86	No	3.12
Past due 271–360 days	11.00	100.00%	11.00	Yes	-
	274.87		**19.09**		**255.78**

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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 Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at the beginning of the year	19.09	44.22
Impairment loss recognized	(7.61)	(25.13)
Balance as at the end of the year	**11.48**	**19.09**

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. 240.00 (31 March 2021 Rs 240.00) with HDFC Bank at interest rate of various facilities from 7.35% p.a. - 7.60% 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 110.00 (31 March 2021: Rs. 110.00) with Kotak Mahindra Bank Limited at interest rate of various facilities from 6.75% p.a. - 7.40 % 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 2022 and 31 March 2021. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payments and excludes netting arrangements:

As at 31 March 2022

(Amount in Rs Mn)

Particulars	Contractual cash flow				
	Carrying Amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	(13.02)	(13.02)	-	-	
Trade payables	48.66	48.66	-	-	
Other financial liabilities	148.46	148.46	-	-	

As at 31 March 2021

(Amount in Rs Mn)

Particulars	Contractual cash flow				
	Carrying Amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	37.78	37.78	-	-	
Trade payables	30.64	30.64	-	-	
Other financial liabilities	169.04	169.04	-	-	

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 Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	-	-
Fixed rate borrowings	(13.02)	37.78
Total borrowings	**(13.02)**	**37.78**

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29 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 Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Total External liabilities	(13.02)	37.78
Less: Cash and cash equivalent	0.22	0.64
Adjusted net debt (total borrowings net of cash and cash equivalent)	**(13.24)**	**37.14**
Total equity	311.73	277.49
Net debt (Total external liabilities) to equity ratio	**(0.04)**	**0.13**

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30 Contingent liabilities and commitment (to the extent not provided for)

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Bank guarantees issued against performance of contract	35.03	30.63
Income Tax erroneous demand for AY 18-19*	11.74	-
	46.76	**30.63**

* Assessment for AY 2018-19 was completed by Income Tax department and clean order has been passed, however in the computation of Tax liability deduction under 80JJAA has been not considered and raised demand for Rs. 11.74 erroneously. The company has filed rectification request before A.O and filed Appeal before CIT(A).

31 Earnings per share

(Amount in Rs Mn)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Nominal value of equity shares (Rs per share)	10	10
Net profit after tax for the purpose of earnings per share	35.08	61.77
Weighted average number of shares used in computing basic earnings per share	10,00,000	10,00,000
Basic earnings per share (Rs)	**35.08**	**61.77**
Weighted average number of shares used in computing diluted earnings per share	10,00,000	10,34,615
Diluted earnings per share (Rs)	**35.08**	**59.71**

32 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.

33 Related party disclosures

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

- 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

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	Heptagon Technologies Private Limited [2]

1. Merged w.e.f 1 April 2019 pursuant to approval from the Regional Director, South East Region, MCA
2. Heptagon Technologies Private Limited became subsidiary of Quess Corp Ltd wef 1-Mar-2022

- Associates of the holding company	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 *(till 6-May-22)*
Rajesh Kharidehal	Director *(till 6-May-22)*
Madhu Damodaran	Additional Director *(wef 6-May-22)*
Vijay Sivaram	Additional Director *(wef 6-May-22)*

(ii) Related party transactions during the year

(Amount in Rs Mn)

Particulars		For the year ended	
		31 March 2022	**31 March 2021**
- Revenue from operations	Quess Corp Limited	18.03	17.92
- Other expenses	Terrier Security Services (India) Private Limited	24.61	20.94
	Quess Corp Limited	3.61	5.95
- Loans given by holding company	Quess Corp Limited	-	18.00
- Repayment/Adjustment of loans given by holding company	Quess Corp Limited	-	18.00
- Finance costs	Quess Corp Limited	-	0.28
- Issue/(redemption) of Compulsory Convertible Debentures	Quess Corp Limited	-	(72.23)

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

(Amount in Rs Mn)

Particulars		As at 31 March 2022	As at 31 March 2021
- Trade payables	Terrier Security Services (India) Private Limited	3.52	1.70
	Quess Corp Limited	0.15	-
- Other payables	Quess Corp Limited	1.76	-
- Trade receivables (gross of loss allowance)	Quess Corp Limited	0.93	0.70
- Provision for expenses	Terrier Security Services (India) Private Limited	5.70	1.45
	Heptagon Technologies Private Limited	0.73	-

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 Mn)

Particulars	For the year ended	
	31 March 2022	31 March 2021
Anita Verghese	-	1.15
	-	**1.15**

* 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.

34 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 Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Payable within 1 year	-	-
Payable between 1-5 years	-	-

(Amount in Rs Mn)

Particulars	For the year ended	
	31 March 2022	31 March 2021
Total rental expense relating to operating lease	**1.20**	**0.73**
- Non-cancellable		-
- Cancellable		
Rent	6.24	8.22
Add: Rent Amortisation IndAs	-	-
Less: Leases - IndAs 116	(3.67)	(6.63)
Less: Rent Concession IndAs	(1.37)	(0.86)
Rent cost to Profit and Loss Statement	**1.20**	**0.73**

ii) Lease liability

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liability	0.30	3.46
Non-current lease liability	-	0.30
Total	**0.30**	**3.76**

The following is the movement in lease liabilities

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Operating lease recognised on adoption of Ind AS 116	3.76	9.72
Add: Finance cost accrued during the period	0.21	0.67
Less: Payment of lease obligation	(3.67)	(6.63)
Carrying amount	**0.30**	**3.76**

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Amount recognised in PL *(Amount in Rs Mn)*

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense (included in finance cost)	0.21	0.67
Expenses relating to short-term lease (included in other expenses)	(3.67)	(6.63)
Rent Concession IndAs	(1.37)	(0.86)
assets that are not included above	2.98	5.60
	(1.85)	**(1.22)**

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2022 on an undiscounted basis:

(Amount in Rs Mn)

Particulars	As at 31 March 2022
Less than one year	0.30
One to five years	-
More than five years	-
	0.30

35 Assets and liabilities relating to employee benefits *(Amount in Rs Mn)*

Particulars	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability, gratuity plan	27.49	27.79
Liability for compensated absences	-	-
Total employee benefit liability	**27.49**	**27.79**
Non-current	27.49	27.79

The Company does not have any assets relating to employee benefits. For details about the related employee benefit expenses, see note 23.

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 Mn)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	37.72	37.70
Current service cost	4.29	4.49
Interest cost	0.78	1.29
Past service cost	-	-
Benefit settled	(13.15)	(9.15)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	0.76	7.43
- Changes in demographic assumptions	-	(4.09)
- Changes in financial assumptions	(0.17)	0.05
Obligation at end of the year	**30.22**	**37.72**
Reconciliation of present value of plan assets		
Plan assets at beginning of the year, at fair value	9.93	9.99
Interest income on plan assets	0.37	0.49
Re-measurement- actuarial gain/(loss)	(0.55)	0.60
Return on plan assets recognised in other comprehensive income	-	-
Contributions	6.10	8.00
Benefits settled	(13.11)	(9.15)
Plan assets at end of year, at fair value	**2.73**	**9.93**
Net defined benefit liability	**27.49**	**27.79**

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C (i) Expense recognised in profit or loss

(Amount in Rs Mn)

Particulars	For the year ended	
	31 March 2022	31 March 2021
Current service cost	4.29	4.49
Interest cost	0.78	1.29
Interest income	(0.37)	(0.49)
Net gratuity cost	**4.70**	**5.29**

(ii) Remeasurements recognised in other comprehensive income

(Amount in Rs Mn)

Particulars	For the year ended	
	31 March 2022	31 March 2021
Actuarial (gains) /losses on defined benefit obligation	0.58	3.39
Return on plan assets excluding interest income	0.55	(0.60)
	1.13	**2.79**

D Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended	
	31 March 2022	31 March 2021
Discount rate	4.65%	3.74%
Future salary growth	1.00%	1.00%
Attrition rate	90.00%	90.00%

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 Mn)

Particulars	As at			
	31 March 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	30.04	30.42	37.48	37.95
Future salary growth (1% movement)	30.27	30.18	37.77	37.66

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36 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 Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
Receivables, which are included in 'Trade and other receivables'	257.87	255.78
Contract assets	179.60	166.61

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 2022

(Amount in Rs Mn)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning	166.61	172.82
Add : Revenue recognized during the period	1,962.52	2,005.57
Less : Invoiced during the period	1,949.54	2,011.77
Less : Impairment / (reversal) during the period	-	-
Add : Translation gain/(Loss)	-	-
Balance at the end	**179.60**	**166.61**

(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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SRIRAMULU NAIDU & CO. BANGALORE Chartered Accountants

Golden Star Facilities And Services Private Limited
Notes to the financial statements for the year ended 31 March 2022

37 During the year under review there is no material impact on Company's operation due to COVID-19. The management is continuously and closely monitoring the developments and possible effects that may result from the pandemic on its financial condition, liquidity and operations. 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.

38 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 2022 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.

(Amount in Rs Mn)

Particulars	As at 31 March 2022	As at 31 March 2021
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	-	-
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.	-	-

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SRIRAMULU NAIDU & Co. BANGALORE Chartered Accountants

Golden Star Facilities And Services Private Limited
Notes to the financial statements for the year ended 31 March 2022

39 Ratios

(Amount in Rs

Ratios	Numerator	Denominator	Ratio 21-22	Ratio 20-21	%variance
Current ratio	454.73	223.82	2.03:1	1.62:1	-26%
Debt-equity ratio	(13.02)	311.73	-0.04:1	0.14:1	131%
Debt service coverage ratio	79.76	7.89	10.11:1	8.52:1	-19%
Return on equity ratio	35.08	294.61	0.12:1	0.22:1	47%
Inventory turnover ratio	39.71	2.26	17.55:1	13.09:1	-34%
Trade receivables turnover ratio	1,975.51	429.93	4.59:1	4.75:1	3%
Trade payables turnover ratio	184.04	39.65	4.64:1	7.30:1	36%
Net capital turnover ratio	1,962.52	230.91	8.50:1	12.00:1	29%
Net profit ratio	35.08	1,962.52	0.02:1	0.03:1	42%
Return on capital employed	68.38	16.26	4.21:1	0.32:1	-1195%
Return on investment	35.08	311.73	0.11:1	0.22:1	49%

A. Current Ratio = Current Assets divided by Current Liabilities

B. Debt-equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings and lease liabilities

C. Debt Service Coverage Ratio (DSCR) = Earnings available for debt services (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc) divided by Total interest and lease payments and principal repayments

D. Return on equity ratio : Net profit after tax less preference dividend divided by Average Shareholder Equity

E. Inventory turnover ratio : Cost of materials consumed divided by Average Inventory (Opening + Closing balance / 2)

F. Trade Receivables turnover ratio = Credit Sales (Total revenue from operations +Opening Unbilled- Closing Unbilled-Opening unearned revenue+ Closing Unearned revenue) divided by Average trade receivables ((Opening + Closing balance / 2)

G. Trade payables turnover ratio = Credit purchases (Cost of goods sold+ other expenses+ Opening provision for expenses- Closing Provision for expenses- Impairment loss allowance on financial asset- Loss on sale of fixed asset- forex gain loss-Expenditure on CSR-Bad debt/Deposits written off) divided by average trade payables

H. Net capital turnover ratio = Net Sales divided by Working Capital

I. Net profit ratio = Net profit after tax divided by Revenue from operations

J . Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Average Capital Employed- pre cash (Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability)

K. Return on investment: PAT divided by Total Equity

A. Current Ratio = Current Assets divided by Current Liabilities

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Current ratio	Current Assets (a) / Current Liabilities(b)	454.73 223.82	2.03:1	438.77 271.66	1.62:1	-26%

Reason for change more than 25%: As there is increase in Trade Receivables, Other Current Assets and reduction in Cash credit, Other current liabilities in Current FY as compared to Previous FY, the ratio has increased in Current FY. The ideal ratio is 2.

B. Debt-equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Debt-equity ratio	Total debt (a) / Total Equity(b)	(13.02) 311.73	-0.04:1	37.78 277.49	0.14:1	131%

Reason for change more than 25%: Since the Cashflow is more and cash credit balances is low in Current FY, the ratio is less as compared to Previous FY.

C. Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Debt-equity ratio	EBITDA (a)/ Interest+ PrincipalRepayments(b)	79.76 7.89	10.11:1	110.99 13.03	8.52:1	-19%
* EBITDA refers to profit for the year before tax+ Non cash Operating expense+ Finance cost						
* Principal repayments considered for current year repayments						
Profit for the year		60.49		77.07		
Add: Non cash operating expenses and finance cost						
'- Depreciation and Amortization		11.38		20.89		
'- Finance cost		7.89		13.03		
Less: Other income		(4.62)		(3.75)		
Earnings available for debt services(EBITDA)		79.76		110.99		

Reason for change more than 25%: -

D. Return on equity ratio : Net profit after tax divided by Equity

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Return on equity ratio	PAT (a) / Avg Equity(b)	35.08 294.61	0.12:1	61.78 277.49	0.22:1	47%

Reason for change more than 25%: Since the reversal of Impairment loss on financial assets is more and less Deferred Tax / Tax expense as compared to Current FY, the Return is low.

E. Inventory turnover ratio : Cost of materials consumed divided by closing inventory

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Inventory turnover ratio	Cost of materials consumed (a)/Avg Inventory (b)	39.71 2.26	17.55:1	41.46 3.17	13.09:1	-34%

SRIRAMULU NAIDU & Co. BANGALORE Chartered Accountants

Golden Star Facilities And Services Private Limited
Notes to the financial statements for the year ended 31 March 2022

Reason for change more than 25%: During the Current FY, as materials/consumables are delivered at respective client locations instead of delivering at store and distribute there after, the stocks are low. Hence there is increase in Current FY.

F. Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Trade Receivables turnover ratio	Credit sales (a) / Avg Trade receivables(b)	1,975.51 429.93	4.59:1	2,005.57 422.39	4.75:1	3%

Reason for change more than 25%: -

F. Trade payables turnover ratio = Credit purchases divided by closing trade payables

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Trade payables turnover ratio	Cr purchases(a) / Avg Trade payables(b)	184.04 39.65	4.64:1	223.58 30.64	7.30:1	36%

Reason for change more than 25%: As the Trade Payables and Provisions are less in Previous FY thought the expenses are more as compared to Current FY, the ratio is high.

G. Net capital Turnover Ratio =Revenue from Operations divided by Net Working capital whereas net working capital= current assets - current liabilities

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Net capital Turnover Ratio	Revenue from operations(a) / Net Working capital (b)	1,962.52 230.91	8.50:1	2,005.57 167.11	12.00:1	29%

Reason for change more than 25%: Due to recovery of receivables is more in Previous FY, the Current Assets are at low maintaining low Net Working Capital as compared to Current FY.

H. Net profit ratio = Net profit after tax divided by Revenue from operations

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Net profit ratio	PAT(a) / Revenue from operations(b)	35.08 1,962.52	0.02:1	61.78 2,005.57	0.03:1	42%

Reason for change more than 25%: Since the reversal of Impairment loss on financial assets is more and less Deferred Tax /Tax expense as compared to Current FY, the Net Profit ratio is low in Current FY.

I . Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Capital Employed- pre cash

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Return on Capital employed	EBIT (a) / Capital employed(b)	68.38 16.26	4.21:1	90.10 277.49	0.32:1	-1195%

Reason for change more than 25%: The profits achieved with less capital employed in Current FY.

J.Return on investment:

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Return on investment:	PAT (a) / Avg Equity(b)	35.08 311.73	0.11:1	61.78 277.49	0.22:1	49%

Reason for change more than 25%: Since the reversal of Impairment loss on financial assets is more and less Deferred Tax /Tax expense as compared to Current FY, the Return is low.

40 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: 6-May-2022

for and on behalf of the Board of Directors of
Golden Star Facilities and Services Private Limited

Madhu Damodaran
Additional Director
DIN: 00424780

Vijay Sivaram
Additional Director
DIN: 07990452

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 **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, 2022, 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, 2022, 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 44 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, 2022 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. 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. The Director's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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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 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 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, 2020 ("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 Companies (Indian Accounting Standards) Rules, 2015, as amended.

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(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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.

iv.

(1) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons / entities, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(2) The Management has represented that, to the best of it's knowledge and belief, no funds have been received by the Company from any persons / entities, including foreign entities, that the company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

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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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 22205226AIUWFX5781

Place: Hyderabad
Date: May 11, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF HEPTAGON TECHNOLOGIES PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2022.

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.

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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 22205226AIUWFX5781
Place: Hyderabad
Date: May 11, 2022

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HEPTAGON TECHNOLOGIES PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2022.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) All the Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification 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.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) 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) (a) to (b) of the Order are not applicable to the Company.

iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) 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, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, value added tax, cess have been regularly deposited by the company with appropriate authorities in all cases during the year. The provisions relating to sales-tax, service tax, duty of custom and duty of excise are not applicable to the Company.

(b) 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. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

(a) The Company has Unsecured Loans from the Quess Corp Ltd (Holding Company) & Directors, and the Loans and Interest outstanding thereon amounting to ₹ 15,32,90, 595/- and ₹ 13,13,29,143/- respectively are repayable on demand as at reporting date. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the relevant financial year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion, according to the information explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiary, joint venture or associate and has not taken any funds from an any entity or person. Accordingly, the provision stated in paragraph 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us, the Company does not have any subsidiary, joint venture or associate and has not raised loans during the year. Accordingly, the provision stated in paragraph 3(ix)(f) of the Order is not applicable to the Company.

x.

(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) 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, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

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Hyderabad
Chartered Accountants

xi.

(a) 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.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statements for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to 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) (a) to (c) 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. In our opinion and based on our examination, the Company does not require to comply with provision of section 138 of the Act. Hence, the provisions stated in paragraph 3(xiv) (a) to (b) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi.

(a) 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)(a) of the Order are not applicable to the Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) and 3 (xvi) (d) of the Order are not applicable to the Company.

xvii. Based on the overall review of Financial Statements and Note No 46 therein, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows:

Particulars	March 31, 2022	March 31, 2021
Cash losses *(PAT + Depreciation + Provision for Bad & Doubtful debts) - also refer to Note 46 to the Financial Statements.*	₹ 48.79	₹ 397.17

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xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, Note 46 to the financial statements, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

xxi. According to the information and explanations given to us, the Company does not have any subsidiary / Associate/ Joint Venture. Accordingly, there is no preparation of consolidated financial statements. Accordingly, the provisions stated in paragraph clause 3 (xxi) of the Order are not applicable to the Company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 22205226AIUWFX5781
Place: Hyderabad
Date: May 11, 2022

MSKA & ASSOCIATES Hyderabad Chartered Accountants

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HEPTAGON TECHNOLOGIES PRIVATE 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 Heptagon Technologies Private Limited ("the Company") as of March 31, 2022 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 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

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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, 2022, 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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 22205226AIUWFX5781

Place: Hyderabad
Date: May 11, 2022

Heptagon Technologies Private Limited
(formerly known as Helpr Infotech India Private Limited)
Balance sheet as at 31 March 2022

(Amount in INR lakhs, Unless Otherwise Stated)

Particulars	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	102.04	54.53
Right-of-use-assets	3	58.00	83.95
Intangible assets	4	145.32	145.00
Intangible assets under development	4	199.56	154.31
Financial assets			
(i) Other financial assets	5	9.53	8.66
Income tax assets (net)	6	243.11	155.58
Other non-current assets	7	9.46	2.20
Total non-current assets		**767.02**	**604.22**
Current assets			
Financial assets			
(i) Trade receivables	8	418.07	186.53
(ii) Cash and cash equivalents	9	771.03	37.35
(iii) Bank balances other than (ii) above	10	-	2.00
(iv) Loans	11	7.74	5.07
(v) Contract assets	12	263.71	91.60
Other current assets	12	17.58	26.82
Total current assets		**1,478.13**	**349.38**
Total assets		**2,245.15**	**953.60**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	3.60	2.78
Other equity	14	(1,552.91)	(2,677.39)
Total equity		**(1,549.31)**	**(2,674.62)**
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Lease liabilities	15	47.02	74.10
Provisions	16	104.59	75.76
Total Non-Current liabilities		**151.61**	**149.86**
Current liabilities			
Financial liabilities			
(i) Short term borrowings	17	1,532.90	1,832.81
(ii) Lease liabilities	15	27.48	23.49
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	18	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		154.57	136.08
(iii) Other financial liabilities	19	1,565.25	1,293.30
Provisions	20	18.24	12.00
Other current liabilities	21	344.41	180.67
Total current liabilities		**3,642.85**	**3,478.35**
Total liabilities		**3,794.46**	**3,628.21**
Total equity and liabilities		**2,245.15**	**953.60**
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 **M S K A & Associates**
Chartered Accountants
ICAI Firm's Registration No.: 105047W

Ananthakrishnan G
Partner
Membership No: 205226

Place: Hyderabad
Date: 11 May 2022

MSKA & ASSOCIATES Hyderabad Chartered Accountants

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited
CIN: U72200TZ2015PTC021609

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 11 May 2022

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Bengaluru
Date: 11 May 2022

Heptagon Technologies Pvt Ltd

Heptagon Technologies Private Limited
(formerly known as Helpr Infotech India Private Limited)
Statement of profit and loss for the year ended 31 March 2022

(Amount in INR lakhs, Unless Otherwise Stated)

Particulars	Note	31 March 2022	31 March 2021
Income			
Revenue from operations	22	2,765.70	1,739.64
Other income	23	19.68	100.41
Total income		**2,785.38**	**1,840.05**
Expenses			
Employee benefit expenses	24	1,705.18	992.37
Finance cost	25	188.07	608.69
Depreciation and amortisation expenses	26	109.36	80.96
Other expenses	27	953.37	636.16
Total expenses		**2,955.98**	**2,318.18**
Loss before tax		**(170.60)**	**(478.13)**
Tax expense	29	-	-
Total tax expenses		-	-
Loss for the year		**(170.60)**	**(478.13)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(4.01)	(1.89)
Other comprehensive income / (loss) for the year		-	-
Total other comprehensive income / (loss), net of tax		**(4.01)**	**(1.89)**
Total comprehensive income / (loss) for the year		**(174.61)**	**(480.02)**
Company overview and Significant accounting policies	**1 & 2**		
Earnings per equity share (face value of Rs 10 each)			
Basic (₹ in INR)	37	(599.06)	(1,721.25)
Diluted (₹ in INR)		(599.06)	(1,721.25)
Weighted average equity shares used in computing earnings per equity share			
Basic (in No's)	37	28,478	27,778
Diluted (in No's)		28,478	27,778

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 **M S K A & Associates**
Chartered Accountants
ICAI Firm's Registration No: 105047W

Ananthakrishnan G
Partner
Membership No: 205226

Place: Hyderabad
Date: 11 May 2022

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited
CIN: U72200TZ2015PTC021609

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 11 May 2022

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Bengaluru
Date: 11 May 2022

Heptagon Technologies Private Limited
(formerly known as Helpr Infotech India Private Limited)
Statement of cash flows for the year ended 31 March 2022

(Amount in INR lakhs, Unless Otherwise Stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities		
Profit / (Loss) after tax	(170.60)	(478.13)
Adjustments for:		
Depreciation and amortisation	109.36	80.96
Dividend on mutual fund units	-	(91.23)
Loss on sale of property, plant and equipment, net	0.13	0.25
Deposits written off	0.09	0.59
Provision for bad and doubtful debts, net	12.46	-
Interest income on term deposits	(2.76)	(8.06)
Interest on tax refunds due	(5.14)	-
Rent from letting out properties	(11.78)	-
Interest income on present valuation of financial instruments	-	(0.79)
Loss on change in NAV of mutual funds	-	(0.34)
Finance costs	188.07	608.69
Operating cash flows before working capital changes	**119.83**	**111.94**
Changes in inventories, trade receivables and unbilled revenue	(416.10)	(75.47)
Changes in loans, other financial assets and other assets	(1.65)	7.45
Changes in trade payables and other financial liabilities	110.51	102.76
Changes in other liabilities and provisions	194.79	134.46
Cash generated from operations	**7.38**	**281.14**
Income taxes paid, net of refund	(82.40)	(30.76)
Net cash provided by/ (used in) operating activities (A)	**(75.02)**	**250.38**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(179.07)	(116.73)
Proceeds from Sale of Investment in equity instruments	-	6,450.00
Proceeds from Sale of Investments in mutual fund units	-	7,169.71
Bank deposits (having original maturity of more than three months)	2.00	(2.00)
Rent from letting out properties	11.78	
Interest income on term deposits	2.76	8.06
Dividend income	-	91.23
Net cash used in investing activities (B)	**(162.52)**	**13,600.27**
Cash flows from financing activities		
Proceeds from borrowings, net of repayments	-	(6,500.00)
Lease liability paid	(28.79)	(23.89)
Proceeds from issue of equity shares, net of issue expenses	1,000.01	-
Loans from related parties, net of amounts repaid	-	(7,043.93)
Interest paid	-	(285.47)
Net cash provided by financing activities (C)	**971.22**	**(13,853.28)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	733.68	(2.64)
Cash and cash equivalents at the beginning of the year	37.35	39.99
Cash and cash equivalents at the end of the year (refer note 11)	**771.03**	**37.35**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.
for **M S K A & Associates**
Chartered Accountants
ICAI Firm's Registration No.: 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G
Partner
Membership No: 205226

Place: Hyderabad
Date: 11 May 2022

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited
CIN: U72200TZ2015PTC021609

Heptagon Technologies Pvt Ltd

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 11 May 2022

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Bengaluru
Date: 11 May 2022

Heptagon Technologies Private Limited
(formerly known as Helpr Infotech India Private Limited)

Statement of changes in equity for the year ended 31 March 2022

(Amount in INR lakhs, 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, 2020	2.78	975.72	(3,168.42)	(4.68)	(2,194.60)
Add: Loss for the year	-	-	(478.13)	-	(478.13)
Add: Other comprehensive income for the year	-	-	-	-	-
Remeasurement gain/ (loss) on defined benefit plan	-	-	-	(1.89)	(1.89)
Other comprehensive income / (loss) for the year	-	-	-	-	-
Balance as at March 31, 2021	2.78	975.72	(3,646.55)	(6.57)	(2,674.62)
Balance as at April 1, 2021	2.78	975.72	(3,646.55)	(6.57)	(2,674.62)
Add: Fair value adjustment of Intangible assets under construction		-	-	-	-
Add: Issue of equity shares (on conversion / fresh issue)	0.82				0.82
Add: Premium received on issue of equity shares (on conversion / fresh issue	-	1,299.09	-	-	1,299.09
Add: Loss for the year		-	(170.60)	-	(170.60)
Add: Other comprehensive income for the year		-	-	-	-
Remeasurement gain/ (loss) on defined benefit plan		-	-	(4.01)	(4.01)
Other comprehensive income / (loss) for the year	-	-	-	-	-
Balance as at March 31, 2022	3.60	2,274.81	(3,817.15)	(10.57)	(1,549.31)

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **M S K A & Associates**
Chartered Accountants
ICAI Firm's Registration No: 105047W

Ananthakrishnan G
Partner
Membership No: 205226

Place: Hyderabad
Date: 11 May 2022

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited
CIN: U72200TZ2015PTC021609

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 11 May 2022

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Bengaluru
Date: 11 May 2022

3 Property, Plant and Equipment

(Amount in INR lakhs, 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 2020	17.27	10.30	0.26	34.22	127.58	**189.63**
Additions during the year	0.26	2.32	-	30.26	-	32.84
Disposals for the year	-	-	-	2.78	5.65	8.43
As at 31 March 2021	17.53	**12.62**	**0.26**	61.70	121.93	**214.04**
Additions during the year	-	1.93	-	82.00	-	83.93
Disposals for the year	-	-	-	2.86	2.45	5.31
As at 31 March 2022	17.53	**14.54**	0.26	140.84	119.48	**292.66**
Accumulated Depreciation						
As at 1 April 2020	**2.13**	2.62	0.04	13.75	14.64	**33.18**
Depreciation for the year	3.49	2.29	0.02	15.02	23.34	44.16
Accumulated depreciation on deletions	-	-	-	1.77	-	1.77
As at 31 March 2021	5.62	**4.91**	0.06	26.99	**37.98**	**75.56**
Depreciation for the year	3.50	2.62	0.02	27.46	23.50	57.11
Accumulated depreciation on deletions	-	-	-	0.05	-	0.05
As at 31 March 2022	9.12	**7.53**	**0.08**	54.40	**61.48**	**132.62**
Net Block :						
As at 31 March 2022	8.41	**7.01**	**0.18**	86.44	**58.00**	**160.04**
As at 31 March 2021	11.91	**7.71**	**0.20**	34.71	**83.95**	**138.48**

The Company has not revalued its Property, plant and equipment (including Right of use assets) and intangible assets as at the balance sheet date.

The Company doesn't have title deeds which are held other than in the Company's name as at the balance sheet date.
The Company doesn't own any investment property as at the balance sheet date.

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Heptagon Technologies Pvt Ltd

4 Intangible Assets

(Amount in INR lakhs, Unless Otherwise Stated)

Particulars	Trademark	Software (IP Technology)	Intangible assets under development*	Total
Gross block				
As at 1 April 2020	0.80	177.54	91.48	269.82
Additions during the year	-	21.81	84.64	106.45
Disposals for the year	-	-	-	-
Capitalised during the year	-	-	21.81	21.81
As at 31 March 2021	**0.80**	**199.35**	**154.31**	**354.46**
Additions during the year	-	50.24	95.49	145.73
Disposals for the year	-	-	-	-
Capitalised during the year	-	-	50.24	50.24
As at 31 March 2022	**0.80**	**249.59**	**199.56**	**449.95**
Accumulated Depreciation				
As at 1 April 2020	0.60	17.75	-	18.35
Amortisation for the year	0.20	36.60	-	36.80
Accumulated amortisation on deletions	-	-	-	-
As at 31 March 2021	**0.80**	**54.35**	-	**55.15**
Amortisation for the year	-	49.92	-	49.92
Accumulated amortisation on deletions	-	-	-	-
As at 31 March 2022	**0.80**	**104.27**	-	**105.07**
Net Block				
As at 31 March 2022	-	**145.32**	**199.56**	**344.88**
As at 31 March 2021	-	**145.00**	**154.31**	**299.30**

* During the current year, the Company is in the process of developing Focus, SeQure and People Chain and I book software's/products. The products are in the development phase and all the related cost incurred towards these product has been capitalised. Refer note 42.
The Company is also in the process of registering trademark for the software developed by them for which cost of INR 3.01 Lakh (31 March 2021:INR 3.01 Lakh) has been capitalised under "intangible asset under development".

Following is the ageing schedule as on 31 March 2022:

(Amount in INR lakhs)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	Total
Projects in progress (refer note 42)	95.50	104.06	-	199.56
Projects temporarily suspended	-	-	-	-
	95.50	104.06	-	199.56

Following is the completion schedule for those intangible assets under development whose completion is overdue or/ and has exceeded its cost compared to the original plan:

(Amount in INR lakhs)

Particulars	To be completed in		
	Less than 1 year	1 - 2 years	More than 3 years
Project 1	199.56	-	-
Project 2	-	-	-

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Heptagon Technologies Pvt Ltd

5 Other Non-Current Financial Assets

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Unsecured, considered good		
Security deposits	9.53	8.66
	9.53	**8.66**

The Company has fair valued these security deposits under Ind AS

6 Income tax assets (net)

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Advance income tax (Refer note 29)	243.11	155.58
	243.11	**155.58**

7 Other non-current assets

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
(Unsecured and considered good)		
Prepaid expenses	1.29	2.20
Capital advances	8.17	-
	9.46	**2.20**

8 Trade receivables

i) Trade receivables - billed

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Unsecured		
Undisputed Trade receivables		
Considered good (Refer note 32)	418.08	186.53
Credit impaired	12.46	0.25
Less: Allowance for expected credit loss (considered doubtful)	(12.46)	(0.25)
	418.07	**186.53**
Disputed Trade receivables		
Considered good	-	-
Credit impaired	-	-
Less: Allowance for expected credit loss (considered good)	-	-
Less: Allowance for expected credit loss (considered doubtful)	-	-
	-	-
Net trade receivables	**418.07**	**186.53**
# receivable from related parties (refer note 40(C))	224.29	125.50

All trade receivables are current. The net carrying value of trade receivables is considered a reasonable approximation of fair value

ii) Contract Assets - Trade Receivables Unbilled

Particulars	31 March 2022	31 March 2021
Unbilled revenue	263.71	91.60
Less: Provision for impairment of unbilled revenue	-	-
	263.71	**91.60**
# receivable from related parties (refer note 40(C))	89.96	25.12

Trade receivable ageing schedule as on 31 March 2022:

(Amount in INR lakhs)

Particulars	Not billed	Outstanding for the following periods from due date of payment/ date of transaction						
		Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables								
- Considered good	263.71	279.53	126.91	11.63	-	-	-	418.07
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	0.33	12.13	-	-	12.46
Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-

Trade receivable ageing schedule as on 31 March 2021:

(Amount in INR lakhs)

Particulars	Not billed	Outstanding for the following periods from due date of payment/ date of transaction						
		Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables								
- Considered good	91.60	144.65	36.94	4.94	-	-	-	186.53
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	0.25	-	-	-	0.25
Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-

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9 Cash and cash equivalents

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Cash and cash equivalents		
Cash in hand	0.79	0.09
Balances with banks		
In current accounts	770.24	37.26
Cash and cash equivalents in balance sheet	**771.03**	**37.35**
Bank overdraft used for cash management purpose	-	-
Cash and cash equivalent in the statement of cash flow	**771.03**	**37.35**

10 Bank balances other than cash and cash equivalents

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
In deposit accounts (mature within 12 months from the reporting date)	-	2.00
	-	**2.00**

11 Current loans

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Other loans and advances		
Loans to employees*	7.74	5.07
	7.74	5.07

*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.

12 Other current assets

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Advances to suppliers	7.92	4.02
Prepaid expenses	6.57	6.29
Balances with government authorities	3.08	16.51
	17.58	**26.82**

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13 Equity share capital

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Authorised		
1,00,000 (31 March 2021 1,00,000) equity shares of par value of Rs 10 each	10.00	10.00
	10.00	**10.00**
Issued, subscribed and paid-up		
36,022 (31 March 2021 27,778) equity shares of par value of Rs 10 each, fully paid up	3.60	2.78
	3.60	**2.78**

Details of shareholding of promoters:

Promoter name	31 March 2022			31 March 2021		
	Number of shares	% held	% change during the year	Number of shares	% held	% change during the year
Quess Corp Limited	21,855	60.67%	11.67%	13,611	49.00%	0%
Rengasamy Vignesh	4,722	13.11%	-3.89%	4,722	17.00%	0%
Veeraraghavan Vijayramkumar	4,722	13.11%	-3.89%	4,722	17.00%	0%
Sankarappan Rajesh	4,722	13.11%	-3.89%	4,722	17.00%	0%
	36,022	**100%**		**27,778**	**100%**	

13.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount in Rs (lakhs)	Number of shares	Amount in Rs (lakhs)
Equity shares				
At the commencement of the year	27,778	2.78	27,778	2.78
Shares issued on exercise of employee stock options	-	-	-	-
Shares issued during the year	8,244	0.82	-	-
At the end of the year	**36,022**	**3.60**	**27,778**	**2.78**

13.2 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount in Rs (lakhs)	Number of shares	Amount in Rs (lakhs)
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	21,855	2.19	13,611	1.36
Rengasamy Vignesh	4,722	0.47	4,722	0.47
Veeraraghavan Vijayramkumar	4,722	0.47	4,722	0.47
Sankarappan Rajesh	4,722	0.47	4,722	0.47
	36,022	**3.60**	**27,778**	**2.78**

13.3 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

14 Other equity*

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Securities premium account (refer note 14.1)	2,274.81	975.72
Other comprehensive income (refer note 14.2)	(10.57)	(6.57)
Retained earnings	(3,817.15)	(3,646.55)
	(1,552.91)	**(2,677.39)**

14.1 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

14.2 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)

14.3 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

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

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16 Provisions - Non Current

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Provision for employee benefits		
Provision for gratuity (refer note 35)	95.69	62.36
Provision for compensated absences(refer note 35)	8.90	13.39
	104.59	**75.76**

17 Short Term Borrowings

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Loan from related parties unsecured		
From Quess Corp Ltd (refer note 17.1)	1,529.74	1,829.65
Loan from Directors	3.16	3.16
	1,532.90	**1,832.81**

Information about the Company's exposure to interest rate and liquidity risk is included in note 31

17.1 The Company has availed a loan of INR 15.29 crore from Quess Corp Ltd at the rate of 10% p.a which is repayable on demand
The Company had also taken working capital loan from Quess Corp Ltd for INR 3 crore at the rate of 10% p.a which is converted to equity as on 1st March 2022

18 **Trade payables**

i) Trade payables - billed dues *(Amount in INR lakhs)*

Particulars	**31 March 2022**	**31 March 2021**
Undiputed dues		
Total outstanding dues of micro enterprises and small enterprises (refer note 36)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises#	100.36	90.05
Disputed dues		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	-	-
	100.36	**90.05**
# payable to related party (refer note 40(C))	14.73	30.05

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 32

ii) Trade payables - unbilled dues

Particulars	**31 March 2022**	**31 March 2021**
Undiputed dues		
Total outstanding dues of creditors other than micro enterprises and small enterprises#	54.21	46.03
Disputed dues		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	-	-
	54.21	**46.03**

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2022:

(Amount in INR lakhs)

Particulars	**Outstanding for the following periods from due date of payment/ date of transaction**					
	Unbilled dues	**Less than 1 year**	**1 - 2 year**	**2 - 3 year**	**More than 3 years**	**Total**
Undisputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	54.21	100.36	-	-	-	100.36
Disputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	-	-	-	-	-

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2021:

(Amount in INR lakhs)

Particulars	**Outstanding for the following periods from due date of payment/ date of transaction**					
	Unbilled dues	**Less than 1 year**	**1 - 2 year**	**2 - 3 year**	**More than 3 years**	**Total**
Undisputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	46.03	89.91	0.14	-	-	90.05
Disputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	-	-	-	-	-

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19 Other current financial liabilities

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Interest accrued but not due#	1,313.29	1,134.27
Other payables		
Accrued salaries and benefits	251.96	159.04
	1,565.25	**1,293.30**
# payable to related party (refer note 40(C))	1,359.77	1,181.77

The Company's exposure to currency and liquidity risk related to other current financial liabilities is disclosed in note 31

20 Provisions - Current

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Provision for employee benefits		
Provision for gratuity (refer note 35)	14.17	5.98
Provision for compensated absences (refer note 35)	4.07	6.01
	18.24	**12.00**

21 Other current liabilities

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Income received in advance	22.35	3.10
Advance received from customers#	286.02	161.69
Balances payable to government authorities	36.04	15.88
	344.41	**180.67**
# Advance from related party (refer note 40(C))	265.63	160.19

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15 Lease liability

(Amount in INR lakhs)

a) Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liability	27.48	23.49
Non-current lease liability	47.02	74.10
Total	**74.50**	**97.59**

b) The following is the movement in lease liabilities

(Amount in INR lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Operating lease recognised on adoption of Ind AS 116	97.59	117.52
Reclassification on adoption of Ind AS 116 - Fin lease obligation	-	-
Add: Additions	-	-
Less: Deletion	(2.45)	(5.65)
Add: Finance cost accrued during the period	8.14	9.61
Less: Payment of lease obligation	(28.79)	(23.89)
Carrying amount as at 31 March 2022	**74.50**	**97.59**

c) Amount recognised in PL

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense (included in finance cost)	8.14	9.61
Expenses relating to short-term lease (included in other expenses)	0.91	2.08
	9.05	**11.69**

d) The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2022 on an undiscounted basis:

(Amount in INR lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	27.48	31.77
One to five years	47.02	83.43
More than five years	-	-
	74.50	**115.20**

Rental expense recorded for short-term leases was INR 0.91 lakhs for the year ended 31 March 2022 and INR 2.08 lakhs for the year ended 31 March 2021.

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22 **Revenue from operations**

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Sale of services (refer note 39)	2,765.70	1,739.64
	2,765.70	**1,739.64**

23 **Other income**

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Interest income on deposits with banks	2.76	8.06
Interest income under the effective interest method on:		
Interest income on present valuation of financial instruments	-	0.79
Interest on tax refunds due	5.14	-
Dividend income on mutual fund units	-	91.23
Rent from letting out properties	11.78	-
Gain / (Loss) on change in NAV of mutual fund	-	0.34
	19.68	**100.41**

24 **Employee benefits expense**

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Salaries and wages	1,622.73	921.96
Contribution to provident and other funds	47.84	29.27
Expenses related to post-employment defined benefit plan (refer note 35)	37.51	28.06
Expenses related to compensated absences	(6.44)	12.48
Staff welfare expenses	3.54	0.59
	1,705.18	**992.37**

25 **Finance costs**

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Interest expense on financial liabilities at amortised cost	188.07	608.69
(includes interest on lease liability - ₹ 8.14 (Mar 21 - ₹ 9.61))	**188.07**	**608.69**

26 **Depreciation and amortisation expense**

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Depreciation of property, plant and equipment (refer note 3)	59.44	44.16
Amortisation of intangible assets (refer note 4)	49.92	36.80
	109.36	**80.96**

27 **Other expenses**

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Recruitment and training expenses	6.54	1.07
Rent (refer note 15)	0.91	2.08
Power and Fuel	1.85	1.14
Repairs & maintenance		
- Buildings	3.17	1.16
- Plant and machinery	1.63	1.40
- computer equipment's, consumables and others	3.14	2.31
Sub-contractor charges	649.00	469.55
Legal and professional fees (refer note 28)	99.11	53.47
Rates and taxes	8.62	6.92
Printing and stationery	3.67	1.05
Travelling and conveyance	7.38	0.29
Communication expenses	48.91	26.78
Impairment loss allowance on financial assets, net [refer note 32(i)]	12.46	-
Deposits/advances written-off	0.09	0.59
Equipment hire charges	0.32	-
Technological support services	72.81	41.60
Bank charges	1.55	0.91
Bad debts written off	-	0.01
Business promotion and advertisement expenses	24.33	19.40
Loss on sale of fixed assets, net	0.13	0.25
Foreign exchange loss, net	7.76	6.20
	953.37	**636.16**

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28 Payment to auditors (net of GST; included in legal and professional fees)

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Statutory audit fees	1.50	0.75
Tax audit fees	0.40	0.40
Other services	0.30	0.30
Reimbursement of expenses	0.03	0.03
	2.23	1.48

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. Since the Company has not covered under the provisions of Section 135 of the Companies Act, 2013, the disclosure on CSR Expenditure is not applicable to the company.

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29 Taxes

The major components of income tax expense for the year ended 31 March 2022 and 31 March 2021 are as follows:

(Amount in INR lakhs)

Particulars	**For the year ended**	
	31 March 2022	**31 March 2021**
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 lakhs)

	For the year ended	
	31 March 2022	**31 March 2021**
Profit / (Loss) 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 2022 and 31 March 2021 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 2022 and 31 March 2021 due to absence of reasonable certainty of set off of unabsorbed losses against taxable profits in the foreseeable future.

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2022 and 31 March 2021:

(Amount in INR lakhs)

Particulars	**31 March 2022**	**31 March 2021**
Income tax assets	243.11	155.58
Income tax liabilities	-	-
Net income tax assets at the end of the year	**243.11**	**155.58**

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30 Financial instruments - fair value and risk management

Financial instruments by category

(Amount in INR la

Particulars	Note	31 March 2022		
		FVTPL	FVTOCI	Amortised Cost
Financial assets:				
Loans	11	-	-	7.74
Trade receivables	8	-	-	418.07
Cash and cash equivalents including other bank balances	10 and 11	-	-	771.03
Contract assets	11	-	-	263.71
Total financial assets		-	-	**1,460.55**
Financial liabilities:				
Borrowings	17	-	-	1,532.90
Trade payables	18	-	-	154.57
Other financial liabilities	19	-	-	1,565.25
Lease liabilities	15	-	-	74.50
Total financial liabilities		-	-	**3,327.22**

*Current maturities of finance lease obligation forms part of other financial liabilities

(Amount in INR la

Particulars	Note	31 March 2021		
		FVTPL	FVTOCI	Amortised Cost
Financial assets:				
Loans	11	-	-	5.07
Trade receivables	8	-	-	186.53
Cash and cash equivalents including other bank balances	10 and 11	-	-	39.36
Unbilled revenue	14	-	-	91.60
Total financial assets		-	-	**322.55**
Financial liabilities:				
Borrowings	17	-	-	1,832.81
Trade payables	18	-	-	136.08
Other financial liabilities	19	-	-	1,293.30
Lease liabilities	15	-	-	97.59
Total financial liabilities		-	-	**3,359.78**

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Accounting classification and fair value

The carrying value and fair value of financial instruments by categories as at 31 March 2022 and 31 March 2021 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 2022 *(Amount in INR lakhs)*

Particulars	**Carrying value**		**Fair value**	
Financial assets	**31 March 2022**	**Level 1**	**Level 2**	**Level 3**
Amortised cost				
Trade receivables	418.07	-	-	-
Unbilled revenue	263.71			
Cash and cash equivalents	771.03	-	-	-
Other financial assets	7.74	-	-	-
Non-current loans	-	-	-	-
Financial assets measured at fair value				
Other non-current investments	-	-	-	-
Current investments	-	-	-	-
Total financial assets	**1,460.55**	**-**	**-**	**-**
Financial liabilities				
Amortised cost				
Borrowings	1,532.90	-	-	-
Trade payables	154.57	-	-	-
Lease liabilities	74.50			
Other financial liabilities	1,565.25	-	-	-
Non-current borrowings	-	-	-	-
Other non current financial liabilities	-	-	-	-
Total financial liabilities	**3,327.22**	**-**	**-**	**-**

As at 31 March 2021 *(Amount in INR lakhs)*

Particulars	**Carrying value**		**Fair value**	
Financial assets	**31 March 2021**	**Level 1**	**Level 2**	**Level 3**
Amortised cost				
Trade receivables	186.53	-	-	-
Unbilled revenue	91.60			
Cash and cash equivalents	37.35	-	-	-
Other financial assets	7.07	-	-	-
Non-current loans	-	-	-	-
Financial assets measured at fair value				
Other non-current investments	-	-	-	-
Current investments	-	-	-	-
Total financial assets	**322.55**	**-**	**-**	**-**
Financial liabilities				
Amortised cost				
Borrowings	1,832.81	-	-	-
Trade payables	136.08	-	-	-
Lease liabilities	97.59			
Other financial liabilities	1,293.30	-	-	-
Non-current borrowings	-	-	-	-
Other non current financial liabilities	-	-	-	-
Total financial liabilities	**3,359.78**	**-**	**-**	**-**

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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31 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

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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

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 2022 and 31 March 2021 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 2022 *(Amount in INR lakhs)*

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	298 95	0 00%	-	No	298.95
Past due 1-90 days	103 59	0 00%	-	No	103 59
Past due 91-180 days	0 50	0.00%	-	No	0 50
Past due 181-270 days	15.04	0 00%	-	No	15 04
Past due 271-360 days	-	0 00%	-	No	-
Above 360 days	12.46	100.00%	12.46	No	-
	430.53		**12.46**		**418.08**

As at 31 March 2021 *(Amount in INR lakhs)*

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	107 79	0 00%	-	No	107.79
Past due 1-90 days	67 45	0 00%	-	No	67 45
Past due 91-180 days	6 35	0.00%	-	No	6 35
Past due 181-270 days	3 52	0 00%	-	No	3 52
Past due 271-360 days	1 42	0 00%	-	No	1 42
Above 360 days	0 25	100 00%	0.25	No	-
	186.78		**0.25**		**186.53**

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 lakhs)*

Particulars	31 March 2022	31 March 2021
Balance as at the beginning of the year	0 25	0 25
Additions through business combination	-	-
Impairment loss allowances recognised/ (reversed)	12 46	-
Less. Amounts written off	-	-
Balance as at the end of the year	**12.71**	**0.25**

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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 2022 *(Amount in INR lakhs)*

Particulars		Contractual cash flows		
	Carrying amount	Less than 1 year	1-2 years	2 years and above
Borrowings	1,532.90	1,532.90	-	-
Trade payables	100.36	100.36	-	-
Lease liabilities	74.50	27.48	31.80	15.22
Other financial liabilities	1,565.25	1,565.25	-	-

As at 31 March 2021

Particulars		Contractual cash flows		
	Carrying amount	Less than 1 year	1-2 years	2 years and above
Borrowings	1,832.81	1,832.81	-	-
Trade payables	90.05	90.05	-	-
Lease liabilities	97.59	23.49	27.48	46.62
Other financial liabilities	1,293.30	1,293.30	-	-

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 2022		As at 31 March 2021	
		Foreign currency*	Amount in Reporting Currency	Foreign currency*	Amount in Reporting Currency
Trade receivables					
	GBP	-	-	0.01	0.91
	USD	1.03	76.63	0.72	52.46
	PHP	0.19	0.28	-	-

The following significant exchange rates have been applied

Particulars	Year end spot rate	
	31 March 2022	31 March 2021
GBP/ Reporting currency	-	100.96
USD/ Reporting currency	75.90	73.17
PHP/ Reporting currency	1.47	-

b) Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the MYR, GBP and USD against Reporting currency at 31 March 2022 and 31 March 2021 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 2022				
MYR (1% movement)	-	-	-	-
GBP (1% movement)	-	-	-	-
USD (1% movement)	(0.77)	0.77	(0.57)	0.57
PHP (1% movement)	(0.00)	0.00	(0.00)	0.00
31 March 2021				
MYR (1% movement)	-	-	-	-
GBP (1% movement)	(0.01)	0.01	(0.01)	0.01
USD (1% movement)	(0.52)	0.52	(0.38)	0.38
PHP (1% movement)	-	-	-	-

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 working capital loan taken from Quess Corp Ltd and loan from Director. 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 lakhs)*

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings	-	-
Fixed rate borrowings	1,532.90	1,832.81
Total borrowings	**1,532.90**	**1,832.81**

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. During the year and the previous Company has not invested any money in mutual funds

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 lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Gross debt	3,794.46	3,628.21
Less Cash and cash equivalent	771.03	37.35
Adjusted net debt (borrowings net of cash and cash equivalent)	**3,023.43**	**3,590.85**
Total equity	(1,549.31)	(2,674.62)
Net debt (Total external liabilities) to equity ratio	**(1.95)**	**(1.34)**

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34 Capital Commitments and commitments

The company does not have any capital commitments and contingent liability as at 31 March 2022 and 31 March 2021

35 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 lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability, gratuity plan	109 86	68 35
Liability for compensated absences	12.97	19.40
Total employee benefit liability	**122.83**	**87.75**
Current (refer note 20)	18 24	12 00
Non- Current (refer note 16)	104.59	75.76
	122.83	**87.75**

For details about employee benefit expenses, see note 24

B Reconciliation of net defined benefit liability/ asset

(Amount in INR lakhs)

Particulars	31 March 2022	31 March 2021
Change in defined benefit obligation		
Obligation at the beginning of the year	68.35	38 40
Current service cost	33.98	25 63
Interest cost	3.52	2 44
Actuarial (gains)/ losses recognised in other comprehensive income		-
- Changes in experience adjustments	6.68	6 50
- Changes in demographic assumptions	-	(8.85)
- Changes in financial assumptions	(2.67)	4.24
Obligation at end of the year	**109.86**	**68.35**

C i) Expense recognised in profit or loss

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Service cost	33.98	25.63
Net interest on net defined benefit liability/(asset)	3.52	2.44
Net gratuity cost	**37.51**	**28.06**

ii) Remeasurement recognised in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement of the net defined benefit liability	4.01	1.89
Remeasurement of the net defined benefit asset	-	-
	4.01	1.89

D Defined benefit obligation - Actuarial Assumptions

Particulars	31 March 2022	31 March 2021
Discount rate	6.05%	5.65%
Salary increase	10.00%	10 00%
Attrition rate	20.00%	20.00%
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 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	103 65	116 76	64 29	72 87
Future salary growth(1% movement)	116 08	104.02	72 44	64 53
Attrition rate (50% movement)	94 86	139.68	56.97	90.90

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35 Assets and liabilities relating to employee benefits (continued)

II Compensated absence

The Company has accounted the cost of compensated absence based on the actuarial valuation report obtained on 31 March 2022 and has estimated a compensated absence liability of INR 12.97 lakhs (31 March 2021 INR 19.40 lakhs) 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 2022	31 March 2021
Discount rate	6.05%	5.65%
Salary increase	10.00%	10.00%
Attrition rate	20.00%	20.00%
Mortality rate	IALM (2012-14) published table of mortality rates	IALM (2012-14) published table of mortality rates

36 **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 2022 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

37 **Computation of Earnings per share (EPS)**

(Amount in INR lakhs except number of shares and per share data)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Nominal value of equity shares	10.00	10.00
Net profit after tax for the purpose of earnings per share	(170.60)	(478.13)
Weighted average number of shares used in computing basic earnings per share	28,478	27,778
Basic earnings per share	**(599.06)**	**(1,721.25)**
Weighted average number of shares used in computing diluted earnings per share	28,478	27,778
Diluted earnings per share*	**(599.06)**	**(1,721.25)**

* 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 2022	For the year ended 31 March 2021
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 - 8244 number of equity shares issued on 1 March 2022 for 31 days	700	-
Weighted average number of shares outstanding at the end of year for computing basic and diluted earnings per share	**28,478**	**27,778**

38 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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39 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 lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Receivables, which are included in 'Trade and other receivables'	418.07	186.53
Contract assets (Unbilled revenue)	263.71	91.60
Contract liabilities (Unearned revenue & Advance r'd from customers)	308.37	164.79

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 2022 and 31 March 2021:

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning	91.60	59.47
Add : Revenue recognized during the period	2,765.70	1,739.64
Less : Invoiced during the period	(2,593.58)	(1,707.51)
Balance at the end	263.71	91.60

The following table discloses the movement in unearned revenue (contract liabilities) balances for the year ended 31 March 2022 and 31 March 2021:

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning	3.10	86.66
Less: Revenue recognized during the period	761.41	649.79
Add: Invoiced during the period but not recognized as revenues	780.66	566.23
Balance at the end	22.35	3.10

(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 2022, other than those meeting the exclusion criteria mentioned above, is Nil.

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40 Related party disclosures

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

- Holding Company	Quess Corp Limited (from March 2022)
- Entity having significant influence	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
Billion Careers Private Limited	Subsidiary of Quess Corp Ltd	India
Terrier Security Services (India) Private Limited	Subsidiary of Quess Corp Ltd	India
Quess East Bengal FC Private Limited	Subsidiary 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

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40 Related party disclosures (continued)

(A) Name of related parties and description of relationship (continued)

(ii) Key executive management personnel

Sankarappan Rajesh	Director
Veeraraghavan Vijayramkumar	Director
Rengasamy Vignesh	Director (resigned on 28th Feb'2022)
Guruprasad Srinivasan	Director (resigned on 10th Feb'2022)
Lohit Bhatia	Director (appointed on 10th Feb'2022)
Arjun Ramaraju	Director (appointed on 28th Feb'2022)
Vijay Sivaram	Director

(B) Transactions with related parties

(Amount in Rs. lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations		
-Quess Corp Limited	949.01	848.25
-Allsec Technologies Ltd	246.00	70.75
-Conneqt Business Solutions Limited	5.74	-
-MFX Infotech Private Limited	11.48	-
-Vedang Cellular Services Pvt Ltd	17.84	27.41
-Golden Star Facilities & Services Pvt Ltd	7.30	-
-Terrier Security Services (India) Pvt. Ltd	0.12	-
Other expenses		
-Allsec Technologies Limited	0.46	0.37
-Quess Corp Limited	0.80	2.71
-MFX Infotech Private Limited	54.67	27.16
Finance cost		
-Quess Corp Limited	179.02	313.61
Issue of Equity Shares (including Securities Premium)		
-Quess Corp Limited	1,000.01	-
Conversion of Loan to Equity Shares (including Securities Premium)		
-Quess Corp Limited	299.91	-
Sale of Non-Current Investment made in Equity Instruments (refer note 5)		
-Quess Corp Limited	-	6,450.00
Compensation of key managerial personnel		
Rengasamy Vignesh	49.78	49.78
Veeraraghavan Vijayramkumar	52.06	24.89
Sankarappan Rajesh	49.78	49.78

*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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40 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 2022	For the year ended 31 March 2021
Trade payables		
-Quess Corp Limited	-	-
-MFX Infotech Private Limited	14.67	30.01
-Allsec Technologies Limited	0.06	0.04
Trade receivables		
-Quess Corp Limited	163.61	56.17
-Allsec Technologies Limited	47.77	64.08
-Dependo Logistics Solutions Pvt Ltd	1.40	1.40
-Conneqt Business Solutions Limited	2.90	-
-Vedang Cellular Services Pvt Ltd	-	3.72
-Terrier Security Services (India) Pvt Ltd	-	0.13
-Golden Star Facilities & Services Pvt Ltd	8.61	-
Unbilled revenue		
-Quess Corp Limited	66.99	5.72
-Allsec Technologies Limited	-	19.40
-MFX Infotech Private Limited	11.48	-
-Vedang Cellular Services Pvt Ltd	11.50	-
Income received in advance		
-Quess Corp Limited	265.63	160.19
-Golden Star Facilities & Services Pvt Ltd	6.69	
Borrowings		
-Quess Corp Limited	1,529.65	1,829.65
Interest payable on loan taken		
-Quess Corp Limited	1,313.29	1,134.27
Unsecured loan payable		
-Rengasamy Vignesh	2.05	2.05
-Veeraraghavan Vijayramkumar	0.28	0.28
-Sankarappan Rajesh	0.83	0.83
	3.16	**3.16**
Accrued Expenses (Remuneration payable)		
-Rengasamy Vignesh	16.88	17.54
-Veeraraghavan Vijayramkumar (included in professional fees)	12.70	12.70
-Sankarappan Rajesh	16.90	17.27
	46.48	**47.50**

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41 Earnings and expenditure in foreign currency

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Earning in foreign currency	540.41	390.58
Expenses in foreign currency	129.30	121.93

42 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	1book	SeQure
Opening balance	65.30	35.74	-	50.24
Capitalised during the year	-	-	-	(50.24)
Cost of Development during the year	38.33	5.53	10.42	41.22
Cost recovered				-
Total Cost under development	103.63	41.27	10.42	41.22

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 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 2022 Revenue	For the year ended 31 March 2021 Revenue
India	2,225.29	1,348.83
Other countries:		
- United States of America	401.13	297.93
- Malaysia	5.67	-
-United Kingdom	1.24	12.79
-Canada	0.28	-
-Germany	123.52	68.26
-UAE	8.56	11.61

44 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, 2022 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

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45 **Ratios**

	Ratios	Numerator	Denominator	Ratio 21-22	Ratio 20-21	%variance	Reason for variance (greater
A	Current ratio	1,478.13	3,642.85	0.41:1	0.10:1	-304%	Variance is due to increase in Trade receivables and cash and bank balance
B	Debt-equity ratio	1,532.90	(1,549.31)	-0.99:1	-0.75:1	-31%	Variance is due to decrease in borrowings by 3 cr and other equity by 12 cr
C	Debt service coverage ratio	126.82	159.28	0.80:1	0.35:1	-129%	Increase is due to decrease in borrowings
D	Return on equity ratio	(170.60)	(2,111.96)	0.08:1	0.18:1	55%	Increase is due to decrease in other equity
E	Trade receivables turnover ratio	2,612.84	302.30	8.64:1	9.85:1	12%	Better collections during the year
F	Trade payables turnover ratio	924.76	145.32	6.36:1	8.42:1	24%	Timely payments during the year
G	Net capital turnover ratio	2,765.70	(2,164.72)	-1.28:1	-0.56:1	-130%	Decrese in net working capital
H	Net profit ratio	(170.60)	2,765.70	-0.06:1	-0.27:1	78%	Increase in profits
I	Return on capital employed	17.47	(118.18)	-0.15:1	-0.03:1	-383%	Decrease in capital employed
J	Return on investment	(170.60)	(1,549.31)	0.11:1	0.18:1	38%	Decrease in equity

A. Current Ratio = Current Assets divided by Current Liabilities
B. Debt-equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings and lease liabilities
C. Debt Service Coverage Ratio (DSCR) = Earnings available for debt services (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc) divided by Total interest and lease payments and principal
D. Return on equity ratio : Net profit after tax less preference dividend divided by Average Shareholder Equity
E. Inventory turnover ratio : Cost of materials consumed divided by Average Inventory (Opening + Closing balance / 2)
F. Trade Receivables turnover ratio = Credit Sales (Total revenue from operations +Opening Unbilled- Closing Unbilled-Opening unearned revenue+ Closing Unearned revenue) divided by Average trade receivables ((Opening + Closing balance / 2)
G. Trade payables turnover
H. Net capital turnover ratio = Net Sales divided by Working Capital
I. Net profit ratio = Net profit after tax divided by Revenue from operations
J. Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Average Capital Employed- pre cash (Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability)
K. Return on investment: PAT divided by Total Equity

46 The Company has incurred cash losses (i.e PAT + Depreciation + Provision for Bad & Doubtful debts) in the current financial year INR 48.79 Lakh (March 2021 : INR 397.17 Lakh). However the company's management is confident that the projects on hand and with the future projects which contributes to generate economic resources, expects to realise the financial assets and make payments of liabilities. The Company's management is confident of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date and there is no material uncertainty exists as on the date of approval of financial statements

47 Previous year figures are reclassified/regrouped wherever necessary

As per our report of even date attached
for **M S K A & Associates**
Chartered Accountants
ICAI Firm's Registration No. 105047W

Ananthakrishnan G
Partner
Membership No. 205226

Place: Hyderabad
Date: 11 May 2022

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited
CIN: U72200TZ2015PTC021609

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 11 May 2022

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Bengaluru
Date: 11 May 2022

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 a 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.

The Company's standalone Ind AS financial statements are approved for issue by the Company's Board of Directors on 11th May 2022.

The standalone Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakh except share data or as otherwise stated.

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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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 2022**
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 2022
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.

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.

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 15 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 39 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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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.
Debt investments	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign

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at FVOCI	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 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 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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(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.

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.

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2.17 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.

2.18 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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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 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, 2022, 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, 2022, 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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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(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.

iv.

(1) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons / entities, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(2) The Management has represented that, to the best of it's knowledge and belief, no funds have been received by the Company from any persons entities including foreign entities, that the company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

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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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 22205226AISLFA7964

Date: 03rd May 2022
Place: Hyderabad

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.

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.

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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 for the year ended March 31, 2022 (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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No.205226
UDIN: 22205226AISLFA7964

Date: 03rd May 2022
Place: Hyderabad

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MONSTER.COM INDIA PRIVATE FOR THE YEAR ENDED MARCH 31, 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(b) All the Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification 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.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) 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) (a) to (b) of the Order are not applicable to the Company.

(a) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Bank on the basis of security of current assets. Quarterly returns / statements are filed with such Bank are in agreement with the books of account.

iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) 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 , undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(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	6,37,23,857	FY 2008-09 to FY 2013-14	CESTAT	None

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion, according to the information explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information explanation given to us and on an overall examination of the financial statements of the Company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its securities, joint ventures or associate companies.

x.

(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) 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 has made private placement of preference shares during the year and the requirements of Section 42 and section 62 of the Act

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have been complied with. The amount raised has been used for the purposes for which they were raised.

xi.

(a) 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.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c)

As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.

xii.

(a) 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) (a) to (c) 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.

(a) In our opinion and based on our examination, the Company does not require to comply with provision of section 138 of the Act. Hence, the provisions stated in paragraph 3(xiv) (a) to (b) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi.

(a) 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)(a) of the Order are not applicable to the Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.

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xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx.

(a) According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

xxi. There are no Qualifications/adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) Reports of the companies included in the consolidated financial statements. Accordingly, the provisions stated in paragraph clause 3 (xxi) of the Order are not applicable to the Company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No.205226
UDIN: 22205226AISLFA7964

Place: Hyderabad
Date: 03rd May 2022

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 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Monster.com India Private Limited on the Financial Statements for the year ended March 31, 2022]

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

Opinion

We have audited the internal financial controls with reference to financial statements of Monster.com India Private Limited ("the Company") as of March 31, 2022 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, 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, 2022, 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").

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. These responsibilities include the design, implementation and maintenance of 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 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 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.

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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.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No.205226
UDIN: 22205226AISLFA7964

Date: 03rd May 2022
Place: Hyderabad

Monster.com (India) Private Limited

(Amount in INR lakhs, unless stated otherwise)

Balance Sheet	Notes	As at Mar 31, 2022	As at Mar 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	126.77	98.44
ROU - Buildings	3 (a)	2,171.77	340.82
Other intangible assets	3 (b)	527.56	331.95
Intangible assets under development	3 (b)	-	330.92
Financial assets			
(i) Investments	4	5,836.32	-
(ii) Loans	5	172.69	96.07
Deferred tax assets (net)	6	1,134.27	1,134.28
Income tax assets (net)	7	1,588.44	1,325.97
Other non-current assets	8	110.62	16.87
Total non-current assets		**11,668.44**	**3,675.32**
Current assets			
Financial assets			
(i) Investments	9	4,479.40	-
(ii) Trade receivables	10	2,646.12	2,095.08
(iii) Cash and cash equivalents	11	1,675.20	1,484.69
(iv) Bank balances other than cash and cash equivalents above	12	1,821.27	32.15
(v) Loans	13	1.78	1.99
(vi) Other financial assets	14	6.23	0.32
Other current assets	15	1,455.68	1,698.40
Total current assets		**12,085.68**	**5,312.63**
Total Assets		**23,754.12**	**8,987.95**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	163.13	5.00
Instruments entirely equity in nature	17	-	0.31
Other equity	18	12,680.85	1,589.20
Total equity		**12,843.98**	**1,594.51**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease Liabilities	19	2,123.65	272.85
Non-current provisions	20	378.57	402.40
Total non-current liabilities		**2,502.22**	**675.25**
Current liabilities			
Financial liabilities			
(i) Borrowings	21	400.00	500.00
(ii) Lease liabilities	19	132.84	120.13
(iii) Trade payables	22		
a) total outstanding dues of micro enterprises and small enterprises			
b) total outstanding dues of creditors other than micro enterprise and small enterprise		522.03	1,157.13
(iv) Other financial liabilities	23	746.50	603.55
Current provisions	20	17.27	12.60
Other current liabilities	24	6,589.28	4,324.78
Total current liabilities		**8,407.92**	**6,718.19**
Total liabilities		**10,910.14**	**7,393.44**
Total equity and liabilities		**23,754.12**	**8,987.95**

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 03, 2022

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

Ajit Isaac
Director
DIN: 00087168

Chandra Sekhar Reddy Garisa
Director
DIN: 03057784

Monster.com (India) Private Limited

Statement of Profit and Loss	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
		(Amount in INR lakhs, except per share data)	
Income			
Revenue from operations	26	9,042.87	8,361.72
Other income	27	167.06	380.07
Total Income		**9,209.93**	**8,741.79**
Expenses			
Employee benefits expense	28	5,964.62	4,056.80
Marketing and business promotional expenses		1,126.65	396.72
Reseller Services purchase expenses		1,278.88	1,117.72
Finance costs	29	164.93	225.59
Depreciation and amortization expense	3 (a) & (b)	358.93	582.33
Other expenses	30	1,515.54	1,488.80
Total expenses		**10,409.56**	**7,867.96**
Profit/(Loss) before income tax		**-1,199.63**	**873.83**
Tax expense			
Current tax		-	-
-Tax expense of foreign branches	6	-57.49	-
Deferred tax	6	-	-
Total tax expenses		**-57.49**	**-**
Profit/(Loss) for the year		**-1,257.11**	**873.83**
Other comprehensive income/ (expense)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/ asset		69.80	72.76
Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the period		-	-
Other comprehensive income/ (expense) for the year, net of income tax		**69.80**	**72.76**
Total comprehensive income for the year		**-1,187.31**	**946.60**
Earnings/(Loss) per equity share (face value of Rs 10 each)			
Basic earnings /(loss) per share (in INR)	38	(2,404)	1,748
Diluted earnings /(loss) per share (in INR)	38	(2,339)	1,748

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

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad, INDIA
Date: May 03, 2022

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

Ajit Isaac
Director
DIN: 00087168

Chandra Sekhar Reddy Garisa
Director
DIN: 03057784

Monster.com (India) Private Limited Hyderabad

Monster.com (India) Private Limited
Statement of Changes in Equity for the year ended March 31, 2022

(A) Share capital

(Amount in INR lakhs, unless stated otherwise)

Particulars	Note	As at Mar 31, 2022	As at Mar 31, 2021
(i) Equity share capital			
Opening balance	16	5.00	5.00
Changes in equity share capital	16.1	0.72	-
Closing balance		**5.72**	**5.00**
(ii) Compulsory convertible preference shares			
Opening balance	16	-	-
Changes during the period	16.1	157.10	-
Closing balance		**157.10**	-

(B) Instruments entirely equity in nature

(Amount in INR lakhs, unless stated otherwise)

Particulars	Note	As at Mar 31, 2022	As at Mar 31, 2021
(i) Convertible Debentures			
Opening balance	17	0.31	0.69
Changes during the period	17.1	-0.31	-0.38
Closing balance		-	**0.31**

(C) Other equity

(Amount in INR lakhs, unless stated otherwise)

Particulars	Note	Reserves and surplus				Other items of other comprehensive income	Total equity attributable to equity holders of the Company
		Securities premium	Retained earnings	Stock options outstanding account	Capital reserve	Remeasurement of the net defined benefit liability	
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	18	-1,325.65	-	-	-	-	-1,325.65
Add: Other comprehensive income (net of tax)		-	-	-	-	72.76	72.76
Balance as of 31 March 2020		**3,432.65**	**-2,156.79**	-	**29.09**	**284.23**	**1,589.18**
Balance as of 1 April 2021		3,432.65	-2,156.79	-	29.09	284.23	1,589.18
Add: Profit/(loss) for the year		-	-1,257.11	-	-	-	-1,257.11
Add: Security premium received during the period	18	11,835.08	-		-	-	11,835.08
Add: Recognition of share-based payments*	18	-	-	443.88	-		443.88
Less: Security premium repaid during the period		-	-	-	-	-	-
Add: Other comprehensive income (net of tax)		-	-	-	-	69.80	69.80
Balance as of 31 March 2022		**15,267.73**	**-3,413.90**	**443.88**	**29.09**	**354.03**	**12,680.83**

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 03, 2022

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

Ajit Isaac
Director
DIN: 00087168

Chandra Sekhar Reddy Garisa
Director
DIN: 03057784

Monster.com (India) Private Limited

(Amount in INR lakhs, unless stated otherwise)

Statement of Cash Flows	For the year ended	For the year ended
Cash flows from operating activities		
Profit/(Loss) before tax	**-1,199.63**	**873.83**
Adjustments for:		
Depreciation and amortisation expenses	358.93	582.33
Foreign Exchange loss/(gain) (net)	-76.01	157.54
Impairment loss allowance on financial assets (net)	-30.42	155.18
Interest income	-11.64	-4.42
Impact of amortisation of financial asset	-9.29	-34.00
Finance Cost	99.89	164.24
Other adjustments	-30.06	-82.79
Stock options expenses recognised in PL	443.88	-
Impact of remeasurement of defined benefits obligation to OCI	69.80	72.76
Operating cash flows before working capital changes	-384.55	1,884.68
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Trade and other receivables	-372.25	325.00
Current loans & Other current assets	242.93	175.97
Non-current loans & other non-current assets	-131.47	115.16
Adjustments for increase/(decrease) in operating liabilities:		
Non-current provisions	-23.84	-44.60
Changes in loans, other financial liabilities and other liabilities		
Trade payables	-661.06	-44.38
Other current liabilities	2,407.45	-1,026.35
Current provisions	4.67	-3.66
Cash generated from operating activities	1,081.88	1,381.82
Income taxes paid (net)	-319.96	1,335.19
Net cash provided by/ (used in) operating activities (A)	761.92	2,717.00
Cash flows from investing activities		
Acquisition of property, plant and equipment	-114.86	-220.27
Investments in mutual fund units	-4,479.40	-
Investment into subsidiaries	-5,836.32	-
Interest received	5.73	11.99
Net cash used in investing activities (B)	-10,424.85	-208.28
Cash flows from financing activities		
Proceeds from Subscription to Share Capital	157.82	-
Proceeds from Security Premium	11,835.08	-
Redeemed CD's	-	-1,326.03
Short term borrowings repaid	-100.00	-100.00
Payment for Leases	-152.29	-383.19
Interest paid	-52.16	-57.23
Net cash provided by financing activities (C)	11,688.45	-1,866.45
Net increase in cash and bank balances (A+B+C)	**2,025.53**	**642.27**
Cash and bank balances at the beginning of the year	1,516.84	874.55
Cash and cash equivalents acquired on amalgamation		
Effects of exchange differences on translation of foreign currency cash and cash equivalents	-45.97	-
Cash and bank balances at the end of the year (refer note 11 & 12)	3,496.40	1,516.84

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 03, 2022

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

Ajit Isaac
Director
DIN: 00087168

Chandra Sekhar Reddy Garisa
Director
DIN: 03057784

Monster.com (India) Private Limited
Notes to the Financial Statements for the year ended March 31, 2022
(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.

(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.

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Monster.com (India) Private Limited Hyderabad

(ii) Depreciation

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.

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.

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.

Monster.com (India) Private Limited * Hyderabad *

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.

Monster.com (India) Private Limited * Hyderabad *

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 zero.

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").

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).

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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 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: 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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Notes to the financial statements for the year ended March 31, 2022

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, 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**
Additions during the year	-	-	-	1,968.06	8.93	105.92	2,082.92
Disposals for the year	-	-	-	-	-	-	-
Balance as at March 31, 2022	**9.82**	**6.27**	**0.04**	**2,552.65**	**125.47**	**794.21**	**3,488.47**
Accumulated depreciation*							
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 deletion	-	-	-	447.74	-	-	447.74
Balance as at March 31, 2021	**9.81**	**5.34**	-	**243.77**	**98.73**	**608.64**	**966.29**
Depreciation for the year	0.01	0.72	-	137.11	14.09	71.69	223.62
Accumulated depreciation on deletion	-	-	-	-	-	-	-
Balance as at March 31, 2022	**9.81**	**6.06**	-	**380.88**	**112.82**	**680.34**	**1,189.92**
Net carrying amount							
As at March 31, 2022	**0.01**	**0.21**	**0.04**	**2,171.77**	**12.65**	**113.87**	**2,298.55**
As at March 31, 2021	**0.02**	**0.92**	**0.04**	**340.82**	**17.81**	**79.65**	**439.26**

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, 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**
Additions during the year	330.92	-	330.92	-
Disposals/Transfer for the year	-	-	-	330.92
Balance as at March 31, 2022	**841.45**	**99.77**	**941.22**	-
Accumulated depreciation				
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 deletion	-	-	-	-
Balance as at March 31, 2021	**178.69**	**99.66**	**278.35**	-
Depreciation for the year	135.20	0.11	135.31	-
Accumulated depreciation on deletion	-	-	-	-
Balance as at March 31, 2022	**313.89**	**99.77**	**413.66**	-
Net carrying amount				
As at March 31, 2022	**527.56**	-	**527.56**	-
As at March 31, 2021	**331.84**	**0.11**	**331.95**	**330.92**

* 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 March 31, 2022

4. Investments

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Investments in subsidaries	5,836.32	-
	5,836.32	**-**

The company has made Overseas investments as part of internal restructuring by way of purchase of 100% shares of Monster.com.SG Pte Ltd, Singapore ("MSG") from Quesscorp Holdings Pte Ltd., Singapore. Through this investment, the company has indirect shareholding in Agensi Pekerjaan Monster Malaysia Sdn. Bhd., Malaysia and Monster.com HK Limited, Hong Kong.

The overseas direct investment (inludes both direct and indirect) made during the year was duly reported for compilance under the Foreign Exchange Management Act (FEMA). The investment has not breached the Prevention of Money Laundering Act (PMLA). The company has duly complied with the requirements under Companies Act 2013 for investments made during the year.

5. Non-current loans

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Unsecured, considered good		
Security deposits	172.69	96.07
	172.69	**96.07**

6. Taxes

A Amount recognised in profit or loss

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	Mar 31, 2022	Mar 31, 2021
Current tax:		
In respect of the current year	-	-
Excess provision related to prior years	-	-
-Tax expense of foreign branches	-57.49	-
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	**-57.49**	**-**

B Income tax recognised in other comprehensive income

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	Mar 31, 2022	Mar 31, 2021
Remeasurement of the net defined benefit liability/ asset		
Before tax	69.80	72.76
Tax (expense)/ benefit	-	-
Net of tax	**69.80**	**72.76**

C Reconciliation of effective tax rate

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	Mar 31, 2022	Mar 31, 2021
Profit before tax	-1,199.63	873.83
Carry forward/(set-off) of losses for the year	1,199.63	-873.83
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%**
Less: Excess provisions relating to earlier years	-	-
Income tax expense reported in the Statement of profit and loss	**-57.49**	**-**

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 Mar 31, 2022	As at Mar 31, 2021
Income tax assets (net)	1,588.44	1,325.97
Income tax liabilities (net)	-	-
Net income tax asset at the end of the year	**1,588.44**	**1,325.97**

E Deferred tax assets, net

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset:		
Impairment loss allowance on financial assets	17.554	53.15
Provision for employee benefits	102.916	107.90
Provision for items allowed on payment basis in Income Tax	-	-
Provision for rent escalation	-	-
Deferred tax on bonus	-	-
Difference of Depreciation provided for in the books	148.476	151.18
Others	-0.000	0.00
Carried forward business losses	865.331	822.05
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 2022	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 tax	-	-	-	-
Gross deferred tax liability	-	-	-	-
Deferred tax assets on:				
Impairment loss allowance on financial assets	53.15	-35.59	-	17.55
Provision for employee benefits	107.90	-4.98	-	102.92
Provision for items allowed on payment basis in Tax	-	-	-	-
Carried forward business losses	822.05	43.28	-	865.33
Difference of Depreciation provided for in the books	151.18	-2.70	-	148.47
Others	-	-	-	-
Gross deferred tax assets	**1,134.28**	**-0.00**	**-**	**1,134.27**
Net deferred tax assets	**1,134.28**	**-0.00**	**-**	**1,134.27**

(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
Deferred tax liability on:				
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	-	-	-	-
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
Provision for items allowed on payment basis in Tax	-	-		-
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**

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7. Income tax assets (net)

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Income Tax Receivable	1,588.44	1,325.97
Minimum alternate tax credit entitlement	-	-
	1,588.44	**1,325.97**

8. Other non current assets

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Prepaid expenses	110.62	16.87
	110.62	**16.87**

9. Investments

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Investments		
a. Investments in Mutual Funds at fair value through profit and loss (fully paid)		
- Investments in Mutual Funds (Quoted) (Refer below)	4,479.40	-
	4,479.40	-

Details of investments in Mutual Funds (Quoted) designated at FVTPL:

Particulars	Face Value (in INR)	NAV (in INR)	No. of Units as at		Value (INR Lakhs) as at	
			Mar 31, 2022	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
Nippon India Overnight Fund	100	114.12	5,28,327.71	-	602.92	-
Nippon India Money Market Fund	1,000	3,350.56	30,072.44	-	1,007.60	-
SBI Magnum Ultra Short Duration Fund	1,000	4,897.07	29,296.01	-	1,434.65	-
ICICI Prudential Ultra Short Term Fund	10	23.91	59,98,235.18	-	1,434.23	-
					4,479.40	-

The entire value of these investments into mutual funds is current in the nature. The aggregate book and market value is as above and 100% into quoted investments.

10. Trade and other receivables

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Unsecured		
Considered good	2,006.28	1,514.67
Considered doubtful	36.56	204.41
	2,042.84	**1,719.08**
Less: Allowance for bad and doubtful debts (refer note 32)	-36.56	-204.41
Unsecured (net)	**2,006.28**	**1,514.67**
Receivable from related parties	448.98	459.01
Other Receivables	190.86	121.39
	639.84	**580.40**
Net trade receivables	**2,646.12**	**2,095.08**

For terms and conditions of trade receivables owing from related parties (Refer note 40).

The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 31.

Trade receivables are non-interest bearing and are varied for each customer based on different services bought by the respective customer.

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Notes to the financial statements for the year ended March 31, 2022

Ageing of Trade Receivables FY'22

Particulars	Outstanding for the following periods from due date for payment						
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables (Gross)							
- Considered good	2,066.71	129.74	0.69	-	-	-	2,197.15
- Significant increase in credit risk	7.01	28.75	0.78	0.03	-	-	36.56
- Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables (Gross)							
- Considered good	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Intercompany AR balance						-	-
Monster.com.sg Pte Ltd	147.69	-	-	-	-	-	147.69
Monster.com HK Ltd.	6.37	61.85	-	-	-	-	68.21
Agensi Pekerjaan Monster Malaysia Sdn Bhd	137.77	-	-	-	-	-	137.77
Quess Corp Limited	1.77	21.08	-	-	-	-	22.85
Qdigi Services Limited	-	-	-	0.41	-	-	0.41
Conneqt Business Solutions Limited	39.66	32.39	-	-	-	-	72.05

Ageing of Trade Receivables FY'21

Particulars	Outstanding for the following periods from due date for payment						
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables (Gross)							
- Considered good	1,675.18	256.14	-0.21	-1.20	-	-	1,929.91
- Significant increase in credit risk	7.40	43.69	17.73	6.78	6.34	-	81.93
- Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables (Gross)						-	
- Considered good	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	24.75	80.52	15.23	1.98	0.00	-	122.48
Intercompany AR balance							
Monster.com.sg Pte Ltd	113.49	-	-	-	-	-	113.49
Monster.com HK ltd	40.90	-	-	-	-	-	40.90
Quess Corp Limited	0.17	9.41	-	-	-	-	9.58
Qdigi Services Limited	-	-	-	1.18	-	-	1.18

11. Cash and cash equivalents

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
In current accounts	1,577.44	1,318.55
In EEFC Accounts	97.76	166.14
In deposit accounts (with original maturity of less than 3 months)	-	-
Cash and cash equivalents	**1,675.20**	**1,484.69**
Bank overdraft used for cash management purpose	-	-
Cash and cash equivalents in the statement of cash flow	**1,675.20**	**1,484.69**

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12. Bank balances other than cash and cash equivalents above

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
In deposit accounts (due to mature within 12 months from the reporting date)	1,821.27	32.15
	1,821.27	**32.15**

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 no penalty on the principal.

13. Current loans

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Unsecured, considered good		
Advance given to employees	1.78	1.99
	1.78	**1.99**

14. Other current financial assets

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Interest accrued but not due	6.23	0.32
	6.23	**0.32**

15. Other current assets

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Prepaid expenses	425.54	273.57
Advances to creditors	5.44	4.50
Capital advances	15.00	-
Balances with government authorities (GST/VAT receivable)	1,009.70	1,420.33
	1,455.68	**1,698.40**

16. Share capital

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Authorised		
a. Equity share capital		
3,50,000 (March 31, 2021: 50,000) equity shares of par value of INR 10 each	35.00	5.00
	35.00	**5.00**
b. Preference share capital		
Nil (March 31, 2021 : 300,000) 5% Non-Cumulative Optional Convertible Redeemable Preference Shares of INR 10 ea	-	30.00
15,000(March 31, 2021 : Nil), 0.0001% Compulsory convertible non cumulative preference shares of INR 2,000 each	300.00	-
	300.00	**30.00**
c. Total	**335.00**	**35.00**
Issued, subscribed and paid-up		
60,320 (March 31, 2021: 50,000) equity shares of par value of INR 10 each, fully paid up	6.03	5.00
7,855 (March 31, 2021: Nil) Compulsorily Convertible Preference Shares par value of INR 2,000 each, fully paid up	157.10	-
	163.13	**5.00**

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Notes to the financial statements for the year ended March 31, 2022

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

Particulars	As at Mar 31, 2022		As at Mar 31, 2021	
	Number of shares	Amount in INR lakhs	Number of shares	Amount in INR lakhs
a. Equity shares				
At the commencement of the year	50,000	5.00	50,000	5.00
Shares issued during the year				
a) Conversion of debentures	3,104	0.31	-	-
b) Issue of equity shares under right issue (refer note no. 16.2)	7,216	0.72	-	-
At the end of the year	**60,320**	**6.03**	**50,000**	**5.00**
b. Compulsory convertible preference shares				
At the commencement of the year	-	-	-	-
Shares issued during the year	7,855	157.10	-	-
Shares redeemed during the year	-	-	-	-
At the end of the year	**7,855**	**157.10**	-	-

16.2. 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.

Issue on Conversion: During the year, the outstanding Convertible debentures were converted in to equity shares at 1:1 ratio. Accordingly, 3104 shares were issued at issue price of INR 10 per share in lieu of convertible debentures to Quess Corp Ltd, India. These shares were issued on consideration not in cash on Dec 22, 2021.

Rights issue: During the year, pursuant to the rights isssue anouncement by the company, Quess Corp Limited ("QCL"), an exisiting share holder, has consented to subscribe to the rights issue of the company. The company had accepted the letter issued by the QCL wherein QCL has agreed to subscribe to 7,216 equity shares of the company having face value INR 10 at a premium of INR 79,566 at an issue price of INR 79,576 per equity share aggregating to INR 57,42,20,416 (Rupees Fifty Seven Crores Forty Two Lakhs Thwenty Thosand Four Hundred and Sixteen Only) on Jan 18, 2022.

B) Compulsory convertible preference shares ("CCPS")

During the year, the company has raised money by way of issuance of compulsory convertible preference shares ("CCPS"). The company had received subscription for 7,855 CCPS having face value of INR 2000 each at a premium of INR 77,576 (issue price per CCPS is INR 79,576) aggregating to INR 62,50,69,480 (Rupees Sixty Two Crore Fifity Lakhs Sixty Nine Thousand four Hundred Eighty Only). The subscription resulted increase in paid of capital by INR 1,57,10,000 and premium thereof INR 60,93,59,480 on Jan 24, 2022.

The CCPS shall be mandatorily and fully convertible into Equity Shares upon expiry of 19 (nineteen) years from the Closing Date.

C) Other Note

There are no subscription to shares received during the year from any person resident outside India that require compliance under Foreign Exchange Management Act (FEMA). The proceeds from the subscription of shares has not breached the Prevention of Money Laundering Act (PMLA). The company has duly complied with the requirements under Companies Act 2013 for issuance/transfer of shares during the year.

16.3. Shares held by holding company

Particulars	As at Mar 31, 2022		As at Mar 31, 2021	
	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	60,314	6.03	49,994	5.00
	60,314	**6.03**	**49,994**	**5.00**

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16.4. Details of shareholders holding more than 5% shares in the Company

Particulars	As at Mar 31, 2022		As at Mar 31, 2021	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value INR 10 each				
- Quess Corp Limited	60,314	99.990%	49,994	99.988%
	60,314	**99.990%**	**49,994**	**99.988%**

16.5. Details of shareholders holding of Compulsory convertiable preference shares

Particulars	As at Mar 31, 2022		As at Mar 31, 2021	
	Number of shares	% held	Number of shares	% held
Preference shares				
Compulsory convertiable preference share of par value INR 2000 each				
- Volrado Ventures Partners	4,713	60.00%		
- Meridian Investments	3,142	40.00%	-	-
	7,855	**100.00%**	-	-

17. Instruments entirely equity in nature

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Issued		
Convertible Debentures		
NIL (March 31, 2021: 3,104) Convertible Debentures of par value of INR 10 each, fully paid up	-	0.31
	-	**0.31**

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

Particulars	As at Mar 31, 2022		As at Mar 31, 2021	
	Number of shares	Amount in INR lakhs	Number of shares	Amount in INR lakhs
Convertible Debentures				
At the commencement of the year	3,104	0.31	6,942	0.69
Instruments issued during the year	-	-	-	-
Instruments converted during the year	(3,104)	-0.31	-	-
Instruments redeemed during the year	-	-	(3,838)	-0.38
At the end of the year	-	-	**3,104**	**0.31**

17.2. 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 carrying 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, at 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 Sep 24, 2019 and shall be convertible to Equity shares of the Company during any time on or before the end of the tenure.

The opening outstanding 3,104 CD's were redeemed in the month of Jan'22 (Mar 31, 2021: Out of the 6,942 CDs issued, 3,838 CDs were redeemed in the month of Sep'20).

18. Other equity*

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Securities premium account (refer note 18.1)	15,267.74	3,432.66
Capital redemption reserve account (refer note 18.2)	29.09	29.09
Retained earnings	-3,413.90	-2,156.79
Other comprehensive income (refer note 18.3)	354.04	284.24
Stock Options Outstanding account	443.88	0.00
	12,680.85	**1,589.20**

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18.1. Securities premium account

a) Issuance of Preference Shares: Premium of INR 23,60,53,729 was recorded on Apr 1, 2005 to account for the consideration paid pursuant to scheme of amalgamation of Webneuron Services Limited.

b) Issuance of Convertible Debentures: Premium of INR 10,72,12,160 was received in Jul'20 from subscription proceeds of CDs. (Refer Note 16.2 (A)).

c) Rights issue: Premium of INR 57,41,48,256 was received on Jan 18, 2022 from subscription proceeds of issuance of rights issue. (Refer Note 16.2 (A)).

d) Issuance of Compulsory Convertible Preference shares: Premium of INR 60,93,59,480 was received on Jan 24, 2022 from subscription to compulsory convertible preference shares. (Refer Note 16.2 (B)).

18.2. 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 INR 2,908,750. Accordingly, the value of redemption has been transferred from accumulated distributable profits to Capital redemption reserve.

18.3. Other comprehensive income

Remeasurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income).

18.4. Stock Options 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. Refer Note No.46 for further details of the Monster ESOP Plan 2021.

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

18.4. Dividend

The Company has not declared any dividend during the current year.

19. Lease Liabilities

(Amount in INR lakhs, unless stated otherwise)

Particulars	**As at Mar 31, 2022**	**As at Mar 31, 2021**
Non-current lease liability	2,123.65	272.85
	2,123.65	**272.85**
Current lease liability	132.84	120.13
	132.84	**120.13**

20. Provisions

(Amount in INR lakhs, unless stated otherwise)

Particulars	**As at Mar 31, 2022**	**As at Mar 31, 2021**
Non-current provisions		
Provision for gratuity (Refer Note No.45) (Unfunded)	311.43	326.69
Provision for compensated absences (Unfunded & Vested) (Refer Note No.45)	37.40	51.21
Provision for compensated absences (Unfunded & Unvested) (Refer Note No.45)	29.74	24.50
	378.57	**402.40**
Current provisions		
Provision for gratuity (Refer Note No.45) (Unfunded)	7.37	5.37
Provision for compensated absences (Unfunded & Vested) (Refer Note No.45)	1.14	1.01
Provision for compensated absences (Unfunded & Unvested) (Refer Note No.45)	8.76	6.22
	17.27	**12.60**

21. Current borrowings

(Amount in INR lakhs, unless stated otherwise)

Particulars	**As at Mar 31, 2022**	**As at Mar 31, 2021**
Secured		
Working capital loan from bank repayable on demand	400.00	500.00
	400.00	**500.00**

This comprises of short tem borrowing payable on demad to ICICI Bank Limited, which is secured by first pari passu charge on book debts and other moveable assets of the company both present & future and backed with corpoarate guarantee issued by Quess Corp Limited, India.

22. Trade payables

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Dues to micro, small and medium enterprise (Refer Note No.41)	-	-
Trade payables to related parties	74.31	130.14
Other trade payables	447.72	1,026.99
	522.03	**1,157.13**

Trade Payable ageing Schedule

As at Mar 31, 2022	Outstanding period from due date of payments				
	<1 year	1-2 years	2-3 years	> 3 years	Total
1) MSME	-	-	-	-	-
2) Other	515.31	6.72	-	-	522.03
3) Disputed Dues-MSME	-	-	-	-	-
4) Disputed Dues-Others	-	-	-	-	-

As at Mar 31, 2021	Outstanding period from due date of payments				
	<1 year	1-2 years	2-3 years	> 3 years	Total
1) MSME	-	-	-	-	-
2) Other	1,131.32	21.31	-	-	1,152.63
3) Disputed Dues-MSME	-	-	-	-	-
4) Disputed Dues-Others	-	-	-	-	-

23. Other current financial liabilities

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Employee Payables	746.50	603.55
	746.50	**603.55**

24. Other current liabilities

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Balances payable to government authorities	151.90	85.98
Advance received from customers	44.40	33.28
Unearned Revenue *	4,460.79	2,884.05
Accrued Salaries	570.44	293.93
Provision for expenses	1,361.75	1,027.54
	6,589.28	**4,324.78**

* 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 Mar 31, 2022	As at Mar 31, 2021
Receivables, which are included in 'Trade and other receivables'	2,006.28	1,514.72
Contract assets	-	-
Contract liabilities	4,460.79	2,884.05

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	
	31-Mar-22	31-Mar-21
Balance at the beginning of the year	2,884.04	3,237.50
Add: Billing made during the period (including Distribution Services)	10,660.31	8,215.73
Less: Revenue recognized during the period	-9,042.87	-8,361.72
Less: Contracts suspended due to uncertainity in ultimate collection	-40.71	-207.47
Closing Balance	4,460.78	2,884.04

26. Revenue from operations

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
- Income from Recruitment and Distribution Services	8,434.70	7,039.90
- Income from BPO Operations	526.45	1,220.51
- Income from Internet Advertisement Fee [IAF]	81.72	101.31
	9,042.87	**8,361.72**

27. Other income

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Interest income under the effective interest method on:		
Interest income on fixed deposits	11.64	4.42
Interest income on present valuation of financial instruments	9.29	34.00
Interest on tax refunds	-	184.09
Exchange fluctuation gain (net)	23.70	-
Income from sublet of office premises to subsidaries	92.16	37.46
Liabilities no longer required written back	0.44	0.61
Miscellaneous income	0.21	119.49
Net gain on financial assets/ liabilities-FVTPL	29.62	-
	167.06	**380.07**

28. Employee benefit expenses

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Salaries and wages	5,198.74	3,817.90
Contribution to provident and other funds	84.53	85.87
Expenses related to defined benefit plans (gratuity) (refer note 45)	94.39	86.93
Expenses related to compensated absences (refer note 45)	4.07	-1.74
Staff welfare expenses	139.01	67.84
Expense on employee stock option scheme	443.88	-
	5,964.62	**4,056.80**

29. Finance costs

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Interest expense	6.21	7.96
Interest on short term loans	52.16	57.23
Interest expense on leases	47.74	107.02
Bank & Gateway charges	58.82	53.38
	164.93	**225.59**

30. Other expenses

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Rent	82.89	15.91
Power and fuel	52.27	32.10
Repairs & maintenance		
- buildings	79.83	48.40
- plant and machinery	267.41	167.33
- others	17.26	17.10
Legal and professional fees	157.36	77.57
Remuneration to Auditors	16.00	19.00
Rates and taxes	19.32	19.56
Printing and stationery	1.99	0.95
Travelling and conveyance	48.44	5.48
Communication expenses	684.09	734.02
Impairment loss allowance on trade receivables (net)	-30.42	155.18
Insurance	0.03	1.66
Login expenses	118.02	142.01
Foreign exchange loss, net	-	52.31
Miscellaneous expenses	1.01	0.22
	1,515.54	**1,488.80**

30.1. Remuneration to auditors

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Statutory audit fees	14.00	14.00
Tax audit fees	2.00	2.00
Others Services	-	3.00
	16.00	**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 2021-22 - NIL (Previous Year: Nil)
(b) Amount spent during the financial year 2021-22 - NIL (Previous year: Nil)
(c) Amount spent during the financial year 2022-22 from brought forward of previous years - NIL
(d) Total amount spent in cash during the financial year 2021-22 is NIL

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
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		
	Mar 31, 2022	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	174.47	-	-	-
Investments	5,836.32			
Trade receivables	2,646.12	-	-	-
Cash and cash equivalents including other bank balances	3,496.47	-	-	-
Other financial assets	6.23	-	-	-
Financial assets measured at fair value				
Investment in mutual funds	4,479.40	4,479.40	-	-
Total financial assets	**16,639.01**	**4,479.40**	**-**	**-**
Financial liabilities measured at amortised cost				
Borrowings	400.00	-	-	-
Trade payables	522.03	-	-	-
Other financial liabilities	3,002.99	-	-	-
Total financial liabilities	**3,925.02**	**-**	**-**	**-**

Particulars	Carrying amount	Fair value		
	Mar 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**	**-**	**-**	**-**

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, Investments, 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 (except present value of non-current lease liability) and so their fair values 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.

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 Mar 31, 2022 and Mar 31, 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 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

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, 2022	March 31, 2021
Provision under Expected Credit Loss method using Credit Loss Rate percentage (A)	9.54	67.52
Provision as per management estimate	36.56	204.41
Actual Provision (Higher of A or B)	36.56	204.41

As at March 31, 2022

(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	1,920.84	0.03%	0.60	No	1,920.24
Past due 1–90 days	185.56	1.97%	3.65	No	181.92
Past due 91–180 days	10.71	48.37%	5.18	No	5.53
Past due 181–270 days	1.40	4.39%	0.06	No	1.34
Past due 271 - 360 days	0.07	33.86%	0.02	No	0.05
Above 360 days	0.03	100.00%	0.03	No	-
	2,118.61		**9.54**		**2,109.08**

As at March 31, 2021

(Amount in INR lakhs, unless stated atherwise)

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**		**1,646.74**

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 atherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	204.41	299.17
Impairment loss allowances recognised	-30.42	155.18
Bad Debt Written off	-137.43	-249.94
Balance as at the end of the year	**36.56**	**204.41**

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, 2022 and March 31, 2021. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

Monster.com (India) Private Limited
Notes to the financial statements for the year ended March 31, 2022

(Amount in INR lakhs, unless stated otherwise)

Particulars	Contractual cash flows				
	Gross Amount	0-1 years	1-2 years	2-5 years	5 years and above
As at March 31, 2022					
Borrowings	400.00	400.00	-	-	-
Trade payables	522.03	522.03	-	-	-
Other financial liabilities	4,258.41	1,076.79	425.23	1,615.74	1,140.65
As at March 31, 2021					
Borrowings	500.00	500.00	-		-
Trade payables	1,157.13	1,157.13	-	-	-
Other financial liabilities	1,055.69	755.84	132.84	167.01	-

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:

(Amount in INR lakhs, unless stated otherwise)

Particulars	Currency	As at March 31, 2022		As at March 31, 2021	
		Foreign currency	Amount	Foreign currency	Amount
Trade receivables	SGD	2.64	147.69	2.09	113.49
	PHP	142.00	207.06	80.15	121.04
	USD	10.34	784.07	10.79	788.54
	HKD	7.05	68.21	4.35	40.90
	GBP	0.08	8.35	-	-
	MYR	7.64	137.77	-	-
Trade payables	SGD	-	-	-	-
	PHP	2.53	3.69	1.71	2.58
	USD	1.44	109.01	1.01	73.69
	MYR	-	-	5.82	102.64
	HKD	-	-	-	-
	SAR	-	-	0.16	3.17
	AED	0.25	5.08	0.27	5.38
	EUR	-	-	-	-

The following significant exchange rates have been applied

Currency	Year end spot rate	
	March 31, 2022	March 31, 2021
SGD/INR	55.97	54.35
PHP/INR	1.46	1.51
USD/INR	75.79	73.11
MYR/INR	18.03	17.63
HKD/INR	9.68	9.41
SAR/INR	20.20	19.49
AED/INR	20.64	19.91
GBP/INR	99.46	-

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR at March 31, 2022 and March 31, 2021 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, 2022				
SGD(4%)	5.91	-5.91	5.91	-5.91
PHP(5%)	10.17	-10.17	10.17	-10.17
USD(5%)	33.75	-33.75	33.75	-33.75
MYR(3%)	4.13	-4.13	4.13	-4.13
HKD(5%)	3.41	-3.41	3.41	-3.41
AED(5%)	-0.25	0.25	-0.25	0.25
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
SAR(2%)	-0.06	0.06	-0.06	0.06
AED(5%)	-0.27	0.27	-0.27	0.27

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 2022	31 March 2021
Variable rate borrowings	400.00	500.00
Fixed rate borrowings	-	-
Total borrowings	**400.00**	**500.00**

(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, 2022				
Variable rate borrowings	5.00	-5.00	5.00	-5.00
March 31, 2021				
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 Mar 31, 2022	As at Mar 31, 2021
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 Mar 31, 2022	As at Mar 31, 2021
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	
	Mar 31, 2022	Mar 31, 2021
Receipts from Operations	3,205.76	3,236.31

37. Expenditure in foreign currency (Invoice Basis)

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	Mar 31, 2022	Mar 31, 2021
Business promotion expenses	74.35	38.49
Reseller Services purchase expenses	1,221.14	-
Internet Infrastructure Services	108.40	631.69
Other Operating expenses	59.34	114.13
Expenses incurred by Foreign Branches	97.47	116.93

Monster.com (India) Private Limited * Hyderabad *

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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	
	Mar 31, 2022	Mar 31, 2021
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)	-1,257.11	873.83
Weighted average number of shares used in computing basic earnings per share	52,294	50,000
Basic earnings per share (INR)	**-2,403.95**	**1,747.65**
Weighted average number of shares used in computing diluted earnings per share	53,735	50,000
Diluted earnings per share (INR)	**-2,339.44**	**1,747.65**

Computation of weighted average number of shares

Particulars	For the year ended	
	Mar 31, 2022	Mar 31, 2021
Number of equity shares outstanding at beginning of the year	50,000	50,000
Add: number of equity shares issued during the year	10,320	-
Number of equity shares outstanding at closing of the year	60,320	50,000
Add: Dilutable number of convertible preference shares issued during the year	7,855	-
Diluted Number of equity shares outstanding at closing of the year	**68,175**	**50,000**
Weighted average number of shares outstanding at the end of the year for computing basic earnings per share	52,294	50,000
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	53,735	50,000

39. Lease liability

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Current lease liability	132.84	120.13
Non-current lease liability	2,123.65	272.85
Total	**2,256.49**	**392.98**

Movement in lease liabilities:

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Operating lease recognised on adoption of Ind AS 116	392.98	1,418.90
Add: Additions	1,968.06	-
Less: Deletion	-	-749.74
Add: Finance cost accrued during the period	47.74	107.62
Less: Payment of lease obligation	-152.29	-383.80
Carrying amount as at 31 March 2021	**2,256.49**	**392.98**

Amount recognised in Profit & Loss Account

(Amount in INR

Particulars	For the year ended	
	Mar 31, 2022	Mar 31, 2021
Interest expense (included in finance cost)	47.7	107.62
Expenses relating to short-term lease (included in other expenses)	78.16	54.03
Expenses relating to lease of low value assets that are not included above	-	-
	125.86	161.65

Details of the contractual maturities of lease liabilities at undiscounted basis:

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Less than one year	330.28	152.29
One to five years	425.23	299.85
More than five years	2,756.4	-

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. Chandra Sekhar Reddy Garisa - Director & CEO (wef Dec 22, 2021)
Mr. Krishnan Seshadri (till Jul 17, 2020)

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Notes to the financial statements for the year ended March 31, 2022

(ii) Related party transactions during the year

(Amount in INR lakhs, unless stated otherwise)

Particulars		For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Sale of Recruitment Solutions & IAF Services	Quess Corp Limited	40.19	22.91
	Connecqt Business Soluions Limited	102.29	-
	Quesscorp Manpower Supply Servcies LLC	-	587.74
Income from BPO operations			
(a) Telecalling services [#1]	Monster.com SG Pte. Ltd.	223.06	204.89
	Agensi Pekerjaan Monster Malaysia Sdn Bhd	66.20	36.59
[#1] Telecalling service is remunerated at cost plus 15% markup			
(b) Consultancy & Management support service:	Monster.com SG Pte. Ltd.	98.82	548.40
	Agensi Pekerjaan Monster Malaysia Sdn Bhd	138.35	365.60
	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
	Quess Corp Limited	92.16	-
	Excelus Learning Solutions Private Limited	-	27.55
Receipts from Distribution of access rights (net)	Monster.com SG Pte. Ltd.	632.03	39.11
	Agensi Pekerjaan Monster Malaysia Sdn Bhd	177.35	18.99
	Monster.com HK Ltd.	31.74	11.13
Purchase of Services	Quess Corp Limited	27.73	22.09
	Conneqt Business Solution Limited	59.68	-
	Terrier Security Services (India) Private Ltd	21.56	16.38
	Allsec Technologies Limited	3.91	2.19
	Quesscorp Manpower Supply Servcies LLC	4.25	-
Payment for Distribution of access rights (net)	Monster.com SG Pte. Ltd.	5.21	53.03
	Agensi Pekerjaan Monster Malaysia Sdn Bhd	-	26.22
	Monster.com HK Ltd.	-	8.83

(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 Mar 31, 2022	As at Mar 31, 2021
Trade receivables (net)	Monster.com SG Pte. Ltd.	147.69	113.49
	Agensi Pekerjaan Monster Malaysia Sdn Bhd	137.77	-
	Monster.com HK Ltd.	68.21	40.90
	Quess Corp Limited	22.85	9.58
	Connect Business Soluions Limited	72.05	-
	Quesscorp Manpower Supply Servcies LLC	-	293.87
	Qdigi Services Limited	0.41	1.18
Trade payables (net)	Agensi Pekerjaan Monster Malaysia Sdn Bhd	-	102.64
	Quess Corp Limited	73.02	26.03
	Allsec Technologies Limited	0.55	0.40
	Quesscorp Manpower Supply Servcies LLC	0.74	0.76
	Terrier Security Services (India) Private Ltd	-	0.31

(iv) Compensation of key managerial personnel

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	Mar 31, 2022	Mar 31, 2021
Chandra Sekhar Reddy Garisa (wef Jan 17, 2022)	50.05	-
Krishnan Seshadri (till Jul 17, 2020)	-	29.36
	50.05	**29.36**

*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 Mar 31, 2022	As at Mar 31, 2021
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	-	3.21
Interest	-	-
Total	-	3.21
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

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.

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, 2022			As at March 31, 2021		
	Recruitment Solutions & IAF Services	BPO Services	Total	Recruitment Solutions & IAF Services	BPO Services	Total
Segment revenue	8,516.42	526.45	9,042.87	7,141.21	1,220.51	8,361.72
Segment cost	9,865.06	**467.15**	10,332.22	6,748.95	1,100.01	7,848.96
Segment result	**-1,348.64**	**59.30**	**-1,289.34**	**392.26**	**120.50**	**512.76**
Other income			167.06			380.07
Unallocated corporate expenses			**77.34**			19.00
Profit before taxation	**-1,348.64**	**59.30**	**-1,199.62**	**392.26**	**120.50**	**873.83**
Taxation (Expense)/ Benefit			-57.49			-
Profit after taxation	**-1,348.64**	**59.30**	**-1,257.11**	**392.26**	**120.50**	**873.83**
Segment asset	22,228.08	237.18	22,465.26	6,053.25	319.81	6,373.06
Segment liabilities	23,754.17	-	23,754.17	8,572.94	-	8,572.94
Capital expenditure	114.86	-	114.86	-	-	-

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, 2022	For the year ended March 31, 2021
India	8,141.26	7,437.56
Middle East	247.25	311.96
Philippines	654.34	612.19
Total	**9,042.85**	**8,361.71**

C Major customer

None of the customers of the Company has revenue which is more than 10 % of the Company's total revenue

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 Mar 31, 2022	As at Mar 31, 2021
Net defined benefit liability, gratuity plan	318.79	332.06
Net defined benefit liability, Compensated absences (Vested)	38.54	52.21
Net defined benefit liability, Compensated absences (Unvested)	38.50	30.73
Total employee benefit liability	**395.83**	**415.00**
Current	17.27	12.60
Non-current	378.56	402.40
	395.83	**415.00**

The Company does not have any assets relating to employee benefits. For details relating to employee benefit expenses, see note 2ł

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 Mar 31, 2022			As at Mar 31, 2021		
	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	52.21	30.74	332.07	69.49	27.82	366.14
Current service cost	3.28	19.06	73.57	5.27	10.19	64.45
Interest cost	3.27	1.93	20.82	4.27	1.71	22.48
Past service cost	-	-	-	-	-	-
Benefits settled	(9.97)	-	(37.87)	(12.63)	-	(48.24)
Actuarial (gains)/ losses recognised in other comprehensive income						
- Changes in experience adjustments	(6.03)	(13.21)	(34.66)	(13.26)	(8.98)	(66.62)
- Changes in demographic assumptions	(3.61)	-	(5.43)	-	-	-
- Changes in financial assumptions	(0.61)	-	(29.71)	(0.93)	-	(6.14)
Obligation at the end of the year	**38.54**	**38.51**	**318.79**	**52.21**	**30.74**	**332.07**

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended					
	Mar 31, 2022			Mar 31, 2021		
	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	3.28	19.06	73.57	5.27	10.19	64.45
Interest cost	3.27	1.93	20.82	4.27	1.71	22.48
Past service cost	-	-	-	-	-	-
Net gratuity cost	**6.55**	**20.99**	**94.39**	**9.54**	**11.91**	**86.93**
(ii) Remeasurement recognised in other comprehensive income						
Actuarial (gains) /losses on defined benefit oblig.	-10.26	-13.21	-69.80	-14.19	-8.98	-72.76
	-10.26	**-13.21**	**-69.80**	**-14.19**	**-8.98**	**-72.76**

Particulars	For the year ended					
	Mar 31, 2022			Mar 31, 2021		
	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity
C Defined benefit obligation - Benefits paid						
Actual Benefit Payments	9.97	-	37.87	12.63	-	48.24
D Defined benefit obligation - Actuarial Assumptions						
Discount rate	6.96%	6.96%	6.96%	6.27%	6.27%	6.27%
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	1.14	8.76	7.37	1.01	6.22	5.37
Non-current	37.40	29.74	311.43	51.21	24.51	326.69

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 Mar 31, 2022		As at Mar 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-24.23	26.44	-28.47	31.26
Future salary growth (0.5% movement)	21.99	-20.77	21.71	-19.64

46. Share-based payments

A Description

The Board of Directors in its meeting held on December 22, 2021 approved the Monster.com (India) Private Limited - Employee Stock Option Plan 2021 (hereafter referred as "Monster ESOP Plan 2021"), under which stock options are granted to specific employees of the Company and its subsidiaries. The maximum number of shares under Monster ESOP Plan 2021 shall not exceed 15080 equity shares. The stock options granted under Monster ESOP Plan 2021 shall vest based on the designation, period of service, performance linked parameters . The options granted to employees vest in a graded manner and may be exercised by the employees within a specified period as per terms and conditions of the Scheme. This plan is a share based payment arrangement in the nature of "Share Option Plan (equity settled)" and will generally vest between a minimum of 1 to maximum of 4 years from the grant date. As at 31 March 2022, the Company has no exercisable options outstanding.

B Measurement of fair values

The fair value of Employee Stock Options has been measured using Black Scholes Merton Model.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows

Particulars	As at Mar 31, 2022	As at Mar 31, 2021
Weighted average share price at grant date (INR)	79,576.00	-
Exercise price (INR)	10.00	-
Risk free rate of interest	4.69% - 5.79%	-
Expected volatility	37% - 41%	-
Expected dividend	-	-
Expected life of the option	1 - 4 years	-
Weighted average fair value at grant date (INR)	79,567.00	

47. Previous year figures have been regrouped wherever necessary to correspond to current year classification.

Monster.com India Pvt Limited

Notes forming part of the Financial Statements for the year ended Mar 31, 2022
(Amount in INR lakhs, unless otherwise stated)

48. Ratios

S No.	Ratio	Formula (N/D)	Mar 31, 2022		Mar 31, 2021		Ratio as on		Variation	Reason (If variation is more than 25%)
			N	D	N	D	Mar 31, 2022	Mar 31, 2021		
(a)	Current Ratio	Current Assets / Current Liabilities	12,085.68	8,407.92	5,312.63	6,718.19	1.44	0.79	82%	Due to investments in mutual funds & bank deposits.
(b)	Debt-Equity Ratio	Debt / Equity	400.00	12,843.98	500.00	1,594.51	0.03	0.31	-90%	Variance is majorly on account on increase in securities premuim & OCI, CY Losses and ESOP's issued, Additional equity & preference shares issued and WC Loan repayment by 100L.
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	-733.25	2,523.65	1,681.75	772.85	-0.29	2.18	-113%	Variance is on account of CY losses and increase in lease liabilities.
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	-1,257.11	12,843.98	873.83	1,594.51	-0.10	0.55	-118%	The variation is on account of Losses in CY.
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	-	-	-	-	-	-	-	Not Applicable
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	9,042.87	2,370.60	8,361.72	2,394.52	3.81	3.49	9%	Insignificant variance
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	3,893.62	839.58	4,091.89	1,174.48	4.64	3.48	33%	Variance is on account of Increase in credit purchases and average of TP in CY 21-22.
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	9,042.87	3,677.76	8,361.72	-1,405.56	2.46	-5.95	-141%	Variance is due to Increase in Revenue, Increase in CA on account of Investments and bank deposits balance.
(i)	Net Profit Ratio	Net Profit / Net Sales	-1,257.11	9,042.87	873.83	8,361.72	-0.14	0.10	-233%	The variation is on account of Losses in CY.
(j)	Return on Capital Employed	EBIT / Capital Employed	-1,099.74	-32,162.04	1,038.08	-15,706.14	0.03	-0.07	-152%	Variance is on account of Losses in CY and significant increase in Total assets.
(k)	Return on Investment	Net Profit / Net Investment	-1,257.11	12,843.98	873.83	1,594.51	-0.10	0.55	-118%	The variation is on account of Losses in CY.

49. Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

50. Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act

51. Assets Pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	31-Mar-22	31-Mar-21
Current assets			
(i) Investments	9	4,479.40	-
(ii) Trade receivables	10	2,646.12	2,095.08
(iii) Cash and cash equivalents	11	1,675.20	1,484.69
(iv) Bank balances other than cash and cash equivalents above	12	1,821.27	32.15
(v) Loans	13	1.78	1.99
(vi) Other financial assets	14	6.23	0.32
Other current assets	15	1,455.68	1,698.40
Total Current assets pledged as security		**12,085.68**	**5,312.63**
Non-Current assets			
Furniture, fittings and equipment acquired under finance lea	3 (a)	126.77	98.44
Total Non-Current assets pledged as security		**126.77**	**98.44**
Total Assets pledged as security		**12,212.45**	**5,411.07**

Sanctioned limit with ICICI Bank Limitd has been secured by hypothecation of first charge on current assets and movable fixed assets both present and future, those includes all the debts, outstandings, monies receivables, claims, bills, invoice documents, contracts, guarantees and rights which are now due and owing or which may at any time hereafter during the continuance of this security becomes due and owing to the Company and movable fixed assets. The loan is also supported by Corporate Guarantee from Quess Corp Limited, India.

52. Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

53. Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

54. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

55. Utilisation of Borrowed funds and share

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a)directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b)provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a)directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b)provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad, INDIA
Date: May 03, 2022

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

Ajit Isaac
Director
DIN: 00087168

Chandra Sekhar Reddy Garisa
Director
DIN: 03057784

Monster.com (India) Private Limited Hyderabad

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, 2022**, 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, 2022, 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.

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web : www.vscaglobal.com

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 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, 2020 ("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, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 32 to the 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;

iv. (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (g)(iv)(i) and (g)(iv)(ii) contain any material mis-statement.

v. The Company has not declared any dividend during the year and does not attract provisions of section 123 of the Companies Act, 2013.

For **Vasan and Sampath LLP**
Chartered Accountants
Firm Registration Number- 004542S/S20070

Unnikrishnan Menon
Partner
Membership number: 205703
UDIN:

Place: Bengaluru
Date: 17th May,2022

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. According to the information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of its
   - Property, Plant and Equipment;
   - Intangible assets

b. According to the information and explanation given to us, the company generally followed regular programme of physical verification of its Property, Plant and Equipment by which all the Property, Plant and Equipment were verified at reasonable intervals. However, the company has not carried out such physical verification during the current and previous financial year. In our opinion, this periodicity of physical verification is inadequate 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, the Company does not hold any immovable properties as at March 31, 2022;

d. According to the information and explanations given to us the company has not revalued its Property, Plant and Equipment or intangible assets. Consequently, comment on clause (i)(d) of the order is not applicable;

e. According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Consequently, comment on clause (i)(e) of the order is not applicable;

ii.

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's operations does not involve inventory. Consequently, comment on clause (ii) 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 had working capital limits in excess of five crore rupees during the year in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii. 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 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. 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 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. 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 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) 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 for certain states. 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 the following:

Nature of the statue	Nature of dues	Period to which the amount relates	Amount (INR)
Employee's State Insurance (ESI)	Employee's State Insurance	FY 2020-21	58,231
		FY 2021-22	52,796
Labour welfare fund (LWF)	Labour welfare fund	FY 2020-21	1,54,825
		FY 2021-22	94,817
Provident Fund (PF)	Provident Fund	FY 2020-21	3,64,813
		FY 2021-22	1,55,617

b) There are no statutory dues including 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:

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. According to the information and explanations given to us, the company has not surrendered any transactions or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account;

ix.

a. According to the information and explanation given to us, the Company has not defaulted in repayment of any loans or borrowing from any financial institution, bank, Government or debenture holders during the year. Consequently, comment on clause (iX)(a) of the order is not applicable;

b. According to the information and explanations given to us, the company has not been declared a willful defaulter by any bank or financial institution or other lender. Consequently, comment on clause (iX)(b) of the order is not applicable;

c. According to the information and explanations given to us, the company has not availed any term loans. Consequently, comment on clause (iX)(c) of the order is not applicable;

d. According to the information and explanations given to us, the company has not utilized funds raised on short term basis for long term purposes.

e. According to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Consequently, comment on clause (ix)(e) of the Order is not applicable;

f. According to the information and explanations given to us and based on our examination of the records of the Company, during the year the company has not raised loans on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Consequently, comment on clause (ix)(f) of the Order is not applicable

x.

a. According to the information and explanations give to us and based on our examination of the records of the Company, Company has not raised 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 (x) (a) of the Order is not applicable;

b. According to the information and explanations give 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 (x) of the Order is not applicable:

xi.

a. According to the information and explanations given to us and based on our examination of the records of the Company, 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.

b. According to the information and explanations given to us and based on our examination of the records of the Company, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

c. According to the information and explanations given to us, the company has not received any whistle-blower complaints during the year.

xii. According to the information and explanations given to us and based on our examination of the records of the Company, 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 give to us and based on our examination of the records of the Company, the Company does not attract provisions u/s 138 of Companies Act,2013 in relation to applicability of internal audit. Consequently, comment on clause xiv(a) & xiv(b) 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.

a. According to the information and explanations give 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. Consequently, comment on clause (xvi) of the Order is not applicable;

b. According to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;

c. According to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;

d. According to the information and explanation provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not incurred cash losses in the financial year and in the immediately preceding financial year. Consequently, comment on clause (xvii) of the Order is not applicable;

xviii. According to the information and explanations given to us, there has been no resignation of statutory auditors during the year. Consequently, comment on clause (xviii) of the Order is not applicable;

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

xx. According to the information and explanations give to us and based on our examination of the records of the Company, the Company does not attract the provision u/s 135 in relation to the applicability of CSR. Consequently, comment on clause (xx)(a) & (xx)(b) of the Order is not applicable.

xxi. According to the information and explanations given to us, the Company is not required to prepare consolidated financial statements. Consequently, comment on clause (xxi) of the Order is not applicable.

For **Vasan and Sampath LLP**
Chartered Accountants
Firm Registration Number- 004542S/S20070

Unnikrishnan Menon
Partner
Membership number: 205703
UDIN:

Place: Bangalore
Date: 17th May,2022

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, 2022** 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;
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, 2022, 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

Unnikrishnan Menon
Partner
Membership number: 205703
UDIN:

Place: Bangalore
Date: 17th May,2022

Balance Sheet as at	Note	31 Mar 2022	31 Mar 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	9,158	5,798
Other intangible assets	4	-	2,320
Financial assets			
(i) Non-current loans		-	-
Income tax assets (net)	5	11,618	7,303
Deferred tax assets (net)	6	14,122	20,011
Total non-current assets		34,898	35,431
Current assets			
Financial assets			
(i) Trade receivables	7	135,320	76,866
(ii) Cash and cash equivalents	8	63,362	84,528
(iii) Bank balances other than cash and cash equivalents above	9	-	547
(iv) Current loans	10	20	125
Other current assets	11	8,955	13,676
Total current assets		207,658	175,742
Total Assets			
Total assets		242,556	211,173
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	10,000	10,000
Other equity instruments	13	-	-
Other equity	14	62,690	32,722
Total equity attributable to equity holders of the Company		72,690	42,722
Non-controlling interests		-	-
Total equity		72,690	42,722
Liabilities			
Non-current liabilities			
Financial liabilities			
Non-current provisions	15	40,304	30,523
Total non current liabilities		40,304	30,523
Current liabilities			
Financial liabilities			
(i) Borrowings	16	-	21,933
(ii) Trade payables	17	13,721	20,793
(iii) Other current financial liabilities	18	84,207	70,039
Current provisions	19	6,532	5,768
Other current liabilities	20	25,101	19,396
Total current liabilities		129,562	137,929
Total Liabilities		169,866	168,451
Total Equity and Liabilities		242,556	211,173

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: 17th May 2022

VASAN & SAMPATH LLP ★ BANGALORE INDIA ★ CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors of
MFX Infotech Private Limited

Sundan Kumar Lal
Director
DIN: 06446995
Place: Bengaluru
Date: 17th May 2022

Rajesh Kharidehal
Additional Director
DIN: 08472077
Place: Bengaluru
Date: 17th May 2022

Statement of profit and loss	Note	For the year ended 31 Mar 2022	For the year ended 31 Mar 2021
Income			
Revenue from operations	21	832,059	708,496
Other income	22	26	2,600
Total income		**832,085**	**711,096**
Expenses			
Cost of material and stores and spare parts consumed	23	2,614	6,757
Employee benefit expenses	24	715,329	615,894
Finance costs	25	60	2,012
Depreciation and amortisation expense	26	6,728	15,659
Other expenses	27	61,849	60,865
Total expenses		**786,581**	**701,187**
Profit before share of profit of equity accounted investees and income tax		**45,504**	**9,909**
Profit before tax		**45,504**	**9,909**
Tax expense			
Current tax		(8,093)	-
Deferred tax		(6,279)	(2,968)
Income tax expenses		**(14,372)**	**(2,968)**
Profit for the year		**31,132**	**6,941**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(1,555)	498
Income tax relating to items that will not be reclassified to profit or loss		391	(125)
Total comprehensive income for the period		29,968	7,314
Profit attributable to			
Owners of the Company		31,132	6,941
Non-controlling interests		-	-
Total profit for the year		**31,132**	**6,941**
Other comprehensive income attributable to			
Owners of the Company		(1,163)	373
Non-controlling interests		-	-
Total other comprehensive income attributable to		**(1,163)**	**373**
Total comprehensive income attributable to :			
Equity holders of the parent		29,968	7,314
Non-controlling interests		-	-
Earnings Per Equity Share (face value of Rs. 10 each)			
Basic		31.13	6.94
Diluted		31.13	5.37

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

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Unnikrishnan Menon
Partner
Membership No. 205703
Place: Bengaluru
Date: 17th May 2022

for and on behalf of Board of Directors of
MFX Infotech Private Limited

Kundan Kumar Lal
Director
DIN: 06446995
Place: Bengaluru
Date: 17th May 2022

Rajesh Kharluchai
Additional Director
DIN: 08472077
Place: Bengaluru
Date: 17th May 2022

MFX Infotech Private Limited *(Amounts in INR "000")*

Statement of Cash Flows	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit before tax	45,504	9,909
Adjustments for:		
Depreciation and amortisation expenses	6,728	15,659
Unrealised Foreign Exchange Loss/(Gain)	15	7,180
Finance costs	60	2,012
Impairment loss allowance on financial asset, net	2	1,151
Re-measurement of the net defined benefit liability/asset (net of tax)	(1,163)	373
Operating cash flows before working capital changes	**51,146**	**36,284**
Working capital adjustments		
Changes in inventories and trade receivables	(58,672)	145,495
Changes in loans, other financial assets and other assets	4,298	69,458
Changes in trade payables and other financial liabilities	7,097	(77,299)
Changes in other liabilities and provisions	16,251	2,240
Cash generated from operating activities	**20,120**	**176,179**
Income tax paid, net	(12,272)	22,992
Net cash (used in) / provided by operating activities (A)	**7,848**	**199,171**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(7,768)	(3,271)
Net cash used in by investing activities (B)	**(7,768)**	**(3,271)**
Cash flows from financing activities		
Proceeds/ (Repayment) of Debenture	-	(120,612)
Proceeds from borrowings	(21,732)	(22,907)
Lease liablity Paid_IND As 116	-	(9,440)
Finance cost paid	(60)	(869)
Net cash used in by financing activities (C)	**(21,792)**	**(153,828)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(21,712)	42,072
Cash and cash equivalents at the beginning of the year	**85,075**	**43,003**
Cash and cash equivalents at the end of the year (refer note 8 & 9)	**63,362**	**85,075**

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: 17th May 2022

for and on behalf of Board of Directors of
MFX Infotech Private Limited

Kundan Kumar Lal
Director
DIN: 06446995
Place: Bengaluru
Date: 17th May 2022

Rajesh Kharidehal
Additional Directo
DIN: 08472077
Place: Bengaluru
Date: 17th May 202

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MFX Infotech Private Limited
Statement of Changes in Equity for the year ended 31 March 2022

(Amounts in INR "000")

Particulars	Share Capital	Other Equity			Total Equity attributable to Equity holders of the Company
		Retained Earnings	Other Items of Other comprehensive Income	Other Reserves	
Balance as of 1 April 2020	10,000	22,721	1,637	1,050	35,408
Add: Profit for the Period	-	6,941	-	-	6,941
Less: Re-measurement gains / (losses) on defined benefit plans	-	-	373	-	373
Balance as of 31 March 2021	10,000	29,662	2,010	1,050	42,722

Balance as of April 1, 2021	10,000	29,662	2,010	1,050	42,722
Add: Profit for the Period	-	31,132	-	-	31,132
Less: Re-measurement gains / (losses) on defined benefit plans	-	-	(1,163)	-	(1,163)
Balance as of 31 March 2022	10,000	60,794	847	1,050	72,690

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: 17th May 2022

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: 06446905
Place: Bengaluru
Date: 17th May 2022

Rajesh Kharidelal
Additional Director
DIN: 08472077
Place: Bengaluru
Date: 17th May 2022

1. Company overview

MFX Infotech Private Limited, ('the Company') is a private limited company incorporated on 20th June 2014 and domiciled in India. The registered office of the Company is located in Bengaluru, India. The Company is engaged in the business of Software Support Services and Sale of licenses.

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 a 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.

The Company's standalone Ind AS financial statements are approved for issue by the Company's Board of Directors on 17th May 2022.

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

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:

2.3 Use of estimates and judgement (continued)

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. ***Recognition of deferred tax assets***: The ultimate realization 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

iii. ***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.

iv. ***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.

v. ***Impairment of financial assets:*** The Company assesses the expected credit losses associated with financial assets carried at amortised cost based on 24-month expected credit losses (ECL) at each reporting period.

vi. ***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. INDAS 38 requires Internally Generated Intangible Assets to be measured at their Development stage as cost incurred towards designing the product and making it ready for commercial use.

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.

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

MFX Infotech Pvt.

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 Functional and presentation currency

Items included in the consolidated Ind AS financial statements of each of the Company's subsidiaries 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- 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 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 methods, estimated useful lives and residual value

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 standalone 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 (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	Estimated useful life for 31 March 2022
Computer Equipment	3 years

Plant and machinery	3 years
Furniture and Fixtures	5 years
Office equipment	5 years
Software	3 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.

2.8 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 recognised 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.

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.

(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.

The estimated useful lives of intangible assets are as follows:

Asset category	Estimated useful life for 31 March 2022
Software (owned)	3 years

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MFX Infotech Pvt. Ltd. Bangalore

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted if appropriate.

2.9 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.

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 Company's of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable Company of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Company 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 standalone statement of profit and loss and is not reversed in the subsequent period.

2.10 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 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

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-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of 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 zero.

Practical expedients adopted on initial recognition:

1. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.

2. Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

2.11 Inventories

Inventories 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.

2.12 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. 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. Certain

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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.

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).

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.

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.

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.

Refer Note 34 for disclosure related to revenue from contracts with customers

a) **Software Service Fee:** - Revenue recognized based on Time and Efforts on a monthly or milestone completion basis, wherever applicable.

b) **License Sales**: - Revenues from selling licenses are recognized at the date of sale or date of completion of milestone, wherever applicable. 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.

2.13 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.

2.14 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.

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 standalone 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.

2.15 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 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 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.

b) 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.
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 loss 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 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 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 amortized cost. 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 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.

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.

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

Financial liabilities at fair value through profit or loss

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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.

Amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or 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.

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 standalone statement of profit and loss.

2.15 Financial instruments (continued)

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 recognized less cumulative amortization.

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.

2.16 Employee benefits

(a) Defined benefit plans

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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 recognized 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. 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.

2.16 Employee benefits (continued)

(c) Compensated absences

The employees of the Company are entitled to compensated absences except associate employees, the core 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 standalone statement of profit and loss during the period in which the employee renders the related service.

(e) 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.

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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.

(f) 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.

2.17 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.

2.18 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 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.

- 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.

2.19 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.

2.20 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.

2.21 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.

2.22 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.

2.23 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.

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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.

2.24 Segment reporting

Based on the "Management Approach" as defined in INDAS 108 Operating Segments, the Director of the company has been identified as the Chief Operating Decision Maker (CODM). 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.

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Notes to the financial statements for the year ended 31 Mar 2022

(Amounts in INR "000")

3. Property, plant and equipment

Particulars	Leasehold improvements	Office equipment	Computer equipment	ROU Building	Total
Gross carrying amount					
Opening Balance	1,909	5,433	19,151	41,388	**67,880**
Addition	1,174	203	1,894	-	**3,271**
Deletion	(1,909)	-	(1,120)	(41,388)	**(44,417)**
Closing gross carrying amount at 31 Mar 2021	**1,174**	**5,635**	**19,925**	-	**26,734**
Opening Balance	1,174	5,635	19,925	-	**26,734**
Addition		152	7,617		**7,768**
Deletion		-			**-**
Closing gross carrying amount at 31 Mar 2022	**1,174**	**5,787**	**27,542**	-	**34,503**
Accumulated depreciation					**-**
Opening Balance	1,236	4,497	13,478	14,989	**34,201**
Addition	913	610	3,232	7,495	**12,249**
Deletion	(1,909)	-	(1,120)	(22,484)	**(25,513)**
Closing accumulated depreciation as at 31 Mar 2021	**240**	**5,107**	**15,590**	-	**20,936**
Opening Balance	240	5,107	15,590	-	**20,936**
Addition	391	287	3,730		**4,409**
Deletion	-	-	-	-	**-**
Closing accumulated depreciation as at 31 Mar 2022	**632**	**5,393**	**19,320**	-	**25,345**
Net Carrying amount					
As at 31 Mar 2022	**543**	**393**	**8,221**	-	**9,158**
As at 31 Mar 2021	**934**	**528**	**4,335**	-	**5,798**

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4. Intangible assets

Particulars	Computer software	Total
Gross carrying amount		
Opening Balance	6,020	6,020
Addition	-	-
Deletion	-	-
Closing gross carrying amount at 31 Mar 2021	**6,020**	**6,020**
Opening Balance	6,020	6,020
Addition	-	-
Deletion	-	-
Closing gross carrying amount at 31 Mar 2022	**6,020**	**6,020**
Accumulated Depreciation		
Opening Balance	290	290
Addition	3,410	3,410
Deletion	-	-
Closing accumulated depreciation as at 31 Mar 2021	**3,700**	**3,700**
Opening Balance	3,700	3,700
Addition *	2,320	2,320
Deletion	-	-
Closing accumulated depreciation as at 31 Mar 2022	**6,020**	**6,020**
Net Carrying amount		
As at 31 Mar 2022	-	-
As at 31 Mar 2021	2,320	2,320

* Amortization during the year Mar'22 includes INR 4.09 laks (Previous Year INR15L) towards accelerated amortization on Intangibles due to reestimation of useful life of Intangibles

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(Amounts in INR "000")

MFX Infotech Private Limited
Notes to the financial statements for the year ended 31 March 2022

5 Income tax

Income Tax Assets/Liabilities in the Balance Sheet are as follows

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax/(Provision for Income Tax) net	11,618	7,303
	11,618	7,303

A Amount recognized in Profit or Loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax:		
In respect of the current period	8,093	-
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	6,279	2,968
Income tax expense reported in the statement of profit and loss	14,372	2,968

B Income tax recognized in Other comprehensive Income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement of the net defined benefit Liability/Asset		
Before tax	(1,555)	498
Tax (expense)/Benefit	391	(125)
Net of Tax	(1,163)	373

C Reconciliation of effective tax rate

Particulars	Tax Rate %	For the year ended 31 March 2022	Tax Rate %	For the year ended 31 March 2021
Profit before tax		45,504		9,909
Tax using company's domestic tax rate	25.17%	11,452	25.17%	2,494
Effect of:				
Expenses disallowed for tax purpose(net)		2,505		1,625
Deferred tax assets		6,279		2,968
Income from other sources		-		(36)
Loss to be carried forward for future years		-		-
Loss to be (set-off) against earlier years		(5,865)		(4,083)
Effective tax rate	31.58%	14,372	29.95%	2,968
Add: Short/(excess) provision for prior year	0.00%		0.00%	-
Total income tax expense	31.58%	14,372	29.95%	2,968

The tax rates under Indian Income Tax Act, for the year ended March 31, 2022 and March 31, 2021 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 2022, 31 March 2021:-

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax assets	36,204	23,932
Income tax liabilities	24,721	16,628
Net income tax assets/(liability) at the end	11,482	7,303

E Deferred tax (net)

Deferred tax relates to the following:-

Particulars	Balance sheet	
	As at 31 March 2022	As at 31 March 2021
Excess of depreciation provided for in books of accounts	1,256	1,040
Provision for compensated absence	3,126	2,123
Provision for Gratuity	8,661	7,011
ROU Assets (WDV)	-	-
ROU Liabality (WDV)	-	-
Others	-	-
Unabsorbed depreciation	722	1,150
Income Tax Losses	-	8,331
Impairment loss allowance on Financial assets	356	356
Net deferred tax assets/ (liabilities)	**14,122**	**20,011**

F Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

As at 31 March 2022

Particulars	Opening balance	Recognized in Profit or loss	Recognized in OCI	Closing Balance
Excess of depreciation provided for in books of accounts	1,040	216		**1,256**
Provision for compensated absence	2,123	1,003		**3,126**
Provision for Gratuity	7,011	1,651		**8,661**
Others	-	(391)	391	-
Unabsorbed depreciation	1,150	(428)		**722**
Income Tax Losses to be carried forward	8,331	(8,331)	-	-
Impairment loss allowance on Financial assets	356	-		**356**
	20,011	**(6,279)**	**391**	**14,122**

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	(753)	1,793		**1,040**
Provision for compensated absence	1,669	454		**2,123**
Provision for Gratuity	5,612	1,399		**7,011**
ROU Assets (WDV)	(6,644)	6,644		-
ROU Liabality (WDV)	6,846	(6,846)		-
Others	324	(199)	(125)	-
Unabsorbed depreciation	-	1,150		**1,150**
Income Tax Losses to be carried forward	14,661	(6,331)	-	**8,331**
Impairment loss allowance on Financial assets	1,388	(1,032)		**356**
	23,104	**(2,968)**	**(125)**	**20,011**

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6 **Deferred tax assets (net)**

Particulars	31 Mar'2022	31 Mar'2021
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset on liabilities:		
Impairment loss allowance on financial assets	356	356
Provision on employee benefits- Gratuity	8,661	7,011
Provision on employee benefits- Compensated absences	3,126	2,123
Deferred Tax on Loss as on date	-	8,331
Deferred Tax others	1,978	2,190
Net deferred tax assets	**14,122**	**20,011**

Income tax assets (net)

Particulars	31 Mar'2022	31 Mar'2021
Advance income tax	11,618	7,303
	11,618	**7,303**

7 **Trade receivables**

Particulars	31 Mar'2022	31 Mar'2021
Unsecured		
Considered good*	81,780	43,019
Considered doubtful	1,417	1,415
	83,197	**44,434**
Loss allowance		
Less : Allowance for Credit Loss	(1,417)	(1,415)
	(1,417)	**(1,415)**
Net trade receivables	**81,780**	**43,019**

All trade receivables are current.

ii) Trade receivables - unbilled

Particulars	31 Mar'2022	31 Mar'2021
Unbilled revenue	53,540	33,847
Less: Provision for impairment of unbilled revenue	-	-
	53,540	33,847
Total Trade Receivable	135,320	76,866

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Trade receivable ageing schedule as on 31 March 2022:

Particulars	Outstanding for the following periods from due date of payment/ date of transaction							
	Not billed	Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables								
- Considered good	53,540	78,795	2,985	-	-			135,320
- Significant increase in credit risk	-		38		1,379			1,417
- Credit impaired	-		(38)		(1,379)			(1,417)
Disputed trade receivables								

Trade receivable ageing schedule as on 31 March 2021:

Particulars	Outstanding for the following periods from due date of payment/ date of transaction							
	Not billed	Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables								
- Considered good	33,847	40,582	1,023	1,415	-	-	-	76,866
- Significant increase in credit risk				995	420	-	-	1,415
- Credit impaired	-	-	-	(995)	(420)	-	-	(1,415)
Disputed trade receivables								

8 Cash and cash equivalents

Particulars	31 Mar'2022	31 Mar'2021
Cash and cash equivalents		
Balances with banks		
In current accounts	63,362	84,528
Cash and cash equivalents in balance sheet	**63,362**	**84,528**
Cash and cash equivalent in the statement of cash flow	**63,362**	**84,528**

9 Other bank balances

Particulars	31 Mar'2022	31 Mar'2021
In deposit accounts (mature within 12 months from the reporting date)	-	547
	-	**547**

10 Current loans

Particulars	31 Mar'2022	31 Mar'2021
Unsecured, considered good		
Loans to employees	20	125
	20	**125**

11 Other current assets

Particulars	31 Mar'2022	31 Mar'2021
Advances other than capital advances		
Travel advances to employees	201	232
Prepaid expenses	3,366	1,936
Security deposits	960	8,656
Balances with government authorities	4,428	2,852
	8,955	13,676

12 **Share capital**

Particulars	31 Mar'2022	31 Mar'2021
Authorised		
value of Rs 10 each*	20,000	20,000
	20,000	**20,000**
Issued, subscribed and paid-up		
value of Rs 10 each, fully Paid up	10,000	10,000
Share Application money	-	-
	10,000	10,000

12.1 **Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 March Number of Shares	2021 Number of Shares
Equity shares		
At the commencement of the year	1,000,000	1,000,000
At the end of the year	1,000,000	1,000,000

12.2 **Shares held by Holding Company**

Particulars	As at 31 March Number of Shares	2021 Number of Shares
Equity shares		
Equity shares of par value Rs 10 each		
Quess Corp Limited	999,999	999,999
	999,999	**999,999**

12.3 **Details of shareholders holding more than 5% shares in the Company**

Particulars	As at 31 March % held	2021 % held
Equity shares		
Equity shares of par value Rs 10 each		
Quess Corp Limited	99.99	99.99

12.4 **Details of shareholding of promoters:**

Promoter name	31 March 2022 Number of shares	% held	% change during the year	31 March 2021 Number of shares	% held	% change during the year
Quess Corp Limited	999,999	99.99	-	999,999	99.99	-

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13. **Notes to the financial statements in relation of compulsorily convertible debentures** *(Amounts in INR "000")*

(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 2022		As at 31 March 2021	
	No.	Amount	No.	Amount
Number of compulsorily convertible debentures (CCDs) outstanding at the beginning of the year	-	-	120,612	120,612
Debentures Issued During the Year				
Debentures redeemed During the Year	-	-	120,612	120,612
Number of compulsorily convertible debentures (CCDs) outstanding at the end of the year.	-	-	-	-

(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 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 previous 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

holding company:

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Quess Corp Limited, holding company	-	-

(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 2022**		**As at 31 March 2021**	
	% of holding	**No.**	**% of holding**	**No.**
Quess Corp Limited	-	-	-	-

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14 **Other equity***

Particulars	31 Mar'2022	31 Mar'2021
Other comprehensive income	847	2,010
Other Equity- Corporate Guarantee	1,050	1,050
Retained earnings	60,794	29,662
	62,690	32,722

*for detailed movement of reserves, refer Statement of changes in Equity

15 **Non-current provisions**

Particulars	31 Mar'2022	31 Mar'2021
Provision for gratuity (refer note 36)	31,459	24,949
Provision for compensated absences (refer note 37)	8,846	5,574
	40,304	30,523

16 **Current borrowings**

Particulars	31 Mar'2022	31 Mar'2021
Loans from bank repayable on demand		
Secured		
Bill discounting facility from bank	-	21,933
	-	21,933

*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.NIL (Previous Year: Rs 21,933,000) 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.

The Company has filed quarterly returns/ statements of current assets with the banks and financial institutions which are in agreement with the books of accounts.

Quarter	Name of Bank	Particulars of security provided	Amount as per books of accounts	Amount as reported in quartely statement	Amount of difference	Reason for material discrepancies
Q1-FY 2022	Yes Bank	Current Assets	148,032	148,032	-	
Q2-FY 2022	Yes Bank		170,826	170,826	-	
Q3-FY 2022	Yes Bank		208,871	208,871	-	

17 **Trade payables**

Particulars	31 Mar'2022	31 Mar'2021
Other trade payables	3,237	8,775
	3,237	8,775

As on 31 March 2022 and 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 35

ii) Trade payables - unbilled dues

Particulars	31 Mar'2022	31 Mar'2021
Undiputed dues		
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	10,484	12,017
Total	10,484	12,017
Total Trade payables	13,721	20,793

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2022:

Particulars	Outstanding for following periods from due date of payment/ date of transaction					
	Unbilled dues	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed						
- Others	10,484	3,237	-	-	-	13,721
Disputed						
- Others	-	-	-	-	-	-

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2021:

Particulars	Outstanding for following periods from due date of payment/ date of transaction					
	Unbilled dues	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed						
- Others	12,017	8,775	-	-	-	20,793
Disputed						
- Others	-	-	-	-	-	-

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18 Other current financial liabilities

Particulars	31 Mar'2022	31 Mar'2021
Lease liability	-	-
Other Payables		
Accrued salaries and benefits	61,376	48,401
Provision for expenses	5,574	7,686
Provision for bonus and incentive	17,257	13,952
	84,207	**70,039**

* Includes Accrued Expense to related parties . Refer note 35

19 Current provisions

Particulars	31 Mar'2022	31 Mar'2021
Provision for employee benefits		
Provision for gratuity (refer note 39)	2,956	2,907
Provision for compensated absences (refer note 40)	3,577	2,861
	6,532	**5,768**

20 Other current liabilities

Particulars	31 Mar'2022	31 Mar'2021
Income received in advance	2,843	832
Advance received from customers*	-	8,413
Balances payable to government authorities	11,121	10,151
Reimbursement payable	11,137	-
	25,101	**19,396**

* Includes Advance from related parties . Refer note 35

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MFX Infotech Private Limited

(Amounts in INR "000")

Notes to the financial statements for the year ended 31 Mar 2022

21 Revenue from operations

Particulars	For the year ended 31 Mar '2022	31 Mar '2021
Sale of services		
Software sales and maintenance	829,231	700,954
Sale of License	2,829	7,543
Total sale of services	**832,059**	**708,496**

22 Other income

Particulars	For the year ended 31 Mar '2022	31 Mar '2021
Interest income under the effective interest method on:		
Cash and cash equivalents	26	47
Interest income on present valuation of financial instruments	-	757
Interest on tax refunds due	-	1,652
Profit on sale of property, plant and equipment and intangible assets	-	144
	26	**2,600**

23 Cost of material consumed

Particulars	For the year ended 31 Mar '2022	31 Mar '2021
Cost of materials	2,614	6,757

24 Employee benefits expense

Particulars	For the year ended 31 Mar '2022	31 Mar '2021
Salaries and wages	672,061	576,478
Contribution to provident and other funds	30,594	29,271
Expenses related to post-employment defined benefit plan	8,407	7,946
Expenses related to compensated absences	3,987	1,802
Staff welfare expenses	280	396
	715,329	**615,894**

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25 **Finance costs**

Particulars	For the year ended	
	31 Mar '2022	31 Mar '2021
Interest expense on financial liabilites measured at amortised cost	-	1,143
Other borrowing costs	60	869
	60	**2,012**

*Includes Interest to Related Parties, refer note 35

26 **Depreciation and amortisation expense**

Particulars	For the year ended	
	31 Mar '2022	31 Mar '2021
Depreciation and Amortisation	4,409	12,249
Amortisation of intangible assets	2,320	3,410
	6,728	**15,659**

27 **Other expenses**

Particulars	For the year ended	
	31 Mar '2022	31 Mar '2021
Sub-contractor charges	33,549	16,481
Recruitment and training expenses	2,074	-
Rent	11,814	15,611
Power and Fuel	656	3,233
Repairs & maintenance		
- buildings	424	1,580
- others	66	331
Legal and professional fees*	1,347	1,377
Rates and taxes	1,265	1,738
Technological support services	4,064	3,699
Printing and stationery	84	(315)
Travelling and conveyance	3,124	3,286
Communication expenses	2,194	3,537
Impairment loss on financial assets	2	(4,100)
Equipment hire charges	565	1,431
Insurance	-	328
Bank charges	31	51
Bad debts written off	-	5,251
Business promotion and advertisement expenses	-	20
Foreign exchange loss, net	591	7,583
Miscellaneous expenses		(259)
	61,849	**60,865**

*Legal and professional fees Includes payments made to auditors as below:

Particulars	For the year ended	
	31 Mar '2022	31 Mar '2021
Statutory Audit fees	325	280
Others Certification fees	-	35
	325	**315**

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(Amounts in INR "000")

28 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-22	Level 1	Level 2	Level 3
Financial assets				
Amortised cost				
Trade receivable	135,320	-	-	-
Cash and cash equivalents	63,362	-	-	-
Loans	20	-	-	-
Total financial assets	**198,703**	-	-	-

Particulars	Carrying amount	Fair value		
	31-Mar-22	Level 1	Level 2	Level 3
Financial liabilities				
Amortised cost				
Lease Liability	-	-	-	-
Loans and borrowings	-	-	-	-
Trade payables	13,721	-	-	-
Other liabilities	84,207	-	-	-
Total financial liabilities	**97,928**	-	-	-

Particulars	Carrying amount	Fair value		
	31-Mar-21	Level 1	Level 2	Level 3
Financial assets				
Amortised cost				
Trade receivable	76,866	-	-	-
Cash and cash equivalents	85,075	-	-	-
Loans	8,781			
Unbilled	-	-	-	-
Other assets	-	-	-	-
Total financial assets	**170,722**	-	-	-

Particulars	Carrying amount	Fair value		
	31-Mar-21	Level 1	Level 2	Level 3
Financial liabilities				
Amortised cost				
Lease Liability	-			
Loans and borrowings	21,933	-	-	-
Trade payables	28,478	-	-	-
Other liabilities	62,353	-	-	-
Total financial liabilities	**112,764**	-	-	-

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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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29 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 2021 and 31 March 2022 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 2022, the Company's most significant customer, a MFXchange US, Inc accounted for Rs 28,707,925 of the trade and other receivables carrying amount (31 March 2021 : Rs 33,972,122)

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MFX Infotech Pvt. Ltd. Bangalore

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 2022

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	78,795	0.01%	5	No	78,789
Past due 1–90 days	3,159	1.02%	32	No	3,127
Past due 91–180 days	-	13.91%	-	NA	-
Past due 181–270 days	-	41.84%	-	NA	-
Past due 271–360 days	177	95.53%	169	No	8
Above 360 days	1,202	100.00%	1,202	NA	-
	83,333		**1,409**		**81,924**

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	36,220	0.873%	316	No	35,904
Past due 1–90 days	5,330	1.622%	86	No	5,244
Past due 91–180 days	54	4.780%	3	No	51
Past due 181–270 days	2,410	20.983%	506	NA	1,904
Past due 271–360 days	73	51.431%	38	No	36
Above 360 days	347	100.000%	347	NA	-
	44,434		**1,295**		**43,139**

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, 2022 and 31 March 2021 :-

Particulars	Carrying amount	As at 31 March 2022		
		Less than 1 year	1-2 years	2 years and above
Borrowings	-	-	-	-
Trade payables	13,721	13,721	-	-
Other financial liabilities	84,207	84,207	-	-

Particulars	Carrying amount	As at 31 March 2021		
		Less than 1 year	1-2 years	2 years and above
Borrowings	21,933	21,933	-	-
Trade payables	20,793	28,478	-	-
Other financial liabilities	70,039	62,353	-	-

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

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(Amounts in INR "000")

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 2022		As at 31 March 2021	
		Foreign currency	Amount in Reporting Currency	Foreign currency	Amount in Reporting Currency
Trade receivables	USD	379	28,708	465	33,972
		379	28,708	465	33,972

The following significant exchange rates have been applied

Particulars	Year end spot rate	
	31 March 2022	31 March 2021
USD/ INR	75 793	73 110

Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the USD against INR at 31 March 2022 and 31 March 2021 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 2022				
USD (2% movement)	574	(574)	430	(430)
31 March 2021				
USD (2% movement)	679	(679)	508	(508)

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 2022	As at 31 March 2021
Variable rate borrowings	-	21,933
Total borrowings	-	**21,933**

Sensitivity analysis

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2022				
Variable rate borrowings	-	-	-	-
31 March 2021				
Variable rate borrowings	(219)	219	(164)	164

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 2022	As at 31 March 2021
Gross debt	-	21,933
Less: Cash and cash equivalents	63,362	85,075
Adjusted net debt	(63,362)	(63,142)
Total equity	72,690	42,722
Less: Effective portion of cash flow hedges and cost of hedging	-	-
Total equity	72,690	42,722
Net debt to equity ratio	-	-

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30 INDAS -116 - Lease

Lease liability

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liability	-	-
Non-current lease liability	-	-
Total	-	-

The following is the movement in lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Operating lease recognised on adoption of Ind AS 116 Reclassification on adoption of Ind AS 116	-	27,201
Less: Deletion	-	(18,904)
Add: Finance cost accrued during the period	-	1,143
Less: Payment of lease obligation	-	(9,440)
Translation loss / (gain)	-	-
Carrying amount as at 31 March 2022	-	-

Amount recognised in PL

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense (included in finance cost)	-	1,143
Expenses relating to short-term lease (included in other expenses)		8,694
Expenses relating to lease of low value assets that are not included above (included in other expenses)		
	-	**9,836**

The table below provides details regarding the contractual maturities of lease

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	-	-
One to five years	-	-
More than five years	-	-
	-	-

Rental expense recorded for short-term leases was	-	9,440

Note :During the year ended March 31st 2021, Lease agreements which were part of Ind AS – 116 scope, has been early terminated & 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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31 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 2022. 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, 2022

Particulars	Amount
Revenues by Geography	
India	493,804
United States of America	317,756
Others	20,499
Total	832,059

(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.

(Amounts in INR "000")

Particulars	As at 31 March 2022	As at 31 March 2021
Receivables, which are included in 'Trade and other receivables'	81,780	43,019
Contract assets	53,540	33,847
Contract liabilities	2,843	832

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 recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2022

(Amounts in INR "000")

Particulars	For the year ended 31 March 2022
Balance at the beginning	33,847
Add : Revenue recognized during the period	832,059
Less : Invoiced during the period	812,366
Balance at the end	53,540

The following table discloses the movement in unearned revenue (contract liabilities) balances for the year ended 31 March 2022

(Amounts in INR "000")

Particulars	For the year ended 31 March 2022
Balance at the beginning	832
Less: Revenue recognized during the period	2,325
Add: Invoiced during the period but not recognized as revenues	4,337
Balance at the end	2,843

(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 2022, other than those meeting the exclusion criteria mentioned above, is NIL.

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Notes to the financial statements for the year ended 31 March 2022

32 Contingent liabilities and Capital commitment

(Amounts in INR "000")

Particulars	31 March 2022	31 March 2021
Contingent liabilities		
Bank Gaurantee	-	500
Income tax Demand **	27,590	27,590
Capital Commitments	-	-
	27,590	28,090

** 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 has filed an appeal which is pending in ITAT. 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.

33 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 2022		31 March 2021	
	Currency	Foreign currency	Amount in Rs	Foreign currency	Amount in Rs
Trade receivables	USD	379	28,708	465	33,972
		379	28,708	465	33,972

34 Earnings in foreign currency

Particulars	31 March 2022	31 March 2021
Software sales and service	317,756	306,315
	317,756	306,315

Expenditure in foreign currency

Particulars	31 March 2022	31 March 2021
Travelling and conveyance	-	-
License Fee	2,614	5,889
	2,614	5,889

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Notes to the financial statements for the year ended 31 March 2022

(Amounts in INR "000")

35 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 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

Rajesh Kharidehal	Additional Director	Effective from 26th Nov'21
Kundan Kumar Lal	Director	
Raghuthaman Abhinandan	Additional Director	Till 26th Nov'21

(ii) List of fellow subsidiaries (including step-subsidiaries), associates and joint venture

Name of the entity	Nature of relation	Country of domicile
Billion Careers 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
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 Limite	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	Subsidiary	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 2022

(iii) Related party transactions during the year/period

(Amounts in INR "000")

Particulars	31 March 2022	31 March 2021
Revenue from operations	818,072	693,030
MFXchange US, Inc	314,928	303,926
Quess Corp Limited	453,672	363,174
Brainhunter Systems Limited, Canada	20,499	17,124
MFXchange Holdings, Inc	-	(372)
Heptagon Technologies Private Limited	5,467	2,716
Terrier Security Services (India) Private Limited	-	258
Allsec Technologies Limited	23,416	5,130
Expenses incurred by related parties on behalf of the Company	-	26
Quess Corp Limited	-	26
Rendering of services by related parties	10,222	10,179
Terrier Security Services India Pvt Ltd	-	762
Heptagon Technologies Private Limited	1,148	-
Monster.com (India) Private Limited	-	381
Conneqt Business Solution Limited	8,646	8,694
Allsec Technologies Limited	429	343

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(Amounts in INR "000")

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

Particulars	31 March 2022	31 March 2021
Trade receivables	**80,829**	**39,324**
MFXchange US, Inc	28,708	33,972
Brainhunter Systems Limited, Canada	1,328	1,337
Quess Corp Limited	49,327	-
Heptagon Technologies Pvt Ltd	1,467	3,205
Allsec Technologies Ltd	-	810
Unbilled revenue	**46,811**	**33,286**
Quess Corp Limited	38,115	32,531
Brainhunter Systems Limited, Canada	1,601	-
Allsec Technologies Ltd	7,094	755
Provision for expenses		-
Heptagon Technologies Pvt Ltd	1,148	-
Allsec Technologies Ltd	82	
Conneqt Business Solution Limited	3,300	
Trade payables	**11,137**	**4,994**
Conneqt Business Solution Limited	-	4,848
Allsec Technologies Ltd	-	145
Quess Corp Limited	11,137	26
Advance received from Quess	-	8,413
Outstanding Bank Guarantees provided by holding company		
Quess Corp Limited	50,000	60,000

(v) **Compensation of key managerial personnel**

There is no compensation paid to Key Managerial Personnel during the year (Previous Year : NIL)

36 **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 2022 and 31 March 2021

Particulars	31 March 2022	31 March 2021
Change in defined benefit obligation		
Obligation at the beginning of the year	27,856	22,297
Past service cost	-	170
Current service cost	7,031	6,551
Interest cost	1,375	1,226
Curtailment cost/(credit)		
Liabilities assumed on acquisition/ (settled on divestiture)		
Plan amendment cost		
Benefit settled	(3,403)	(940)
Laiblity TRFR IN	-	(950)
Actuarial (gain) / loss- Experience	1,555	(498)
Actuarial (gain) / loss- demographic assumptions	-	-
Actuarial (gain) / loss- financial assumptions	-	-
Obligation at end of the year	**34,414**	**27,856**

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Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	31 March 2022	31 March 2021
Present value of the defined benefit obligations at the end of the year	34,414	27,856
Liability recognised in the balance sheet	34,414	27,856
Current	2,956	2,907
Non-current	31,459	24,949

Gratuity cost for the year

Particulars	31 March 2022	31 March 2021
Current service cost	7,031	6,551
Past service cost	-	170
Net interest on net defined benefit liability/(asset)	1,375	1,226
Re-measurement- actuarial gain/(loss) recognised on OCI	1,555	(498)
Net gratuity cost	**9,961**	**7,448**

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 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	32 103	37,025	25,879	30,115
Future salary growth(1% movement)	36 864	32,169	29,971	25,937

Assumptions

	Core employees		Associate employees	
Particulars	**31-Mar-22**	**31-Mar-21**	**31-Mar-22**	**31-Mar-21**
Discount rate	6.15%	4.95%	5.10%	3.96%
Estimated rate of return on plan assets	NA	NA	NA	NA
Salary increase	9.00%	9% & 7.5%	7.50%	6.00%
Attrition rate	12.5% & 20%	12.5% & 50%	35.00%	80%
Retirement age	58 years	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	LIC(2012-14) published table of Mortality- Rates 100% of IALM 2012-14

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Maturity profile of defined benefit obligation :-

Particulars	31 March 2022	31 March 2021
Within 1 year	2,956	2,907
2-5 years	16,163	12,179
6-10 years	15,554	10,065
>10 years	23,003	17,939
	57,675	**43,090**

37 Compensated absence

The company has accounted the cost of compensated absences based on the actuarial valuation report obtained as at 31 March 2022 and has estimated a compensated absence liability of Rs.12,422,443(Previous Year: Rs.8,435,248) 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 2022	31 March 2021
Discount rate	6.15%	4.95%
Estimated rate of return on plan assets	NA	NA
Salary increase	9.00%	9% & 7 5%
Attrition rate	12 5% & 20%	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

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Notes to the financial statements for the year ended 31 March 2022

Set out below is the movement in provision balances in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'

Particulars	Privilege Leave
Balance as at 1 April 2020	6,633
Add: Additions during the year	-
Less: Utilisation/reversal during the year	(1,802)
Closing balance as at 31 March 2021	**8,435**
Balance as at 1 April 2021	8,435
Add: Additions during the year/ Transfer in	-
Less: Utilisation/reversal during the year	(3,987)
Closing balance as at 31 March 2022	**12,422**

38 Earnings per Share

Profit after Tax and Other Comprehensive Income	31,132	6,941
No.of Equity Shares	1,000,000	1,000,000
No.of Equity Shares - CCD	-	291,694
Earnings per Share(EPS)	**31.13**	**6.94**
Diluted	**31.13**	**5.37**

39 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 have transactions with MSMED companies during the year. As of 31 MAr 2022 balance payable to MSMED companies is NIL (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

40 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.

41 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 2021.The company is in the process of compiling the documentation of transfer pricing for the year ended 31 March 2022. 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.

42 Amalgamation of Company

"The Board of Directors of the Company at its meeting held on 15th July 2021 had considered and approved fresh the Scheme of Amalgamation ("Scheme") under the provisions of Section 230-232 of the Companies Act, 2013 among Quess Corp Limited ("Transferee Company"), Greenpiece Landscapes India Private Limited ("Geenpiece"), MFX Infotech Private Limited ("MFXI") and Conneqt Business Solutions Limited ("Conneqt"), ("Transferor Companies") and their respective shareholders / creditors, subject to the approval of shareholders / Creditors and other regulatory authorities as may be applicable under the Act. On 21 January 2022, the National Company Law Tribunal, Bengaluru Bench ("NCLT") accepted the application of the Scheme of Amalgamation and the same is pending before NCLT for hearing

43 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 changes.

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Notes to the financial statements for the period ended 31 Mar 2022

44 **Ratios**

Ratios	Numerator	Denominator	Ratio 21-22	Ratio 20-21	%variance
Current ratio	207,658	129,562	1.60:1	1.27:1	26%
Debt-equity ratio	-	72,690	0.00:1	0.51:1	100%
Debt service coverage ratio	52,292	21,993	2.38:1	0.99:1	140%
Return on equity ratio	31,132	57,706	0.54:1	0.16:1	232%
Inventory turnover ratio	2,614	-	-	-	0%
Trade receivables turnover ratio	849,740	106,093	8.01:1	9.22:1	13%
Trade payables turnover ratio	68,108	23,887	2.85:1	2.37:1	20%
Net capital turnover ratio	832,059	78,097	10.65:1	18.74:1	-43%
Net profit ratio	31,132	832,059	0.04:1	0.01:1	282%
Return on capital employed	45,564	24,122	1.89:1	0.28:1	577%
Return on investment	31,132	72,690	0.43:1	0.16:1	164%

A. Current Ratio = Current Assets divided by Current Liabilities

B. Debt-equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings and lease liabilities

C. Debt Service Coverage Ratio (DSCR) = Earnings available for debt services (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc) divided by Total interest and lease payments and principal repayments

D. Return on equity ratio : Net profit after tax less preference dividend divided by Average Shareholder Equity

E. Inventory turnover ratio : Cost of materials consumed divided by Average Inventory (Opening + Closing balance / 2)

F. Trade Receivables turnover ratio = Credit Sales (Total revenue from operations +Opening Unbilled- Closing Unbilled-Opening unearned revenue+ Closing Unearned revenue) divided by Average trade receivables ((Opening + Closing balance / 2)

G. Trade payables turnover ratio = Credit purchases (Cost of goods sold+ other expenses+ Opening provision for expenses- Closing Provision for expenses- Impairment loss allowance on financial asset- Loss on sale of fixed asset- forex gain loss-Expenditure on CSR-Bad debt/Deposits written off) divided by average trade payables

H. Net capital turnover ratio = Net Sales divided by Working Capital

I. Net profit ratio = Net profit after tax divided by Revenue from operations

J . Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Average Capital Employed- pre cash (Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability)

K. Return on investment: PAT divided by Total Equity

A. Current Ratio = Current Assets divided by Current Liabilities

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Current ratio	Current Assets (a) / Current Liabilities(b)	207,658 129,562	1.60:1	175,742 137,929	1.27:1	26%

Reason for change more than 25%: : There has been improvement in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years

B. Debt-equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Debt-equity ratio	Total debt (a) / Total Equity (b)	- 72,690	0.00:1	21,933 42,722	0.51:1	100%

Reason for change more than 25%: : There has been improvement in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

MFX Infotech Pvt. Ltd. Bangalore

C. Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Debt-equity ratio	EBITDA (a)/ Interest+ PrincipalRepayments(b)	52,292 21,993	2.38:1	27,580 27,748	0.99:1	140%

* EBITDA refers to profit for the year before tax+ Non cash Operating expense + Finance cost
* Principal repayments considered for current year repayments

	31st March 2022	31st March 2021
Profit for the year	45,504	9,909
Add: Non cash operating expenses and finance cost		
'- Depreciation and Amortization	6,728	15,659
'- Finance cost	60	2,012
Earnings available for debt services(EBITDA)	52,292	27,580

Reason for change more than 25%: : There has been improvement in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years

D. Return on equity ratio : Net profit after tax divided by Equity

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Return on equity ratio	PAT (a) / Avg Equity(b)	31,132 57,706	0.54:1	6,941 42,722	0.16:1	232%

Reason for change more than 25%: : There has been improvement in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years

E. Inventory turnover ratio : Cost of materials consumed divided by closing inventory

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Inventory turnover ratio	Cost of materials consumed (a)/Avg Inventory (b)	2,614 -	0	6,757 -	0	0%

Reason for change more than 25%: : There has been improvement in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years

F. Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Trade Receivables turnover ratio	Credit sales (a) / Avg Trade receivables(b)	849,740 106,093	8.01:1	708,496 76,866	9.22:1	13%

Reason for change more than 25%: : There has been improvement in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years

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MFX Infotech Pvt. Ltd. * Bangalore *

F. Trade payables turnover ratio = Credit purchases divided by closing trade payables

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Trade payables turnover ratio	Cr purchases(a) / Avg Trade payables(b)	68,108 23,887	2.85:1	67,622 28,478	2.37:1	20%

Reason for change more than 25%: : There has been improvement in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years

G. Net capital Turnover Ratio =Revenue from Operations divided by Net Working capital whereas net working capital= current assets - current liabilities

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Net capital Turnover Ratio	Revenue from operations(a) / Net Working capital (b)	832,059 78,097	10.65:1	708,496 37,814	18.74:1	-43%

Reason for change more than 25%: : There has been De-improvement in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years due to increase in AR & UBR.

H. Net profit ratio = Net profit after tax divided by Revenue from operations

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Net profit ratio	PAT(a) / Revenue from operations(b)	31,132 832,059	0.04:1	6,941 708,496	0.01:1	282%

Reason for change more than 25%: : There has been improvement in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years

I. Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Capital Employed- pre cash

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Return on Capital employed	EBIT (a) / Capital employed(b)	45,564 24,122	1.89:1	11,921 42,722	0.28:1	577%

Reason for change more than 25%: : There has been improvement in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years

J.Return on investment:

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Return on investment:	PAT (a) / Avg Equity(b)	31,132 72,690	0.43:1	6,941 42,722	0.16:1	164%

Reason for change more than 25%: : There has been improvement in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years

for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 17th May 2022

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
MFX Infotech Private Limited

MFX Infotech Pvt. Ltd.

Kundan Kumar Lal
Director
DIN: 06446995

Place: Bengaluru
Date: 17th May 2022

MFX Infotech Pvt. Ltd. Bangalore

Rajesh Kharidehal
Additional Director
DIN: 08472077

Place: Bengaluru
Date: 17th May 2022

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, 2022, 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, 2022, 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.

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.

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.

(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, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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.

iv.

1. The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons / entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2. The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any persons / entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

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

Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 22205226AISJWP8864

Place: Hyderabad, INDIA

Date: May 10, 2022

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, 2022 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 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, 2022, 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: 22205226AISJWP8864

Place: Hyderabad, INDIA

Date: May 10, 2022

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.

- 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

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 22205226AISJWP8864

Place: Hyderabad, INDIA
Date: May 10, 2022

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, 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals 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.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets. Quarterly statements are filed with such Banks which are in agreement with the books of account.

iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) 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, there are no amounts outstanding which are in the nature of deposits as on March 31, 2022 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, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) 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. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) According to the information explanation given to us and on an overall examination of the financial statements of the Company, the Company does not have any subsidiary, joint venture or associate and has not taken any funds from an any entity or person. Accordingly, the provision stated in paragraph 3(ix) (e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us, the Company does not have any subsidiary, joint venture or associate and has not raised loans during the year. Accordingly, the provision stated in paragraph 3(ix) (f) of the Order is not applicable to the Company.

x.

(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) 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, partly or optionally convertible debentures during the year.

Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

(a) 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 nor on the Company.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.

xii.

(a) 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) (a) to (c) 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.

(a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports issued by internal auditors during our audit.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi.

(a) 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)(a) of the Order are not applicable to the Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) and clause 3 (xvi)(d) of the Order are not applicable to the Company.

xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx.

(a) According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

xxi. According to the information and explanations given to us, the Company does not have any subsidiary / associate / joint venture. Accordingly, there is no preparation of consolidated financial statements. Accordingly, the provisions stated in paragraph clause 3(xxi) of the Order are not applicable to the Company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner

Membership No. 205226

UDIN: 22205226AISJWP8864

Place: Hyderabad
Date: May 10, 2022

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Balance Sheet as at March 31, 2022

Balance Sheet	Note	As at 31 Mar 2022	As at 31 Mar 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,91,55,268	2,50,48,354
Right of use asset	3	9,63,10,414	10,21,54,699
Capital work-in-progress	3	76,852	-
Goodwill	4	18,42,35,457	18,42,35,457
Other intangible assets	4	3,54,45,622	30,56,913
Intangible asset under development	4	-	2,39,68,964
Financial assets			
(i) Non-current loans	5	89,72,340	1,02,18,915
Income tax assets (net)	7	1,46,92,938	86,98,655
Other non-current assets	8	8,20,334	15,35,906
Total non-current assets		**35,97,09,225**	**35,89,17,862**
Current assets			
Inventories	9	19,71,99,547	14,27,47,752
Financial assets			
(i) Trade receivables	10	35,54,39,840	19,92,55,208
(ii) Cash and cash equivalents	11	2,07,96,349	2,70,97,942
(iii) Bank balances other than cash and cash equivalents	12	7,48,94,449	6,85,74,930
(iv) Current loans	13	1,08,59,186	92,70,082
(vi) Other current financial assets	14	54,80,015	37,71,684
Other current assets	15	8,74,83,354	3,48,39,960
Total current assets		**75,21,52,740**	**48,55,57,558**
Total Assets		**1,11,18,61,965**	**84,44,75,421**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	5,34,96,500	5,34,96,500
Other equity	17	24,70,74,205	23,33,55,135
Total equity		**30,05,70,705**	**28,68,51,635**
Liabilities			
Non-current liabilities			
Financial liabilities			
Non-current Employee benefit obligations	18	1,34,65,506	99,76,667
Other non-current financial liabilities			
Lease Liability	19	5,76,43,777	7,22,18,695
Deferred tax liability (net)	6	20,15,005	50,07,063
Total non-current liabilities		**7,31,24,288**	**8,72,02,425**
Current liabilities			
Financial liabilities			
(i) Borrowings	20	2,97,72,781	4,97,90,273
(ii) Lease Liability	40	4,65,12,052	3,85,14,257
(iii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	21	-	-
b) total outstanding dues of creditors other than micro enterprise and small enterprise		7,39,13,195	6,19,58,218
(iv) Other current financial liabilities	22	44,87,30,362	26,24,04,294
Current Employee benefit obligations	23	59,87,034	36,18,104
Other current liabilities	24	13,32,51,548	5,41,36,215
Total current liabilities		**73,81,66,972**	**47,04,21,360**
Total Liabilities		**81,12,91,260**	**55,76,23,786**
Total Equity and Liabilities		**1,11,18,61,965**	**84,44,75,421**
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

Ananthakrishnan Govindan
Partner
Membership No 205226
Place: Hyderabad
Date: 10-05-2022

for and on behalf of the Board of Directors of
Qdigi Services Limited (formerly known as HCL Computing
CIN: [illegible]

Deven Sharma
Director
DIN: 08987509
Place: Bengaluru
Date: 10-05-2022

Srinivasan Guruprasad
Director
DIN: 0007596207
Place: Bengaluru
Date: 10-05-2022

QDIGI Services Limited

Qdigi Services Limited (formerly known as HCL Computing Products Limited)

Statement of Profit and Loss for the year ended March 31, 2022

(Amount in INR, except equity share and per equity share data)

Statement of Profit and Loss	Note	For the year ended 31 Mar 2022	For the year ended 31 Mar 2021
Income			
Revenue from operations	25	2,36,08,88,968	1,84,75,23,501
Other income	26	35,30,502	43,20,273
Total income		**2,36,44,19,470**	**1,85,18,43,774**
Expenses			
Cost of material, stores and spare parts consumed	27	1,54,90,67,156	1,12,36,56,211
Employee benefit expenses	28	46,57,75,377	43,00,65,717
Finance costs	29	1,44,69,145	1,35,08,122
Depreciation and amortisation expenses	30	5,99,40,953	6,73,51,868
Other expenses	31	26,36,14,975	22,79,73,207
Total expenses		**2,35,28,67,606**	**1,86,25,55,125**
Profit before share of profit of equity accounted investees and income tax		**1,15,51,864**	**(1,07,11,351)**
Profit/(Loss) before tax		**1,15,51,864**	**(1,07,11,351)**
Tax expense			
Effect of change in tax rate		-	-
Deferred tax	6	28,03,332	2,68,774
Total tax expenses		**28,03,332**	**2,68,774**
Profit/(Loss) for the year		**1,43,55,196**	**(1,04,42,577)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(8,24,854)	1,58,707
Income tax relating to items that will not be reclassified to profit or loss	6	1,88,727	(36,312)
Other comprehensive income for the year, net of tax		**(6,36,127)**	**1,22,395**
Total comprehensive income for the year		**1,37,19,069**	**(1,03,20,181)**
Earnings / (Loss) per share			
Basic earnings /(loss) per share (INR)	36	2.83	(2.06)
Diluted earnings /(loss) per share (INR)	36	2.83	(2.06)

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

Ananthakrishnan Govindan
Partner
Membership No 205226

Place: Hyderabad
Date 10-05-2022

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
Date: 10-05-2022

QDIGI Services Limited

Srinivasan Guruprasad
Director
DIN [illegible]

Place: Bengaluru
Date: 10-05-2022

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Statement of Cash Flows for the year ended March 31, 2022

Statement of cash flows	31 March 2022	31 March 2021
Cash flows from operating activities		
Profit/(Loss) after tax	1,43,55,196	(1,04,42,577)
Adjustments for:		
Depreciation and amortisation	5,99,40,953	6,73,51,868
Finance income on present valuation of financial instruments	(6,55,312)	(12,39,959)
Liabilities no longer required written back	-	-
Impairment loss allowance on financial assets, net	6,27,295	(44,00,723)
Interest income on term deposits	(28,75,189)	(22,16,682)
Tax expense	(29,92,059)	(2,32,462)
Finance costs	1,44,69,145	1,35,08,122
Operating cash flows before working capital changes	**8,28,70,029**	**6,23,27,588**
Changes in inventories, trade receivables and unbilled revenue	(21,12,63,720)	(6,11 38,737)
Changes in loans, other financial assets and other assets	(5,33,17,370)	(1,66,13,273)
Changes in trade payables and other financial liabilities	28,26,18,018	4 93,71 106
Cash generated from operations	**10,09,06,957**	**3,39,46,683**
Income taxes paid, net of refund	(30,02,223)	77,75,912
Net cash provided by/ (used in) operating activities (A)	**9,79,04,734**	**4,17,22,595**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(1,72,77,161)	(2,88,77,061)
Bank deposits (having original maturity of more than three months)	(63,19,519)	(4,86,20,000)
Interest income on term deposits	28,75,189	22,16,682
Deferred tax liabilities (net)	(29,92,058)	-
Net cash used in investing activities (B)	**(2,37,13,549)**	**(7,52,80,379)**
Cash flows from financing activities		
Proceeds from borrowings	(2,00,17,492)	4,97,90,273
Lease liability paid	(4 60,06,143)	(5,13 71,029)
Interest paid	(1,44,69,145)	(1,35,08,122)
Net cash used in financing activities (C)	**(8,04,92,779)**	(1,50,88,878)
Net increase in cash and cash equivalents (A+B+C)	(63,01,593)	(4,86,46,662)
Cash and cash equivalents at the beginning of the period	2,70,97 942	7,57 44,604
Cash and cash equivalents at the end of the year (refer note 11)	2,07,96,349	2,70,97,942

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

Ananthakrishnan Govindan
Partner
Membership No 205226

Place: Hyderabad
Date 10-05-2022

for and on behalf of the Board of Directors of
Qdigi Services Limited (formerly known as HCL Computing Products Limite
CIN: U52100DL2012PLC238730

Deven Sharma
Director
DIN: 08987509

Place: Bengaluru
Date: 10-05-2022

QDIGI Services Limited

Srinivasan Guruprasad
Director
DIN: 0007596207

Place: Bengaluru
Date: 10-05-2022

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Statement of Changes in Equity for the year ended 31 March 2022

(Amount in INR)

(A) Equity share capital	31 March 2022	31 March 2021
Opening balance	5,34,96,500	5 34 96,500
Changes in equity share capital	-	-
Closing balance (refer note 16)	**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 2020	29,15,03,450	(5,01,83,702)	20,00,000	3,55,570	24 36,75,318
Add: Issue of equity shares		-	-	-	
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 17)	**29,15,03,450**	**(6,06,26,279)**	**20,00,000**	**4,77,965**	**23,33,55,136**
Balance as of 1 April 2021	29,15,03,450	(6,06 26,279)	20,00,000	4,77 965	23 33,55,136
Add Profit/(Loss) for the year	-	1,43 55,196	-	-	1 43 55 196
Add Other comprehensive income (net of tax)	-	-	-	(6 36 127)	(6 36 127)
Balance as of 31 March 2022 (refer note 17)	**29,15,03,450**	**(4,62,71,083)**	**20,00,000**	**(1,58,162)**	**24,70,74,204**

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
Date 10-05-2022

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
Date 10-05-2022

Qdigi Services Limited

Srinivasan Gurupras...
Director
DIN: 0007596207

Place Bengaluru
Date 10-05-2022

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Notes to the financial statements for the year ended 31 March 2022

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	Total Property, Plant and Equipment	Right to use asset	Capital work-in-progress
Cost								
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	12,23,85,076	21,44,61,479	3,52,382
Addition during the year	1,25,24,767	6,65,095	8,85,895	24,600	21,11,754	1,62,12,110	4,33,46,372	
Disposals	-	-	-	-	-	-	(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**	**13,85,97,188**	**17,03,19,345**	**-**
Balance as at 1 April 2021	6,28,63,888	1,71,22,882	1,68,45,617	93,82,793	3,23,82,008	13,85,97,188	17,03,19,345	-
Addition	29,50,382	-	1,91,151	4,33,749	36,74,176	72,49,458	3,94,29,019	76,852
Disposals	-	(6,001)	-	-	-	(6,001)	-	
Capitalised during the year						-		
Balance as at 31 March 2022	**6,58,14,270**	**1,71,16,881**	**1,70,36,767**	**98,16,541**	**3,60,56,183**	**14,58,40,643**	**20,97,48,364**	**76,852**
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	9,83,30,110	4,58,38,345	-
Depreciation for the year	67,47,953	20,71,929	25,39,820	11,60,932	26,98,089	1,52,18,724	5,06,02,034	-
Disposals	-	-	-	-	-	-	(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**	**11,35,48,834**	**6,81,64,646**	**-**
Accumulated depreciation and impairment losses						-		
Balance as at 1 April 2021	4,91,81,544	1,50,00,663	1,22,82,154	88,92,695	2,81,91,778	11,35,48,834	6,81,64,646	-
Depreciation for the year	76,47,752	7,10,120	16,09,717	2,30,051	29,38,901	1,31,36,540	4,52,73,304	
Disposals	-	-	-	-	-	-	-	
Closing accumulated depreciation as at 31 Mar 2022	**5,68,29,296**	**1,57,10,782**	**1,38,91,871**	**91,22,746**	**3,11,30,679**	**12,66,85,375**	**11,34,37,950**	**-**
As at 31 Mar 2022	**89,84,973**	**14,06,098**	**31,44,896**	**6,93,796**	**49,25,504**	**1,91,55,268**	**9,63,10,414**	**76,852**
As at 31 Mar 2021	**1,36,82,344**	**21,22,220**	**45,63,463**	**4,90,098**	**41,90,230**	**2,50,48,354**	**10,21,54,699**	**-**

Note

a The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets)

b The Company doesn't have title deeds which are held other than in the company's name as at the balance sheet date

c The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property

QDIGI Services Limited

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Notes to the financial statements for the year ended 31 March 2022

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 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**
Balance as at 1 April 2021	18,42,35,457	76,37,414	21,94,000	19,40,66,871	2,39,68,964
Addition	-	-	3,39,19,814	3,39,19,814	99,50,851
Deletion	-	-	-	-	(3,39,19,814)
Balance as at 31 March 2022	**18,42,35,457**	**76,37,414**	**3,61,13,814**	**22,79,86,685**	-
Amortisation for the year					
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**	-
Balance as at 1 April 2021	-	45,84,960	21,89,540	67,74,500	-
Amortisation for the year	-	15,26,646	4,460	15,31,106	-
Deletion	-	-	-	-	-
Balance as at 31 March 2022	-	**61,11,605**	**21,94,000**	**83,05,606**	-
Net Carrying amount					
As at 31 Mar 2022	**18,42,35,457**	**15,25,809**	**3,39,19,813**	**21,96,81,078**	-
As at 31 Mar 2021	**18,42,35,457**	**30,52,454**	**4,459**	**18,72,92,370**	**2,39,68,964**

a The company has not revalued intangible assets as at the balance sheet date
b The Company has no Capital Work in Progress and Intangibles under Development
c The Company has no closing Capital Work in Progress and Intangibles under Development. Opening intangible under development has been Capitalised as it is put to use on 31 03 2022

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Notes to the financial statements for the year ended 31 March 2022

5 Non current loans

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Security deposits	89,72,340	1,02,18,915
	89,72,340	**1,02,18,915**

6 Deferred tax assets / (liability) (net)

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset:		
Impairment loss allowance on financial assets	12,93,832	11,35,942
Provision on employee benefits - Gratuity	33,03,552	21,39,463
Provision on employee benefits - Compensated absences	15,92,652	12,82,341
Bonus and Commission	50,93,140	28,50,717
Property Plant and Equipment	(18,02,650)	57,06,735
Lease liability	2,62,16,022	2,78,71,484
Intangibles - Customer Relationship	66,28,829	42,683
Deferred tax liability:		
Intangibles - Goodwill on Business Combination	(2,02,87,778)	(2,02,87,778)
Right to use asset	(2,42,41,331)	(2,57,12,338)
Other comprehensive income	1,88,727	(36,312)
Net deferred tax assets/(liabilities)	**(20,15,005)**	**(50,07,063)**

A Amount recognised in statement of profit or loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	28,03,332	(1,68 01,347)
Increase/ reduction of tax rate	-	-
Income tax expense reported in the Statement of Profit and Loss	**28,03,332**	**(1,68,01,347)**

B Income tax recognised in other comprehensive income

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement of the net defined benefit liability/ asset		
Before tax	(8,24,854)	1 58 707
Tax (expense)/ benefit	1,88 727	(36,312)
Net of tax	**(6,36,127)**	**1,22,395**

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 2022 and 31 March 2021

Non-current tax assets (net)

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income tax assets	1,46,92,938	86,98,655
Net income tax assets at the end of the year	1,46,92,938	86,98,655

There is no current tax asset hence not disclosed separately

F **Recognised deferred tax assets and liabilities**

Movement of deferred tax assets / liabilities presented in the balance sheet

For the year ended 31 March 2022 *(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	11,35,942	1,57,889	-	12,93,832
Provision for employee benefits	33,85,492	15,10,713	1,88,727	50,84,931
Provision for bonus	28,50,717	22,42,423	-	50,93,140
Fixed assets	57,06,735	(75,09,385)	-	(18,02,650)
Lease liability	2,78,71,484	(16,55,462)	-	2,62,16,022
Customer relationships	42,683	65,86,146	-	66,28,829
	4,09,93,053	13,32,324	1,88,727	4,25,14,104
Deferred tax liabilities:				
Right to use asset	2,57,12,338	(14,71,007)	-	2,42,41,331
Customer relationships	2,02,87,778	-	-	2,02,87,778
	4,60,00,116	(14,71,008)	-	4,45,29,109
Deferred tax assets/(liabilities)	(50,07,063)	28,03,332	1,88,727	(20,15,006)

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	(1,68,01,347)	-	4,60,00,117
Net deferred tax assets	(52,39,524)	2,68,773	(36,312)	(50,07,063)
Deferred income tax liabilities:				
Deferred income tax liabilities	-	-	-	-
Deferred tax assets/(liabilities)	(52,39,524)	2,68,773	(36,312)	(50,07,063)

7 **Income tax assets (net)**

(Amount in INR)

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
TDS Receivable	1,46,92,938	86,98,655
	1,46,92,938	86,98,655

8 **Other non-current assets**

(Amount in INR)

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Unsecured, considered good		
Prepaid expenses	8,20,334	15,35,906
	8,20,334	15,35,906

9 **Inventories**

(Amount in INR)

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Valued at lower of cost and net realizable value		
Stores and spares	19,71,99,547	14,27,47,752
	19,71,99,547	14,27,47,752

QDIGI Services Limited

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Notes to the financial statements for the year ended 31 March 2022

10 Trade receivables

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured		
Considered good	24,83,51,777	14,19,09,412
Considered doubtful	51,40,372	45,13,079
	25,34,92,149	14,64,22,491
Less: Allowance for bad and doubtful debts		
Unsecured considered good	(12,61,798)	(26,83,085)
Considered doubtful	(38,78,574)	(18,29,995)
	(51,40,372)	(45,13,080)
Net trade receivables	24,83,51,777	14,19,09,411

Trade Receivable Unbilled

Particulars	As at 31 March 2022	As at 31 March 2021
Unbilled revenue	10,70,88,063	5,73,45,797
Less: Loss Allowance	-	-
	10,70,88,063	5,73,45,797
Total Trade Receivable	35,54,39,840	19,92,55,208

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 33
All amounts are short-term The net carrying value of trade receivables is considered a reasonable approximation of fair value

Trade receivable ageing schedule as on 31 March 2022

Particulars	Outstanding for the following periods from due date of transaction							
	Not billed	Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables (Gross)								
- Considered good	10,70,88,063	10,24,83,889	13,67,84,061	1,24,99,997	17,24,200			36,05,80,211
- Having significant credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	6,670	79,121	33,30,380	17,24,200	-	-	51,40,372
Disputed trade receivables (Gross)								
- Considered good	-	-	-	-	-	-	-	
- Having significant credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-

Trade receivable ageing schedule as on 31 March 2021

Particulars	Outstanding for the following periods from due date of transaction							
	Not billed	Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables (Gross)								
- Considered good	5,73,45,797	6,78,01,808	6,21,86,650	1,52,72,655	11,61,379	-	-	20,37,68,288
- Having significant credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	836	5,668	33,45,196	11,61,379	-	-	45,13,079
Disputed trade receivables (Gross)								
- Considered good	-	-	-	-	-	-	-	-
- Having significant credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-
Intercompany AR balance								
Quess Corp Limited	-	3,29,130	-	-	-	-	-	3,29,130
Monster com (India) Private Limited	-	40,922	-	-	-	-	-	40,922

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Notes to the financial statements for the year ended 31 March 2022

11 Cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash in hand	28,58,863	26,66,786
In current accounts	1,79,37,486	2,44,31,156
Cash and cash equivalents	**2,07,96,349**	**2,70,97,942**

12 Bank balances other than cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
In deposit accounts (with maturity for more than 3 months but less than 12 months from balance sheet date)	7,48,94,449	6,85,74,930
	7,48,94,449	**6,85,74,930**

All above deposit with 2 Bankers - Axis Bank (3 72 Crore) and HDFC Bank (3,77 Crore) is in lien with them for issuing Bank gurantee to Original Equipment Manufactuers

13 Current loans

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Security deposits	1,08,48,221	92,45,575
Deposits and other advances	15,87,520	15,87,520
Less: Unsecured, considered doubtful	(15,87,520)	(15,87,520)
	1,08,48,221	92,45,575
Other loans and advances		
Loans to employees*	10,965	24,507
	1,08,59,186	**92,70,082**

* 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

13.1 Loans granted to promoters, directors, KMPs and related parties is NIL during FY 21-22 (FY 20-21 - NIL)

14 Other current financial assets

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due	54,80,015	37,71,684
	54,80,015	**37,71,684**

15 Other current assets

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances to suppliers	12,14,585	7,38,924
Prepaid expenses	4,21,50,971	1,45,64,340
Balances with government authorities	4,39,97,767	1,87,24,261
Other advances		
Travel advances to employees	1,20,031	8,12,435
	8,74,83,354	**3,48,39,960**

16 Equity share capital

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
65,00,000 (31 March 2021: 65,00,000) 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 2021: 53,49,650) 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**

16.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2022		As at 31 March 2021	
	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	53,49,650	5,34,96,500
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**53,49,650**	**5,34,96,500**	**53,49,650**	**5,34,96,500**

QDIGI Services Limited

16.2 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2022		As at 31 March 2021	
	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%

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

16.3 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

16.4 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

17 Other equity*

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium account (refer note 17 1)	29,15,03,450	29,15,03,450
Other Equity- Corporate Guarantee (refer note 17 2)	20,00,000	20,00 000
Other comprehensive income (refer note 17 3)	(1,58,162)	4,77,965
Retained earnings	(4,62,71,083)	(6,06,26,279)
	24,70,74,205	23,33,55,135

17 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 (FY 19-20) at a premium of Rs 133 per share

17.2 Corporate guarantee

It pertains to the Corporate guarantee given by Quess Corp Limited for cash credit facility taken from HDFC Bank

17.3 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

18 Non-current Employee benefit obligations

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity (unfunded) (refer note 40)	1,06,09,945	71,65,473
Provision for compensated absences (unfunded) (refer note 40)	28,55,561	28,11,194
	1,34,65,506	99,76,667

19 Other non-current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Long term maturities of finance lease obligations	5,76,43,777	7,22,18,695
	5,76,43,777	7,22,18,695

QDIGI Services Limited

20 Current borrowings

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities	2,97,72,782	4,97,90,273
	2,97,72,782	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 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

21 Trade payables

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payable		
- Total Outstanding dues of Micro enterprises and Small Enterprise and	-	-
- Total Outstanding dues other than Micro enterprises and Small Enterprise	7,39,13,195	6,19,58,218
	7,39,13,195	**6,19,58,218**
# payable to related party (refer note 38)	47,89,811	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 33

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2022:

Particulars	Outstanding for the following periods from due date of payment					
	Unbilled dues	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	21,22,24,985	6,04,00,756	1,35,12,387	-	-	28,61,38,128
Disputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-			-	-	-
Intercompany AP balance						
Quess Corp Limited	13,14,208	47,62,451	-	-	-	60,76,659
Allsec technologies limited	2,98,958	27,360	-	-	-	3,26,318
Terrier Security Services (India) Private Limited	6,96,684	-	-	-	-	6,96,684

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2021:

Particulars	Outstanding for the following periods from due date of payment					
	Unbilled dues	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed						
- Micro enterprises and small enterprises						
- Others	13,73,40,426	6,07,32,956	12,25,215	-	-	19,92,98,597
Disputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Intercompany AP balance						
Quess Corp Limited	4,03,800	50,97,381	-	-	-	55,01,181
Monster com (India) Private Limited	-	1,18,000	-	-	-	1,18,000
Allsec technologies limited	4,23,054	-	-	-	-	4,23,054
Terrier Security Services (India) Private Limited	4,63,733	-	-	-	-	4,63,733

22 Other current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Payable for acquisition of business		
Amount payable to related parties	17,79,70,127	7,37,81,374
Other Payables		
Accrued salaries and benefits	3,83,00,286	3,99,56,642
Provision for Expenses	21,22,24,985	13,73,40,426
Provision for bonus and incentive	2,02,34,964	1,13,25,852
	44,87,30,362	26,24,04,294

The Company's exposure to currency and liquidity risk related to other current financial liabilities is disclosed in note 33

23 Current Employee benefit obligations

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity (unfunded) (refer note 40)	25,15,013	13,34,579
Provision for compensated absences (unfunded) (refer note 40)	34,72,021	22,83,525
	59,87,034	36,18,104

24 Other current liabilities

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Income received in advance	7,94,26,633	1,71,22,825
Balances payable to government authorities	68,41,383	74,45,661
Security deposits - Received from Vendors	4,69,83,532	2,95,67,729
	13,32,51,548	5,41,36,215

The Company's exposure to currency and liquidity risk related to other current liabilities is disclosed in note 33

Qdigi Services Limited

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Notes to the financial statements for the year ended 31 March 2022

25 Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of services		
Sale of services (refer note 42)	69,16,85,654	62,44,23,659
Sale of goods (refer note 42)	1,66,92,03,314	1,22,30,99,842
	2,36,08,88,968	**1,84,75,23,501**

26 Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on deposits with banks	28,75,189	22,16,682
Interest income under the effective interest method on:		
Interest income on present valuation of financial instruments	6,55,313	12,39,959
Interest on tax refunds due	-	8,54,280
Foreign exchange gain	-	9,352
	35,30,502	43,20,273

27 Cost of material, stores and spare parts consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory at the beginning of the year	14,27,47,752	8,23,66,094
Add: Purchases	1,60,35,18,951	1,18,40,37,869
Less: Inventory at the end of the year	19,71,99,547	14,27,47,752
Cost of material, stores and spare parts consumed	**1,54,90,67,156**	**1,12,36,56,211**

28 Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages, bonus and other allowances	42,36,66,775	38,74,53,750
Contribution to provident and other funds	3,19,88,291	3,48,69,128
Expenses related to post-employment defined benefit plan (refer note 40)	38,00,052	30,11,147
Expenses related to compensated absences	12,32,863	(1,97,570)
Staff welfare expenses	50,87,396	49,29,262
	46,57,75,377	43,00,65,717

29 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on financial liabilities at amortised cost	1,25,52,541	1,15,76,669
Other borrowing costs	19,16,604	19,31,453
	1,44,69,145	1,35,08,122

QDIGI Services Limited

30 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 3)	5,84,09,847	6,58,20,758
Amortisation of intangible assets (refer note 4)	15,31,106	15,31,110
	5,99,40,953	6,73,51,868

31 Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sub-contractor charges	13.75,33,674	11.90,46,465
Rent (refer note 39)	1,92,51,711	2.11,12,482
Power and Fuel	1,22,07,919	1.31.45.821
Repairs & maintenance		
- buildings	1,11,49.804	1.09,52,635
- security charges of building	1,33,27,738	1,33,27,738
- plant and machinery	21,64,420	37,166
- others	27,08,531	13.56.026
Auditors' Remuneration (refer note 31.1)	13,00,000	13,00,000
Legal and professional fees	94,78,604	75.54.241
Rates and taxes	37.20,867	24.14.155
Printing and stationery	42,82,270	42.48.654
Freight charges	2.92.45.716	1.33.17.571
Travelling and conveyance	18.22.573	13.19.012
Communication expenses	82.54.967	89.95.232
Impairment loss allowance on financial assets, net [refer note 33(i)]	6,27.293	(44.00.723)
Deposits/Advances Written-off	-	12.02.192
Equipment hire charges	3,23,400	9.72.600
Insurance	5,46,890	6,66.842
Bank charges	53,24,863	52,17.746
Bad debts written off	-	53.37.064
Business promotion and advertisement expenses	13,815	3.82.500
Miscellaneous expenses	3.29.920	4.67.788
	26,36,14,975	22,79,73,207

31.1 Payment to auditors (net of service tax; included in legal and professional fees)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Statutory Audit	11.50,000	11.50.000
Tax Audit	1,50,000	1,50,000
	13,00,000	13,00,000

QDIGI Services Limited

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Notes to the financial statements for the year ended 31 March 2022

32 **Financial instruments - fair value and risk management**

Financial instruments by category

Particulars	Note	31 March 2022			31 March 2021		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets:							
Loans	5 and 13	-	-	1,98,31,527	-	-	1,94,88,997
Trade receivables	10	-	-	35,54,39,840	-	-	19,92,55,208
Cash and cash equivalents including other bank balances	11 and 12	-	-	9,56,90,798	-	-	9,56,72,871
Other financial assets	14	-	-	54,80,015	-	-	37,71,684
Total financial assets		-	-	**47,64,42,180**	-	-	**31,81,88,760**
Financial liabilities:							
Borrowings	20	-	-	2,97,72,781	-	-	4,97,90,273
Trade payables	21	-	-	7,39,13,195	-	-	6,19,58,218
Other financial liabilities	22	-	-	44,87,30,362	-	-	16,35,78,125
Total financial liabilities		-	-	55,24,16,338	-	-	27,53,26,616

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 of Financial Instruments as at 31 March 2022

(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	1,98,31,527	-	-	-
Trade receivables	35,54,39,840	-	-	-
Cash and cash equivalents including other bank balances	9,56,90,798	-	-	-
Other financial assets	54,80,015	-	-	-
Total financial assets	**47,64,42,180**	-	-	-
Financial liabilities measured at amortised cost				
Trade payables	7,39,13,195	-	-	-
Current borrowings	2,97,72,781	-	-	-
Other financial liabilities	44,87,30,362	-	-	-
Total financial liabilities	**55,24,16,338**	-	-	-

Fair value of Financial Instruments as at 31 March 2021

(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	1,94,88,997	-	-	-
Trade receivables	19,92,55,208	-	-	-
Cash and cash equivalents including other bank balances	9,56,72,871	-	-	-
Other financial assets	37,71,684	-	-	-
Total financial assets	**31,81,88,760**	-	-	-
Financial liabilities measured at amortised cost				
Trade payables	6,19,58,218	-	-	-
Current borrowings	4,97,90,273	-	-	-
Other financial liabilities	16,35,78,125	-	-	-
Total financial liabilities	**27,53,26,616**	-	-	-

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

QDIGI Services Limited

33 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 2022 and 31 March 2021 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 2022

(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	10,24,83,889	0 01%	6,670	No	10,24,77 219
1-90 days	13,67,84,061	0 06%	79,121	No	13,67,04,940
91-180 days	88,80,463	13 00%	11,54,727	No	77,25,736
181-270 days	83,192	25 58%	21,279	No	61,913
271-360 days	35,36 342	60 92%	21,54,374	No	13,81,968
Above 360 days	17,24,200	100 00%	17,24 200	No	-
	25,34,92,148		**51,40,371**		**24,83,51,776**

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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The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Balance as at the beginning of the year	45,13,079	89,13,802
Impairment loss allowances recognised/(reversed)	6,27,293	(44,00,723)
Balance as at the end of the year	**51,40,371**	**45,13,079**

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 2022	31 March 2021
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 2022 and 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 2022

(Amount in INR)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	2,97,72,781	2,97,72,781			
Trade payables	7,39,13,195	7,39,13,195	-	-	-
Other financial liabilities	44,87,30,362	44,87,30,362	-	-	-
Other current liabilities	5,38,24,915	5,38,24,915	-	-	-

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	26,24,04,294	26,24,04,294	-	-	-
Other current liabilities	17,43,53,816	17,43,53,816	-	-	-

Qdigi Services 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 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 2022	As at 31 March 2021
Variable rate borrowings	2,97,72,781	4,97,90,273
Total borrowings	**2,97,72,781**	**4,97,90,273**

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	1% increase	1% decrease	1% increase	1% decrease
31 March 2022				
Variable rate borrowings	30,070 51	(30,070 51)	22,501 76	(22,501 76)
31 March 2021				
Variable rate borrowings	58,997.91	(58,997 91)	44,148 14	(44,148 14)

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

34 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 5 The Company's adjusted net debt to equity ratio is as follows:

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Gross debt	81,12,91,260	55,76,23,786
Less: Cash and cash equivalents	2,07,96,349	2,70,97,942
Adjusted net debt	**79,04,94,910**	**53,05,25,844**
Total equity	30,05,70,705	28,68,51,635
Equity	**30,05,70,705**	**28,68,51,635**
Net debt to equity ratio	**2.63**	**1.85**

Qdigi Services Limited

35 Capital commitments

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	6,13,610
	-	6,13,610

35.1 The company has no Contingent Liability as on 31-03-2022 and 31-03-2021

35.2 Contingent Assets are neither recorded nor disclosed in the financial statements

36 Earnings per share

(Amount in INR except number of shares and per share data)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Nominal value of equity shares (amount per share)	10	10
Net profit/(loss) after tax for the purpose of earnings per share	1,43,55,196	(1,04,42,577)
Weighted average number of shares used in computing basic earnings per share	50,74,516	50,74,516
Basic earnings per share	**2.83**	**(2.06)**
Weighted average number of shares used in computing diluted earnings per share	50,74,516	50,74,516
Diluted earnings per share	**2.83**	**(2.06)**

Computation of weighted average number of shares

(Amount in numbers)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Number of equity shares outstanding at beginning of the year	50,74,516	50,74,516
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

37 Earnings in foreign currency

There is no earning in foreign currency during the current year and previous year

38 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

Key executive management personnel

Srinivasan Guruprasad	Director
Lohit Bhatia	Director
Deven Sharma	Director and Chief Executive Officer

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Notes to the financial statements for the year ended 31 March 2022

(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*	Fellow Subsidiary	India
MFX Infotech Private Limited	Fellow Subsidiary	India
Aravon Services Private Limited*	Fellow Subsidiary	India
Brainhunter Systems Ltd	Fellow Subsidiary	Canada
Mindwire Systems Limited	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
CentreQ Business Services Private Limited*	Fellow Subsidiary	India
Excelus Learning Solutions Private Limited	Fellow Subsidiary	India
Conneqt Business Solutions Limited	Fellow Subsidiary	India
Vedang Cellular Services Private Limited	Fellow Subsidiary	India
Master Staffing Solutions 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
Brainhunter Company LLC	Fellow Subsidiary	Canada
Greenpiece Landscapes India Private 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
Heptagon Technologies Private Limited	Fellow Subsidiary	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

(iii) Related party transactions

Particulars	Name of the entity	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations			
	Quess Corp Limited	1 88 406	10 93 538
Intangible asset under development			
	Quess Corp Limited	-	29 23 858
Other expenses			
	Quess Corp Limited	60,04 018	52 04 181
	Terrier Security Services (India) Private Limited	68 62 470	72 56 322
	Allsec Technologies Limited	19,22 749	19 41,256
Payment made by related parties on behalf of the Company			
	Quess Corp Limited	9 37 34 169	7,78 01 658

(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 2022	As at 31 March 2021
Trade receivables (gross of loss allowance)			
	Quess Corp Limited	-	3 29 130
	Monster com (India) Private Limited	-	40,922
Trade payables			
	Quess Corp Limited	47 62 451	[illegible]
	Monster com (India) Private Limited	-	[illegible]
	Allsec technologies limited	27,360	-
Other current financial liabilities			
	Quess Corp Limited	16 36 68 643	7,37,81,374
Provision for expense			
	Quess Corp Limited	13,14 208	4 03 800
	Terrier Security Services (India) Private Limited	6 96 684	4 63 733
	Allsec technologies limited	2 98 958	4 23 054
Interest payable			
	Quess Corp Limited	3 01 483	-
Short term loans and advances payable			
	Quess Corp Limited	[illegible]	-
Guarantee taken			
	Quess Corp Limited	[illegible]	50,00 00 000

(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 *		
Deven Sharma	[illegible]	[illegible]
M S Kalsi	-	84 26 996
	1,44,50,000	**2,31,26,996**

*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 For the year ended 31 March 2022 the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022 Nil 1 April 2021 Nil) This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates

39 Lease Liability

(Amount in INR)

Particulars	As at 31 March 2022
Current lease liability	4 65 12 052
Non-current lease liability	5 76 43 777
Total	**10,41,55 829**

The following is the movement in lease liabilities

(Amount in INR)

Particulars	As at 31 March 2022
Operating lease recognised on adoption of Ind AS 116	11 07 32,951
Add Additions	3 94 29 019
Less Deletion	-
Add Finance cost accrued during the period	74 16 679
Less Payment of lease obligation	[illegible]
Carrying amount as at 31 March 2022	10 41 55 829

Amount recognised in Profit and loss statement:

(Amount in INR)

Particulars	For the year ended 31 March 2022
Interest expense (included in finance cost)	74 16 679
Expenses relating to short-term lease (included in other expenses)	1 92 51,711
Expenses relating to lease of low value assets that are not included above (included in other expenses)	-
	2,66,68,389

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2022 on an undiscounted basis:

(Amount in INR)

Particulars	For the year ended 31 March 202
Less than one year	5 43 61,571
One to five years	6 26 48,419
More than five years	-

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Notes to the financial statements for the year ended 31 March 2022

40 Assets and liabilities relating to employee benefits

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability gratuity plan	1,31 24 958	85,00 052
Liability for compensated absences	63 27,582	50 94 719
Total employee benefit liability	**1,94,52,540**	**1,35,94,771**
Current [refer note 23]	59 87,034	36 18 104
Non-current [refer note 18]	1 34,65,506	99,76 667
	1,94,52,540	1,35,94,771

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 2022		31 March 2021	
	Core employees	Associate employees	Core employees	Associate employees
Reconciliation of present value of defined benefit obligation				
Obligation at the beginning of the year	57 81 032	27 19 020	56 10 680	11 27,253
Additions through business combination	-	-	-	-
Current service cost	13 85 815	19 92 251	11 69 034	14 88,070
Interest cost	2 88 848	1 33 138	2 97 157	56 886
Past service cost			-	-
Benefit settled	-	-	(10 90 322)	-
Actuarial (gains)/ losses recognised in other comprehensive income				
- Changes in experience adjustments	5 70 924	4,19 644	(2 66 537)	25 330
- Changes in demographic assumptions			-	-
- Changes in financial assumptions	(1,42 506)	(23 208)	61 019	21 481
Obligation at the end of the year	**78,84,112**	**52,40,845**	**57,81,032**	**27,19,020**
Net defined benefit liability	78,84,112	52,40,845	57,81,032	27,19,020

B i) **Expense recognised in statement of profit or loss**

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	33 78 066	26 57 10[illegible]
Interest cost	4 21 986	3 54 043
Past service cost	-	-
Interest income	-	-
Net gratuity cost	**38,00,052**	**30,11,147**

ii) **Remeasurement recognised in other comprehensive income**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement of the net defined benefit liability	-	(1 58 [illegible])
Remeasurement of the net defined benefit asset	8 24 854	-

C **Defined benefit obligation - Actuarial Assumptions**

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Core employees	Associate	Core employees	Associate employees
Discount rate	[illegible] 55%	5 00%	5 00%	4 90%
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

Core Employee *REF*

Particulars	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	76 37 182	81,47 050	55 82,059	59 93,492
Future salary growth (1% movement)	81 43 373	76 35 928	59 89 389	55 82 059
Attrition rate (50% movement)	73 42,155	86,20 334	51 94 007	66 54,740

Associate employees

Particulars	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	50 16 512	54,79 534	25 79 942	28,68 112
Future salary growth (1% movement)	54 72 700	50 18 565	28,63 685	25 81 337
Attrition rate (50% movement)	22 23 709	1 01 42 416	7 93 388	68 58 731

41 **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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Notes to the financial statements for the year ended 31 March 2022

42 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 2022 and 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

Sale of services

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenues by Geography		
India	2,36,08,88,968	1,84,75,23,501
Rest of the World	-	-
Total	2,36,08,88,968	1,88,15,21,164

Nature of Services	For the year ended 31 March 2022	For the year ended 31 March 2021
Electronics repairing maintainance	2,36,08,88,968	1,84,75,23,501
Total	2,36,08,88,968	1,84,75,23,501

Revenue By Contract type	For the year ended 31 March 2022	For the year ended 31 March 2021
Fixed Price	-	-
Time & Material	2,36,08,88,968	1,84,75,23,501
Total	2,36,08,88,968	1,84,75,23,501

(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 2022	As at 31 March 2021
Receivables which are included in 'Trade and other receivables'	35,54,39,840	14,19,09,411
Contract assets (Unbilled revenue)	10,70,88,063	5,73,45,797
Contract liabilities (Unearned revenue & Advance r'd from customers)	7,94,26,633	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 2022 and 31 March 2021

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning	5,73,45,797	2,45,71,187
Add Revenue recognized during the period	2,36,08,88,968	1,84,75,23,501
Less Invoiced during the period	2,31,11,46,702	1,81,47,48,891
Balance at the end	10,70,88,063	5,73,45,797

The following table discloses the movement in unearned revenue (contract liabilities) balances for the year ended 31 March 2022

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning	1,71,22,825	-
Less Revenue recognized during the period	(96,28,226)	-
Add Invoiced during the period but not recognized as revenues	7,19,32,034	1,71,22,825
Balance at the end	7,94,26,633	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 2022, other than those meeting the exclusion criteria mentioned above is INR 6,33,55,635 (31 March 2021 Rs 1,18,42,851) Out of this, the Company expects to recognize 26 2 % of revenue within the next one year

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Notes to the financial statements for the year ended 31 March 2022

43 Ratios

S No.	Ratio	Formula	Particulars		March 31, 2022		March 31, 2021		Ratio as on	Ratio as on	Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	31-Mar-22	31-Mar-21		
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Contract Assets + Assets held for Sale	Current Liabilities = Short term borrowings + Trade Payables + Other financial Liability + Current tax (Liabilities) + Contract Liabilities + Provisions + Other Current Liability	75 21 52 740	73 81 66 972	48 55 57 558	47 04 21,360	[illegible]	1.03	-1%	NA
(b)	Debt-Equity Ratio	Debt / Equity	Debt= long term borrowing and current maturities of long-term borrowings and redeemable preference shares treated as financial liability	Equity= Equity + Reserve and Surplus	2 97 72 781	[illegible]	4 97 90 273	28 68 51 635	0.10	0.17	-43%	Increased Cash flow from operations helped repayment to CC hence favourable ratio
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	8 59 61 963	1,44 69 145	7 01 48 640	1 35,08 122	5.9	5.2	14%	NA
(d)	Return on Equity Ratio	Profit after tax less pref Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes – Preference Dividend	Shareholder's Equity	1 43 55 196	[illegible]	(1,04 42 577)	28 68 51 635	5%	-4%	-231%	There has been improvement in operating profits and cash flows during the year ended 31st March 2022 as compared to earlier years
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	1 54 90 67 156	[illegible]	1 12 36 56,211	11 25,56,923	9.11	9.98	-9%	NA
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	2 36 08 88 968	27 73 47 524	1 84 75 23 501	18 43 90 713	8.51	10.02	-15%	NA
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	1,81 26 82 131	6 79 35 706	1 35,16 29 418	[illegible]	26.68	43.63	-39%	Increased business during the year and current operational cashflow helps reducing the ratio
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	Average Working Capital= Average of Current assets – Current liabilities	2 36 08 88 968	[illegible]	1 84,75 23 501	3 93 40 895	162.14	46.96	245%	Increased business during the year and current operational cashflow helps reducing the ratio
(i)	Net Profit Ratio	Net Profit / Net Sales	Net Profit	Net Sales	1 37 19 069	[illegible]	[illegible]	28 68,51,635	0.05	(0.04)	-227%	Current year Profit is increased due to favourable business and last year being COVID hit year
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Assets - Current Liability	3 16 27 674	[illegible]	33 34 319	[illegible]	0.08	0.01	[illegible]	Current year EBIT is increased due to favourable business and last year being COVID hit year
(k)	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Net Equity	1 37 19 069	[illegible]	[illegible]	28 68 51 635	0.05	(0.04)	-227%	Current year EBIT is increased due to favourable business and last year being COVID hit year

Qdigi Services Limited

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Notes to the financial statements for the year ended 31 March 2022

44 **Bank Guarantees Outstanding**

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Apple India Private Limited	80,00,000	80,00,000
Mepro Technology (India) Co Private Limited	-	20,00,000
Samsung India Electronics Private Limited	11,72,00,000	11,17,14,930
Xiaomi Technology India Private Limited	5,28,00,000	4,00,00,000
Mobitech Creations Private Limited	5,25,00,000	5,00,00,000
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	4,27,262
BSH Household Appliances Manufacturing Private Limited	15,00,000	15,00,000
Atomberg Technologies Pvt Ltd	4,00,000	4,00,000
	23,58,27,262	**21,70,42,192**

45 **Crypto Currency**
The Company does not have any transation or balance in crypto currency or virtual currency

46 **Undisclosed income**
The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year)

47 **The Code on Social Security 2020**
The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020 The Code has been published in the Gazette of India Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13 2020 However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published

48 **Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956**
The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

49 **Registration of charges or satisfaction with Registrar of Companies**
The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

50 **Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions**
31-03-2022

INR in Lacs

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-21	HDFC Bank Ltd	Inventory and Book Debts	3 122 10	3 122 10	-	NA
Sep-21	HDFC Bank Ltd		4 835 24	4 835 24	-	
Dec-21	HDFC Bank Ltd		[illegible]	[illegible]		
Mar-22	HDFC Bank Ltd		4 455 51	4,455 51	-	

31-03-2021

INR in Lacs

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-20	Axis Bank Ltd	Inventory and Book Debts	2,317 87	2,317 87	-	NA
Sep-20	Axis Bank Ltd		3,317 15	3 317 15	-	
Dec-20	Axis Bank Ltd		3 951 24	3,951 24	-	
Mar-21	HDFC Bank Ltd		2 846 57	2,846 57	-	

51 **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 2022 and 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

52 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

Ananthakrishnan Govindan
Partner
Membership No 205226

Place Hyderabad
Date 10-05-2022

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
Date: 10-05-2022

Srinivasan Gurupaadam
Director
DIN 0007596207

Place Bengaluru
Date 10-05-2022

PRAVEEN JAYDEEP & Co
Chartered Accountants
No. 7, 2nd Floor, 22nd Cross, Cubbonpet, Bangalore - 560 002

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, 2022, 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 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 section133 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 2022 and its profit 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 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.

PRAVEEN JAYADEEP & CO. * FRN : 015597S Bengaluru * Chartered Accountants *

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.

PRAVEEN JAYADEEP & CO. * Chartered Accountants * FRN : 015597S Bengaluru

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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.

PRAVEEN JAYADEEP & CO. FRN : 015597S Bengaluru Chartered Accountants

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 JAYADEEP & CO. FRN : 015597S Bengaluru Chartered Accountants

(Praveen Kumar)
Partner
Membership No.229874
Place: Bangalore
Date: 24-05-2022
UDIN-22229874AJNOKH8061

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 2022, 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 2022 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.

PRAVEEN JAYADEEP & CO. * Chartered Accountants * FRN : 015975 Bengaluru

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

JAYADEEP &
FRN: 015597S
Bengaluru
Chartered Ac

(Praveen Kumar)
Partner
Membership No.229874

Place: Bangalore
Date: 24-05-2022
UDIN-22229874AJNOKH8061

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 2022 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.

PRAVEEN JAYADEEP & CO. FRN : 015597S Bengaluru * Chartered Accountants *

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 2022, 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 JAYADEEP & CO. * Chartered Accountants * FRN : 015597S Bengaluru

(Praveen Kumar)

Partner

Membership No.229874

Place: Bangalore

Date: 24-05-2022

UDIN-22229874AJNOKH8061

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, 2022, 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 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 section133 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 2022 and its profit 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 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.

PRAVEEN JAYADEEP & CO. * FRN : 015597S Bengaluru * Chartered Accountants

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.

PRAVEEN JAYADEEP & CO.
FRN : 015597S
Bengaluru
Chartered Accountants

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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.

PRAVEEN JAYADEEP & CO.
FRN : 015597S
Bengaluru
Chartered Accountants

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 JAYADEEP & CO. * FRN : 015597S Bengaluru * Chartered Accountants

(Praveen Kumar)
Partner
Membership No.229874
Place: Bangalore
Date: 24-05-2022
UDIN-22229874AJNOKH8061

PRAVEEN JAYDEEP & Co
Chartered Accountants
No. 7, 2nd Floor, 22nd Cross, Cubbonpet, Bangalore - 560 002

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 2022, 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 2022 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.

PRAVEEN JAYDEEP & CO. * Chartered Accountants * FRN : 01[illegible]597S Bengaluru

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

JAYADEEP &
FRN : 015597S
Bengaluru
Chartered Acc

(Praveen Kumar)
Partner
Membership No.229874

Place: Bangalore
Date: 24-05-2022
UDIN-22229874AJNOKH8061

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 2022 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.

PRAVEEN JAYADEEP & CO.
FRN : 015597S
Bengaluru
Chartered Accountants

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 2022, 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 JAYADEEP & CO. FRN : 015597S Bengaluru Chartered Accountants

(Praveen Kumar)

Partner

Membership No.229874

Place: Bangalore

Date: 24-05-2022

UDIN-22229874AJNOKH8061

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

(Amount in INR)

Balance Sheet	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	29,76,290	15,68,797
Goodwill	4	-	-
Other intangible assets	4	1,47,40,459	1,13,88,700
Intangible assets under development	4	-	-
Financial assets			
(i) Investments	5	-	-
(ii) Non-current loans	6	-	-
(iii) Other non-current financial assets	7	4,25,00,000	4,00,00,000
Deferred tax assets (net)	8	-	-
Income tax assets (net)	8	-	-
Other non-current assets	9	-	-
Total non-current assets		**6,02,16,749**	**5,29,57,497**
Current assets			
Inventories	10	-	-
Financial assets			
(i) Investments	11	-	-
(ii) Trade receivables	12	2,79,09,783	1,33,58,257
(iii) Cash and cash equivalents	13	32,75,939	63,80,441
(iv) Bank balances other than cash and cash equivalents above	14	-	-
(iv) Current loans	15	1,78,200	-
(v) Other current financial assets	16	-	-
(vi) Unbilled revenue	17	35,39,128	26,81,431
Other current assets	18	1,02,94,885	24,30,518
Total current assets		**4,51,97,934**	**2,48,50,647**
Total assets		**10,54,14,683**	**7,78,08,144**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	2,34,050	2,34,050
Other equity	20	9,49,01,574	6,82,06,116
Total equity		**9,51,35,624**	**6,84,40,166**
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	30,24,299	13,19,716
Deferred income tax liabilities (net)	8	6,17,551	4,95,799
Current provisions	27	30,92,077	20,03,170
Other current liabilities	28	35,45,134	55,49,293
Total current liabilities		**1,02,79,060**	**93,67,978**
Total Liabilities		**1,02,79,060**	**93,67,978**
Total Equity and Liabilities		**10,54,14,684**	**7,78,08,144**

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 JAYADEEP & CO. FRN : 015597S Bengaluru Chartered Accountants

Praveen Kumar
Partner
Membership No.: 229874

for and on behalf of Board of Directors of
SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

Anil Prem DSouza
Director

Harsh Sharma
Director

Simpliance Technologies Pvt Ltd.

Place: Bengaluru
Date: 24-05-2022

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

(Amount in INR)

Statement of Profit and Loss	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	29	12,04,85,360	7,50,52,006
Other income	30	23,58,194	20,67,755
Total income		**12,28,43,554**	**7,71,19,761**
Expenses			
Cost of material and stores and spare parts consumed	31	-	-
Employee benefit expenses	32	5,16,15,384	3,59,50,597
Finance costs	33	18,014	4,420
Depreciation and amortisation expense	34	74,89,777	56,69,296
Other expenses	35	2,80,46,525	1,38,42,760
Total expenses		**8,71,69,701**	**5,54,67,072**
Profit before tax		**3,56,73,853**	**2,16,52,689**
Tax expense			
Current tax	8	88,56,644	53,89,506
Adjustments of tax relating to earlier periods	8	-	-
Deferred tax	8	1,21,752	60,042
Total tax expenses		**89,78,396**	**54,49,548**
Profit for the year		**2,66,95,458**	**1,62,03,141**
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		**2,66,95,458**	**1,62,03,141**
Earnings per equity share (face value of Rs 10 each)			
Basic (in Rs)	42	1,141	692
Diluted (in Rs)	42	1,141	692

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
Partner
Membership No.: 229874

PRAVEEN JAYADEEP & CO. FRN : 015597S Bengaluru Chartered Accountants

for and on behalf of Board of Directors of
SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

Anil Prem D'Souza
Director

Hansa Sharma
Director

Simpliance Technologies Pvt Ltd

Place: Bengaluru
Date: 24-05-2022

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Statement of Changes in Equity for the year ended 31 March 2022

(A) Equity share capital

(Amount in INR)

Particulars	Note	31 March 2022	31 March 2021
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 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
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 2021		4,48,75,950	-	-	2,33,30,166	-	-	-	-	**6,82,06,116**
Balance as of 1 April 2021		4,48,75,950	-	-	2,33,30,166	-	-	-	-	**6,82,06,116**
Add: Premium received on issue of equity shares	20	-								-
Less: Share issue expenses	20									-
Add: Profit for the year					2,66,95,458					2,66,95,458
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 2022		4,48,75,950	-	-	5,00,25,624	-	-	-	-	**9,49,01,574**

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 JAYADEEP & CO. * Chartered Accountants *
FRN : 015597S
Bengaluru

Praveen Kumar
Partner
Membership No.: 229874

for and on behalf of Board of Directors of
SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

Anil Prem D'Souza
Director

Hamsa Sharma
Director

Simpliance Technologies Pvt Ltd *

Place: Bengaluru
Date: 24-05-2022

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

(Amount in INR)

Statement of Cash Flows	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities		
Profit before tax	3,56,73,853	2,16,52,689
Adjustments for:		-
Depreciation and amortisation expenses	74,89,777	56,69,296
Operating cash flows before working capital changes	**4,31,63,630**	**2,73,21,985**
Working capital adjustments:		
Changes in:		
Inventory	-	-
Trade receivables and security deposits	(1,47,29,726)	39,78,515
Other current, non-current, unbilled revenue and financial assets	(87,22,064)	21,78,420
Trade payables and other financial liabilities	17,04,583	(3,38,551)
Other liabilities and provisions	(9,15,253)	32,16,190
Cash generated from operating activities	**2,05,01,171**	**3,63,56,559**
Income taxes paid, net	(88,56,644)	(53,89,506)
Net cash provided by/ (used in) operating activities (A)	**1,16,44,527**	**3,09,67,053**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(1,22,49,029)	(85,67,422)
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	(25,00,000)	(2,00,00,000)
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)	**(1,47,49,029)**	**(2,85,67,422)**
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)	**(31,04,502)**	**23,99,631**
Cash and cash equivalents at the beginning of the year	63,80,441	39,80,810
Cash and cash equivalents at the end of the year (refer note 13)	**32,75,939**	**63,80,441**

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 JAYADEEP & CO. FRN : 015597S Bengaluru Chartered Accountants

Praveen Kumar
Partner
Membership No.: 229874

for and on behalf of Board of Directors of
SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

Anil Prem DSouza
Director

Hans Sharma
Director

Simpliance Technologies Pvt Ltd

Place: Bengaluru
Date: 24-05-2022

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

Simpliance Technologies Pvt Ltd ★

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.

Simpliance Technologies Pvt Ltd

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.

Simpliance Technologies Pvt Ltd

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

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(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

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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

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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.

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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.

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Company overview and Significant accounting policies

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.

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SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Notes to the Standalone financial statements for the year ended 31 March 2022

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 2020		1,31,745	-	1,51,910	-	28,29,891	31,13,546
Additions on merger							-
Additions during the year		-		-		13,06,078	13,06,078
Disposals during the year							-
Balance as at 31 March 2021	-	1,31,745	-	1,51,910	-	41,35,969	44,19,624
Additions during the year				38,979		27,68,975	28,07,954
Disposals during the year							-
Balance as at 31 March 2022		1,31,745		1,90,889		69,04,944	72,27,578
Accumulated depreciation as at 1 April 2020		30,744	-	77,794	-	16,85,021	17,93,559
Additions on merger							-
Depreciation for the year		54,777		-		10,02,491	10,57,268
Accumulated depreciation on deletions							-
Balance as at 31 March 2021	-	85,521	-	77,794	-	26,87,512	28,50,827
Depreciation for the year		23,411		-		13,77,050	14,00,461
Accumulated depreciation on deletions							-
Balance as at 31 March 2022		1,08,932		77,794		40,64,562	42,51,288
Net Carrying amount							
As at 31 March 2021	-	22,813	-	1,13,095	-	28,40,382	29,76,290
As at 31 March 2020	-	46,224	-	74,116	-	14,48,457	15,68,797
As at 1 April 2019	-	1,01,001	-	74,116	-	11,44,870	13,19,987

There has been no impariment loss recognised during the year or previous year.

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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 2020			2,16,54,125	1,69,855	2,18,23,980	
Additions on merger			-			
Additions during the year			72,61,344	-	72,61,344	-
Disposals for the year						
Balance as at 31 March 2021	-	-	2,89,15,470	1,69,855	2,90,85,324	-
Additions during the year			94,41,075	-	94,41,075	-
Disposals for the year						-
Balance as at 31 March 2022			3,83,56,545	1,69,855	3,85,26,399	-
					-	
Accumulated amortisation as at 1 April 2020	-		1,29,44,365	1,40,231	1,30,84,596	-
Additions on merger	-					
Amortization for the year	-		46,12,028	-	46,12,028	-
Accumulated amortization on deletions	-					-
Balance as at 31 March 2021	-	-	1,75,56,393	1,40,231	1,76,96,624	-
Amortization for the year			60,89,316		60,89,316	-
Accumulated amortization on deletions			-		-	-
Balance as at 31 March 2022			2,36,45,709	1,40,231	2,37,85,940	
Net Carrying amount						
As at 31 March 2021	-	-	1,47,10,836	29,624	1,47,40,459	-
As at 31 March 2020	-	-	1,13,59,077	29,624	1,13,88,700	-
As at 1 April 2019	-	-	87,09,760	29,624	87,39,384	-

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5 **Non-current investments**

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
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 2022	As at 31 March 2021	As at 1 April 2020
Unsecured, considered good			
10 Security deposits			
	-	-	-

7 **Other non-current financial assets**

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
10 Bank deposits (due to mature after 12 months from the reporting date)	4,25,00,000	4,00,00,000	2,00,00,000
	4,25,00,000	4,00,00,000	2,00,00,000

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8 Taxes

A Amount recognised in profit or loss

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
In respect of the current period	88,56,644	53,89,506
Excess provision related to prior years (refer note (i) belo		
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	**88,56,644**	**53,89,506.00**

(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 2022 in the current year.

B Income tax recognised in other comprehensive income

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
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 2022	31 March 2021
Profit before tax		
Tax using the Company's domestic tax rate		
Effect of:		
Tax exempt income		
Non-deductible expenses	0.00%	-
Effective tax rate	-	-
Less: Excess provisions relating to earlier years	0.00%	-
Income tax expense reported in the Statement of profit and loss		

D The following table provides the details of income tax assets and income tax liabilities as of 31 March 2022, 31 March 2021 and 1 April 2020

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
	-	-	-
Income tax assets	6,17,551	4,95,799	4,35,757
Income tax liabilities	6,17,551	4,95,799	4,35,757.00
Net income tax liability at the end of the year			

E Deferred tax liability, net

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
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	6,17,551	4,95,799	4,35,757
Net deferred tax Liability	6,17,551	4,95,799	4,35,757.00

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Notes to the Standalone financial statements for the year ended 31 March 2022

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 2022	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	4,95,799	1,21,752	-	6,17,551
Gross deferred tax liability	**4,95,799**	**1,21,752**	**-**	**6,17,551**
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	**4,95,799**	**1,21,752**	**-**	**6,17,551**

(Amount in INR)

For the year ended 31 March 2021	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	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**

8 Deferred income tax liabilities (net)

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
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	6,17,551	4,95,799	4,35,757
Net deferred tax assets	**6,17,551**	**4,95,799**	**4,35,757**

8 Income tax assets (net)

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Advance income tax			
Minimum alternate tax credit entitlement	-		
	-	-	-

9 Other non-current assets

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
(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 2022	As at 31 March 2021	As at 1 April 2020
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 2022	As at 31 March 2021	As at 1 April 2020
Investments in liquid mutual fund units		-	-
	-	-	-

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12 Trade receivables

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Unsecured			
Considered good	2,79,09,783	1,33,58,257	1,73,36,772
Considered doubtful			
	2,79,09,783	**1,33,58,257**	**1,73,36,772**
Loss allowance [refer note 37]			
Unsecured considered good			
Doubtful			
	-	-	-
Net trade receivables	**2,79,09,783**	**1,33,58,257**	**1,73,36,772**

All trade receivables are current.

Of the above , trade receivables from related party are as below:

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Trade receivables from related parties	46,96,629	40,25,111	1,07,75,919.33
Less: Loss allowance			
Net trade receivables	**46,96,629**	**40,25,111**	**1,07,75,919.33**

13 Cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Cash and cash equivalents			
Cash in hand			
Cheque in hand			
Balances with banks			
In current accounts	32,75,939	63,80,441	39,80,810
In deposit accounts (with original maturity of 3 months)			
Cash and cash equivalents in balance sheet	**32,75,939**	**63,80,441**	**39,80,810**
Bank overdraft used for cash management purpose			
Cash and cash equivalent in the statement of cash flow	**32,75,939**	**63,80,441**	**39,80,810**

14 Bank balances other than cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
In deposit accounts (mature within 12 months from the reporting date)			
	-	-	-

15 Current loans

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Unsecured, considered good			
Security deposits	1,78,200		
Other loans and advances			
Loans to employees*			
Loans to group entities (refer note 42)			
	1,78,200	-	-

*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 2022	As at 31 March 2021	As at 1 April 2020
Interest accrued but not due			
Interest receivable from related parties (refer note 42)			
	-	-	-

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Notes to the Standalone financial statements for the year ended 31 March 2022

17 Unbilled revenue

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Unbilled revenue*	35,39,128	26,81,431	
	35,39,128	26,81,431	-

*includes unbilled revenue billable to related parties (refer note 42)

18 Other current assets

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Advances to suppliers			
Travel advances to employees			
Other advances	52,67,321	3,61,449	-
Prepaid expenses	12,32,229	8,96,194	4,65,308
Balances with government authorities(TDS)	37,95,335	11,72,875	68,25,061
Due from related parties*			
	1,02,94,885	24,30,518	72,90,369

* includes receivables from related parties (refer note 42)

19 Equity share capital

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Authorised			
100000 (31 March 2022: 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 2022: 23,405) equity shares of par value of Rs 10 each, fully paid up	2,34,050	2,34,050	2,34,050
	2,34,050	2,34,050	2,34,050

19.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2022		As at 31 March 2021	
	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 2022		As at 31 March 2021	
	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 2022		As at 31 March 2021	
	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%

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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 2022**	**31 March 2021**	**31 March 2020**	**31 March 2019**	**31 March 2018**
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 2022**	**As at 31 March 2021**	**As at 1 April 2020**
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	2,33,30,166	71,27,025	(1,13,08,313)
Other comprehensive income			
Retained earnings			
Balance in statement of profit and loss at the end of the period*	2,66,95,458	1,62,03,141	1,84,35,339
	9,49,01,574	**6,82,06,116**	**5,20,02,975**

* 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 2022	As at 31 March 2021	As at 1 April 2020
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 2022	Carrying amount as at 31 March 2021	Carrying amount as at 1 April 2020
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 2021	-
Add: Accrued transaction costs as at July 2021	
Carrying amount of liability at 31 March 2022	-

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22 Other non-current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Payable to erstwhile minority shareholders*			
Non-controlling interests put option			
	-	-	-

23 Non-current provisions

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
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 2020	-
Provision recognized/(reversed)	-
Provision utilized	-
Balance at the end of 31 March 2021	-
Provision recognized/(reversed)	
Provision utilized	
Balance at the end of 31 March 2022	-

24 Current borrowings

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
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)	-		
	-	-	-

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25 Trade payables

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
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 2022	As at 31 March 2021	As at 1 April 2020
Current maturities of long-term borrowings (refer note 21)			
Balances payable to government authorities	30,24,299	13,19,716	16,58,267
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			
	30,24,299	13,19,716	16,58,267

27 Current provisions

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Provision for employee benefits			
Provision for gratuity (refer note 44)	30,92,077	20,03,170	12,15,617
Provision for compensated absences			
Other provisions			
Provision for warranty			
Provision for onerous contracts			
	30,92,077	20,03,170	12,15,617

28 Other current liabilities

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Income received in advance (Deferred Revenue)	-	8,60,717	2,48,433
Advance received from customers			
Balances payable to government authorities			
Provision for expenses*	35,45,134	46,88,577	28,72,223
Provision for rent escalation			
Amount payable to related parties			
Book overdraft			
	35,45,134	55,49,293	31,20,656

*includes amount payable to related parties (refer note 42)

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29 Revenue from operations

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Software sales and maintenance	12,04,85,360	7,50,52,006
	12,04,85,360	**7,50,52,006**

30 Other income

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income under the effective interest method on:	-	-
Deposits with banks	20,91,584	16,98,767
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	2,66,610	3,68,988
Miscellaneous income	-	-
	23,58,194	**20,67,755**

31 Cost of material and stores and spare parts consumed

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
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 2022	For the year ended 31 March 2021
Salaries and wages	4,73,66,879	3,28,28,305
Contribution to provident and other funds	18,53,101	14,78,037
Expenses related to post-employment defined benefit plan	9,49,901	6,83,521
Expenses related to compensated absences	-	-
Staff welfare expenses	14,45,504	9,60,733
Expense on employee stock option scheme		
	5,16,15,384	**3,59,50,597**

33 Finance costs

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense	-	-
Bank Charges & Credit Card Charges	18,014	4,420
	18,014	**4,420**

34 Depreciation and amortisation expense

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 3)	14,00,461	10,57,268
Amortisation of intangible assets (refer note 3)	60,89,316	46,12,028
	74,89,777	**56,69,296**

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35 Other expenses

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Bad debts-Written off	-	-
Books & Typing Charges	-	650
Consultancy Fee Paid	94,99,669	47,57,257
Courier Charges	2,38,585	18,601
Online Sales charges	35,920	23,177
Professional Tax	2,500	2,500
Rates & Taxes	16,820	32,923
Round Off	707	2
Software Development Charges	98,48,672	50,37,939
Subscription charges	2,98,089	5,88,683
Telephone & Mobile Phone Expenses	7,33,854	5,00,374
IT Maintenance	22,43,264	3,77,979
Rent-Office	7,00,000	12,40,000
Sales & Marketing Expenses	14,87,643	11,58,329
Printing and stationery	5,48,362	61,330
Travelling and conveyance	23,62,439	13,017
	2,80,16,525	**1,38,12,760**

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 2022	For the year ended 31 March 2021
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 2022	For the year ended 31 March 2021
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		

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40 Capital commitments

(Amount in Reporting Currency)

Particulars	As at 31 March 2022	As at 31 March 2021
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 2022	As at 31 March 2021
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 2021	Given during the financial year	Settled /expired during the financial year	As at 31 March 2022
	-	-	-	-
Total	-	-	-	-

Movement of Corporate Guarantee given to subsidiaries during the previous year

Related party	As at 1 April 2021	Given during the financial year	Settled /expired during the financial	As at 31 March 2022
	-	-	-	-
Total	-	-	-	-

42 Earnings per share

(Amount in Reporting Currency except number of shares and per share data)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Nominal value of equity shares	2,34,050	2,34,050
Net profit after tax for the purpose of earnings per share	2,66,95,458	1,62,03,141
Weighted average number of shares used in computing basic earnings per share	23,405	23,405
Basic earnings per share	**1,141**	**692**
Weighted average number of shares used in computing diluted earnings per share	23,405	23,405
Diluted earnings per share	**1,141**	**692**

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Computation of weighted average number of shares

(Amount in numbers)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
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 2022	31 March 2021
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 2022	31 March 2021
Sub-contractor charges	-	-
Recruitment and training expenses	-	-
Rent	-	-
Power and fuel	-	-
Repairs & maintenance	-	-
- buildings	-	-
- plant and machinery	-	-
- others	-	-
Legal and professional fees	8,63,636	2,89,197
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	-	-
	8,63,636.00	2,89,197.38

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C Major customer

List of the customers of the Company has revenue which is more than 10 % of the Company's total revenue

1) Amazon	2,06,41,216	1,19,08,475
2) Allsec Technologies Limited (KA)	2,30,85,886	3,26,07,978

45 **Related party disclosures**

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

CBENSOL	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 2022	31 March 2021
Revenue from operations			
	From Allsec Technologies Limited	2,30,85,886	3,26,07,978
	From Terrier Security Services pvt Ltd	1,12,800	1,61,780
	From Quess Corp Limited	71,30,382	52,04,848
Other expenses			
	Salary to Anil Prem D'souza	23,77,116	23,77,116
	Salary to Hansa Sharma	16,70,388	16,70,388
	Consultancy Charges to Allsec Technologies Limited	32,63,573	31,11,978
	Office Rent to Quess Corp Limited	7,00,000	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		-	-

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

(Amount in Reporting Currency)

Particulars		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Trade receivables (gross of loss allowance)				
	From Allsec Technologies Ltd	18,90,770	26,43,529	
	From Quess Corp Ltd	28,05,859	13,81,582	
	From Terrier Security Services pvt Ltd	35,271	10,006.40	-
Trade payables				
	Allsec Technologies Ltd (Consultancy Charges)	2,68,159	3,93,331	
	Quess Corp Ltd (Rent & Consultancy Charges)	3,08,691	11,47,503	
		5,76,850	**15,40,834**	-
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 2021 to 31 March 2022	For the period from 1 April 2020 to 31 March 2021
		-
		-
	-	-

*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 2022	As at 31 March 2021
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 2022	For the year ended 31 March 2021
Total rental expense relating to operating lease	-	-
- Non-cancellable	-	-
- Cancellable	-	-

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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 2022	As at 31 March 2021
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 2022	As at 31 March 2021	As at 1 April 2020
Net defined benefit liability, gratuity plan	-	-	-
Liability for compensated absences	-	-	-
Total employee benefit liability	-	-	-
Current	30,92,077	20,03,170	12,15,617
Non-current	-	-	-
	30,92,077	20,03,170	12,15,617

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 2022	31 March 2021
Change in defined benefit obligation		
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	20,03,170	12,15,617
Additions through business combination	-	-
Current service cost	10,88,907	7,87,553
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	30,92,077	20,03,170
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	30,92,077	20,03,170

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C i) Expense recognised in profit or loss

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	10,88,907	7,87,553
Interest cost	-	-
Past service cost	-	-
Interest income	-	-
Net gratuity cost	**10,88,907**	**7,87,553**

ii) Remeasurement recognised in other comprehensive income

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
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 2022	As at 31 March 2021	As at 1 April 2020
Funds managed by insurer	-	-	-
	-	-	-

E Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
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 2022		As at 31 March 2021		As at 1 April 2020	
	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 2022		As at 31 March 2020		As at 1 April 2020	
	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 2022 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.

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49 Taxes

A Amount recognised in profit or loss

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
In respect of the current period	88,56,644	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	**88,56,644**	**53,89,506**

B Income tax recognised in other comprehensive income

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
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 2022		31 March 2021	
	Rate	Amount	Rate	Amount
Profit before tax		3,56,73,853		2,16,52,689
Tax using the Company's domestic tax rate	25.168%	88,56,644	25.168%	53,89,506
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%**	**88,56,644**	**0.00%**	**53,89,506**
Less: Excess provision related to prior years	-	-	0.00%	-
Income tax expense reported in the Statement of Profit and Loss	**0.00%**	**88,56,644**	**0.00%**	**53,89,506**

D The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2022, 31 March 2021 and 1 April 2020

Non-current tax assets (net)

(Amount in Reporting Currency)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
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 2022	As at 31 March 2021	As at 1 April 2020
Income tax assets	88,56,644	53,89,506	-
Income tax liabilities	88,56,644	53,89,506	-
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.

PRAVEEN JAYADEEP & CO. FRN : 015597S Bengaluru Chartered Accountants

Simpliance Technologies Pvt Ltd

Notes to the financial statements for the year ended 31 March 2022

E Deferred tax assets, net

(Amount in Reporting Currency)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 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	-	-	-
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 2022	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	4,95,799	-	1,21,752	-	6,17,551
MAT credit entitlement					
Gross deferred tax assets					
Net deferred tax Liabilities	**4,95,799**	**-**	**1,21,752**	**-**	**6,17,551**

(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					
Net deferred tax Liabilities	**4,35,757**	**-**	**60,042**	**-**	**4,95,799**

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 2022	Unabsorbed business losses
2022	-
2023	-
2024	-
2025	-
2026	-
Thereafter	-
	-

PRAVEEN JAYADEEP & CO.
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Bengaluru
Chartered Accountants

Simpliance Technologies Pvt Ltd

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 2022	For the year ended 31 March 2021
Statutory audit fees	30,000	30,000
Tax audit fees	-	-
Others	43,000	38,200
Reimbursement of expenses	-	-
	73,000	**68,200**

PRAVEEN JAYADEEP & CO. * Chartered Accountants *
FRN : 015597S
Bengaluru

Simpliance Technologies Pvt Ltd *

CA. Lokesh Kumar
B.Com (A&F), ACA.
Chartered Accountant

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **M/s. STELLARSLOG TECHNOVATION PRIVATE LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **STELLARSLOG TECHNOVATION PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies, notes to the financial statements 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its Loss 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 audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including Annexure to the Board'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 report 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.

LOKESH KUMAR
M.No. 243276
Chartered Accountants

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CA. Lokesh Kumar
B.Com (A&F), ACA.
Chartered Accountant

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 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 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 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.

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 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.

LOKESH KUMAR
M.No. 248276
Chartered Accountant

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- 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in exercise of powers conferred by section 143(11) of the Companies Act, 2013, 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 to the extent applicable that:

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

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

(c) The Balance Sheet, the Statement of Profit and Loss 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 Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

LOKESH KUMAR M.No. 243276 Chartered Accountants

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CA. Lokesh Kumar
B.Com (A&F), ACA.
Chartered Accountant

(f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during year is less than Rs.25 Crores, the company is exempt from getting an audit opinion with respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2016 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, as amended, in our opinion and to the best our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would 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.

LOKESH KUMAR ★ M.No. 243276 ★ Chartered Accountant

LOKESH KUMAR
Chartered Accountant
Membership No. 243276

Place: Bangalore
Date: 17.05.2022

UDIN: **22243276AJKLZF9945**

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Annexure A to Independent Auditor's Report
(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of Stellarslog Technovation Private Limited of even date):

To the best of our information and according to the explanations provided to us by the company and the books of account and records examined by us in the normal course of audit, we state that:

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

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

(b) The Company has a regular programme of physical verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of three years, which in our opinion, 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 the records examined by us there are no immovable properties of land and buildings held in the name of the Company as at the balance sheet date.

(d) The company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) (a) The company does not have any inventory and hence reporting under clause 3(ii)(a) of the order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii) According to the information and explanation given to us, the company has not made any investments in and not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided guarantees or given any security or made investments to which the provisions of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the order is not applicable.

LOKESH KUMAR
M.No. 243276
Chartered Accountant

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v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi) The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act for any of the activities of the company and accordingly clause (vi) of the order is not applicable.

vii) In respect of Statutory Dues:

(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 Goods and Services tax, provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, duty of excise, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

(b) 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 2022 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no material dues of Statutory Dues referred to in sub clause(a) which have not been deposited with the appropriate authorities on account of any dispute.

viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) a) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The term loan was applied for the purpose for which the loan were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

LOKESH KUMAR M.No. 243276 Chartered Accountant

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(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, hence reporting on clause 3(ix)(f) of the Order is not applicable.

x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The company has made preferential allotment/private placement of shares during the year and the requirement of section 42 and section 62 of the Companies Act, 2013 and have been complied with and the funds raised have been used for the purposes for which the funds were raised.

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

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) There are no whistle-blower complaints received during the year by the company.

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

xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) (a)As per Rule 13 of the Companies (Accounts) Rules, 2014, private limited company having turnover less than Rs.200 crores during the immediate preceding financial year or outstanding loans or borrowings from banks or financial institutions is less than Rs. 100 crores. Hence the Internal Audit is not applicable to the company. Hence reporting under clause 3(xiv)(a) of the Order is not applicable.

(b) The Internal Audit was not applicable to the company. Hence reporting under clause 3(xiv)(b) of the Order is not applicable.

xv) In our opinion during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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Chartered Accountant

xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b)In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii) The company has incurred cash losses in the financial year and in the immediately preceding financial year. Cash losses in FY 2021-22 is Rs. 5,84,89,941/- and Cash loss in FY 2020-21 is Rs. 87,26,390/-.

xviii) There has been no resignation of the statutory auditors of the Company during the year.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) The Corporate Social Responsibility (CSR) as per section 135(1) Companies Act, 2013 is not applicable to the company. Hence reporting under clause 3(xx)(a) and(b) of the order is not applicable.

xxi) There is no requirement of Consolidated financial statements for the company. Hence reporting under clause 3(xxi) of the order is not applicable.

LOKESH KUMAR M.No. 243276 Chartered Accountant

Lokesh Kumar
Chartered Accountant
M.No.243276

Place: Bangalore
Date: 17.05.2022
UDIN: **22243276AJKLZF9945**

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STELLARSLOG TECHNOVATION PVT LTD

CIN - U72200KA2015PTC084539

Balance sheet as at 31st March, 2022

	Note No.	Amount as at 31-Mar-22	31-Mar-21
			(Amount in Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	3	39,21,560	23,84,310
(b) Reserves and surplus	4	2,58,36,729	84,59,745
(2) Non-current liabilities			
(a) Long-term borrowings	5	41,60,610	39,98,906
(3) Current liabilities			
(a) Short-term borrowings	6	2,86,62,456	39,67,789
(b) Other current liabilities	7	2,83,36,839	59,15,282
TOTAL		**9,09,18,194**	**2,47,26,032**
II. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment			
(i) Tangible assets	8	30,53,033	6,15,306
(b) Deffered Tax Asset		1,67,042	1,38,674
(c) Other Non-Current Assets	9	7,37,850	12,00,000
(d) Long-term loans and advances			
(3) Current assets			
(a) Trade Receivables	10	2,17,16,500	85,92,750
(b) Cash and cash equivalents	11	3,54,19,625	1,26,90,568
(c) Short Term Loans & Advances	12	-	4,00,000
(d) Other current assets	13	2,98,24,144	10,88,734
TOTAL		**9,09,18,194**	**2,47,26,032**
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 and on behalf of the Board

Lokesh Kumar
Chartered Accountant
Membership No. 243276
UDIN: 22243276AJKLZF9945
Date: 17.05.2022
Place : Bengaluru

Naveen Ramachandra
Director
DIN No. 07081719
Date: 17.05.2022
Place: Bengaluru

Prashant Janadri
Director
DIN No. 07534421
Date: 17.05.2022
Place: Bengaluru

STELLARSLOG TECHNOVATION PVT LTD

CIN - U72200KA2015PTC084539

Statement of Profit and loss for the year ended 31st March, 2022

		Note No.	(Amount in Rs.)	
			31-Mar-22	31-Mar-21
I.	Revenue from operations	14	11,70,79,899	1,21,79,921
II.	Other income	15	6,03,481	3,57,743
III.	Total revenue (I+II)		**11,76,83,380**	**1,25,37,664**
IV.	Expenses:			
	Employee benefits expenses	16	5,88,37,762	79,83,959
	Finance costs	17	8,81,961	8,12,757
	Depreciation and amortization expenses	8	7,24,220	5,44,089
	Other expenses	18	11,83,53,598	1,24,67,338
	Total expenses		17,87,97,541	2,18,08,143
V.	Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(6,11,14,161)	(92,70,479)
VI.	Exceptional items		-	-
VII.	Profit/(Loss) before extraordinary itmes and tax (VII - VIII)		(6,11,14,161)	(92,70,479)
VIII.	Extraordinary Items		-	-
IX.	Profit/(Loss) before tax (VII - VIII)		(6,11,14,161)	(92,70,479)
X.	Tax expenses:			
	(1) Current tax		-	-
	(2) Tax pertaining to previous year		-	-
	(3) Deferred tax		(28,368)	2,44,242
XI.	Profit/(loss) for the period from continuing operations		(6,10,85,793)	(95,14,721)
XII.	Profit/(loss) from discountiuing operations		-	-
XIII.	Tax expense of discountiuing operations		-	-
XIV.	Profit/(loss) from Discontinuing operations (after tax) (XII - XIII)		-	-
XV.	Profit/(Loss) for the period (XI + XIV)		(6,10,85,793)	(95,14,721)
XVI.	Earnings per equity shares:			
	(1) Basic		(192)	(46)
	(2) Diluted		(192)	(46)

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

LOKESH KUMAR M.No. 243276 Chartered Accountant

for and on behalf of the Board

Stellarslog Technovation Pvt. Ltd. Bangalore

Lokesh Kumar
Chartered Accountant
Membership No. 243276

UDIN: 22243276AJKLZF9945

Date: 17.05.2022
Place : Bengaluru

Naveen Ramachandra
Director
DIN No. 07081719

Date: 17.05.2022
Place: Bengaluru

Prashant Janadri
Director
DIN No. 07534421

Date: 17.05.2022
Place: Bengaluru

STELLARSLOG TECHNOVATION PVT LTD
CIN - U72200KA2015PTC084539
Statement of Cash Flow for the year ending March 31st, 2022

Particulars	Amount in Rs. (FY 2021-22)	Amount in Rs. (FY 2021-22)	Amount in Rs. (FY 2020-21)	Amount in Rs. (FY 2020-21)
Net profit/(Loss) before Tax and extra ordinary Items		(6,11,14,161)		(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	7,24,220		5,44,089	
Interest and Finance costs on Term loan & Bank Overdrafts	8,81,961		8,12,757	
Provision for tax	-	16,06,181	-	13,56,846
Less: Non-cash and Non-operating Items which have already been credited to Profit and Loss Account;				
Interest on bank deposits	(5,94,542)	(5,94,542)	(3,12,415)	(3,12,415)
Operating profit before working Capital changes (A)		(6,01,02,522)		(82,26,048)
Changes in working capital:				
Add Increase in current liabilities & Decrease in current Assets	2,28,21,557		31,41,576	
Less Increase in current assets & Decrease in Current liabilities	(4,26,59,940)		(57,32,782)	
Net increase / decrease in working capital (B)		(1,98,38,383)		(25,91,205)
Cash generated from operations (C) = (A+B)		(7,99,40,905)		(1,08,17,253)
Less Income tax paid (Net tax refund received) (D)	-	8,00,780		-
Cash flow from before extraordinary items (C-D) = (E)		(7,91,40,125)		(1,08,17,253)
Adjusted extraordinary items (+/-)(F)		-		-
Net cash flow from operating activities (E+F) = (G)		**(7,91,40,125)**		**(1,08,17,253)**
Cash flow from Investing activities				
Purchase of fixed assets	(31,61,948)		(3,19,186)	
Fixed deposits with Bank	-		87,58,394	
Interest earned on deposits with bank	5,94,542		5,08,679	
Repayment/(payment) of security Deposit	4,62,150		(8,50,000)	
Net cash from investing activities (H)		(21,05,255)		80,97,887
Cash flow from Financing activities				
Proceeds from issue of shares	8,00,00,027		1,99,99,877	
Additional Loan from Related parties/(Loan Repayment to related parties)	11,743		(6,64,899)	
Loan raised from Banks/Financial institutions/(Repayment of term loan principal durinng the year)	1,49,961		(21,438)	
Interest and Finance costs on Term loan & Bank Overdrafts	(8,81,961)		(8,12,757)	
Net cash flow from financing activities (I)		7,92,79,771		1,85,00,782
Net increase in cash and cash equivalents (G+H+I) = (J)		**(19,65,609)**		**1,57,81,416**
Cash and cash equivalents and the beginning of the period (K)		87,22,778		(70,58,638)
Cash and cash equivalents and the end of the period (J+K) **		**67,57,169**		**87,22,778**
Check for Diff		0		(0)

Cash and cash equivalents - Reference to Financial Statements	31.03.2022	31.03.2021
Cash and cash equivalents		
Balances with banks	3,53,56,145	1,25,58,444
Cash on hand	63,480	1,32,123
Short Term Borrowings		
(A) from banks		
i) Secured		
Bank Overdraft		
- Secured against Bank deposit	-	-
- hypothecated on Accounts receivables	-	(33,02,327)
i) Un-Secured		
Bank Overdraft	(2,85,52,893)	(5,66,349)
Corporate credit cards	(1,09,563)	(99,114)
Cash & Cash equivalents for Cash Flow	**67,57,169**	**87,22,778**

As per our report of even date

LOKESH KUMAR M.No. 243276 Chartered Accountant

Lokesh Kumar
Chartered Accountant
Membership No. 243276
UDIN 22243276AJKLZF9945
Date 17.05.2022
Place Bengaluru

for and on behalf of the Board

Stellarslog Technovation Pvt. Ltd. Bangalore

Naveen Ramachandra
Director
DIN No. 07081719
Date: 17.05.2022
Place: Bengaluru

Prashant Jenadri
Director
DIN No. 07534421
Date: 17.05.2022
Place: Bengaluru

STELLARSLOG TECHNOVATION PVT LTD

Notes forming part of the financial statements for the year ending 31st March, 2022

Share Capital **Note No.3(a)**

Particulars	31-Mar-22		31-Mar-21	
	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)	6,00,000	60,00,000	3,00,000	30,00,000
Issued,Subscribed & Fully paid-up (Equity Shares of Rs. 10 par value)	3,92,156	39,21,560	2,38,431	23,84,310
	3,92,156	**39,21,560**	**2,38,431**	**23,84,310**

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-22		31-Mar-21	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity Share Capital				
Shares at the beginning of the year	2,38,431	23,84,310	2,00,000	20,00,000
Changes during the year	1,53,725	15,37,250	38,431	3,84,310
Closing Balance	**3,92,156**	**39,21,560**	**2,38,431**	**23,84,310**

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-22		31-Mar-21	
	No. Shares	% of Holding	No. Shares	% of Holding
Naveen Ramachandra	1,00,000	25.50%	1,00,000	41.94%
Prashant Janadri	1,00,000	25.50%	1,00,000	41.94%
Quess Corp Limited	1,92,156	49.00%	38,431	16.12%

Stellarslog Technovation Pvt. Ltd. * Bangalore *

LOKESH KUMAR M.No. 243276 Chartered Accountant

STELLARSLOG TECHNOVATION PVT LTD

Notes forming part of the financial statements for the year ending 31st March 2022

Reserves and surplus		**Note No.4**
Particulars	**Amount in Rs as at**	
	31-Mar-22	**31-Mar-21**
Reserves and Surplus		
(a) Securities Premium Reserve	9,80,78,344	1,96,15,567
(b) Profit and Loss Account		
As per last Balance Sheet	(1,11,55,822)	(16,41,101)
Add: Profit/(Loss) for the year	(6,10,85,793)	(95,14,721)
Closing balance for the year	**(7,22,41,615)**	**(1,11,55,822)**
Total	**2,58,36,729**	**84,59,745**

Long-Term Borrowigs		**Note No.5**
Particulars	**Amount in Rs as at**	
	31-Mar-22	**31-Mar-21**
a) Loans and advances from related parties		
i) Unsecured		
Loans & Advances from Directors	33,00,000	32,88,257
b) Long term maturities of finance lease obligations		
i) Secured		
Term Loan from Bank- hypothecated on laptops	6,24,633	7,10,649
ii) Unsecured		
MSME loan	2,35,977	-
Total	**41,60,610**	**39,98,906**

Short Term Borrowigs		**Note No.6**
Particulars	**Amount in Rs as at**	
	31-Mar-22	**31-Mar-21**
a) Loans repayable on demand:		
(A) from banks		
i) Secured		
i) Un-Secured		
Bank Overdraft	2,85,52,893	38,68,676
Corporate credit cards	1,09,563	99,114
Total	**2,86,62,456**	**39,67,789**

Stellarslog Technovation Pvt. Ltd. * Bangalore *

LOKESH KUMAR M.No. 245276 Chartered Accountant

STELLARSLOG TECHNOVATION PVT LTD

Other current liabilities		Note No.7
Particulars	Amount in Rs as at	
	31-Mar-22	31-Mar-21
a) Current maturities of long-term debt	4,88,604	2,30,484
b) Other Payables:		
Accounts Payable	20,08,180	3,69,613
Accrued expenses	84,91,185	19,67,997
Advances from Customers	-	30,664
Employee Benefits Payable	1,03,71,773	16,27,124
Duties & Taxes	69,77,096	16,89,400
Total	**2,83,36,839**	**59,15,282**

Other Non-Current Assets		Note No.9
Particulars	Amount in Rs as at	
	31-Mar-22	31-Mar-21
Unsecured, considered good;		
Security Deposits	7,37,850	12,00,000
Total	**7,37,850**	**12,00,000**

Trade Receivables		Note No.10
Particulars	Amount in Rs as at	
	31-Mar-22	31-Mar-21
(i) Ourstanding for a period not exceeding Six months from the date they are due for payment		
(a) Unsecured, considered good;	2,14,07,663	82,15,875
(ii)Ourstanding for a period exceeding Six months from the date they are due for payment		
(a) Unsecured, considered good;	3,08,837	3,76,874
(b) Doubtful	3,20,987	3,20,987
(c) Allowance for bad and doubtful debts	(3,20,987)	(3,20,987)
Total	**2,17,16,500**	**85,92,750**

Stellarslog Technovation Pvt. Ltd. * Bangalore *

LOKESH KUMAR M.No. 243276 Chartered Accountant

STELLARSLOG TECHNOVATION PVT LTD

Cash and cash equivalents		Note No.11
	Amount in Rs as at	
Particulars	31-Mar-22	31-Mar-21
Balances with banks	53,56,145	1,25,58,444
Cash on hand	63,480	1,32,123
Deposits with bank	3,00,00,000	-
Total	3,54,19,625	1,26,90,568

Short Term Loans & Advances		Note No.12
	Amount in Rs as at	
Particulars	31-Mar-22	31-Mar-21
(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
	Amount in Rs as at	
Particulars	31-Mar-22	31-Mar-21
TDS Receivable	19,55,998	1,37,483
Prepaid Expenses	2,80,972	-
Interest earned but not due	5,11,335	-
Unbilled revenue	2,66,47,337	-
Income tax refund due	-	8,00,780
Other Current Assets	4,28,502	1,50,471
Total	2,98,24,144	10,88,734

Stellarslog Technovation Pvt. Ltd. * Bangalore *

LOKESH KUMAR * M.No. 243276 * Chartered Accountant

STELLARSLOG TECHNOVATION PVT LTD

Note No.14

Revenue from operations

Particulars	Amount in Rs as at 31-Mar-22	Amount in Rs as at 31-Mar-21
Revenue from services	11,70,79,899	1,21,79,921
Total	**11,70,79,899**	**1,21,79,921**

Note No.15

Other Income

Particulars	Amount in Rs as at 31-Mar-22	Amount in Rs as at 31-Mar-21
Interest on deposits/ Investments	5,94,542	3,12,415
Interest on IT refund	8,939	45,328
Total	**6,03,481**	**3,57,743**

Note No.16

Employee Benefits Expenses

Particulars	Amount in Rs as at 31-Mar-22	Amount in Rs as at 31-Mar-21
Salaries	5,36,33,828	73,89,213
Stipend to Interns	27,28,566	2,76,692
Retirement Benefits	17,61,021	95,117
Employee Insurance	-	16,044
Staff Welfare Expenses	7,14,347	2,06,893
Total	**5,88,37,762**	**79,83,959**

Note No.17

Finance Costs

Particulars	Amount in Rs as at 31-Mar-22	Amount in Rs as at 31-Mar-21
Interest on overdraft	5,86,168	5,90,636
Interest on Term Loan	90,865	89,801
Other Finance costs	2,04,928	1,32,320
Total	**8,81,961**	**8,12,757**

Stellarslog Technovation Pvt. Ltd. * Bangalore *

LOKESH KUMAR M.No. 243276 Chartered Accountant

STELLARSLOG TECHNOVATION PVT LTD

Other expenses		Note No.18
Particulars	**Amount in Rs as at**	
	31-Mar-22	**31-Mar-21**
Audit Fees		
-Statutory Audit Fee	2,00,000	25,000
-Tax Audit Fee	1,00,000	-
Advertising & Business Promotion	19,44,112	5,74,235
Bad Debts & Allowance for bad/doubtful debts	-	5,97,298
Commission Exp	-	13,932
Computer Rentals & Internet exp	55,05,156	1,20,743
Electricity Charges	7,81,739	1,03,552
Membership & Subscriptions	32,49,780	10,12,604
Office supplies, repairs & maintenance	17,78,215	7,18,365
Office Rent	84,35,904	11,65,900
Travel Expenses	2,49,980	19,322
Printing & Stationery	10,88,645	2,09,110
Professional charges	5,33,950	2,70,415
Postage & Courier Charges	89,523	-
Payout Expenses	9,37,40,307	73,98,967
Rates & Taxes	1,92,599	1,21,596
Telephone & Mobile charges	3,47,344	84,838
Water Charges	1,16,344	31,461
	11,83,53,598	**1,24,67,338**

Stellarslog Technovation Pvt. Ltd. * Bangalore *

LOKESH KUMAR * M.No. 243276 * Chartered Accountant

STELLARSLOG TECHNOVATION PVT LTD

Note No

Notes forming part of the financial statements for the year ending 31st March 2022

Particulars	Gross Block				Depreciation				Net Block	
	01-Apr-21	Additions	Deletions	31-Mar-22	01-Apr-21	For the Year	Reversals	31-Mar-22	31-Mar-22	31-Mar-21
I. Tangible Assets										
(a) Furniture and Fixtures.	2,93,581	16,73,375	-	19,66,956	65,816	1,30,244	-	1,96,060	17,70,896	2,27,765
(b) Office equipment.	79,049	13,27,895	-	14,06,944	56,259	3,66,499	-	4,22,758	9,84,186	22,790
(c) Computers	15,04,594	1,60,678	-	16,65,271	11,39,843	2,27,477	-	13,67,320	2,97,951	3,64,751
Total	18,77,224	31,61,948	-	50,39,171	12,61,918	7,24,220	-	19,86,138	30,53,033	6,15,306

Stellarslog Technovation Pvt. Ltd. * Bangalore *

LOKESH KUMAR * Chartered Accountant * M.No. 243276

STELLARSLOG TECHNOVATION PVT LTD

Depreciation Schedule as per Income Tax Act for the year ending 31st March 2022

Block of Asset	Rate of Dep	WDV as on 01-Apr-21	Additions put to use for		Deletions	Total	Depreciation	WDV as on 31-Mar-22
			> 179 Days	< 180 days				
Furniture and fittings	10%	2,48,199	-	16,73,375	-	19,21,574	1,08,489	18,13,085
Office Equipments	15%	49,869	12,72,963	54,932	-	13,77,764	2,02,545	11,75,219
Computer including computer software	40%	6,26,003	1,07,713	52,965	-	7,86,681	3,04,079	4,82,602
		9,24,071	13,80,676	17,81,272	-	40,86,019	6,15,113	34,70,906

Stellarslog Technovation Pvt. Ltd. * Bangalore *

LOKESH KUMAR * Chartered Accountant * M.No. 243276

STELLARSLOG TECHNOVATION PVT LTD

Notes forming part of the financial statements for the year ending 31st March 2022 — Note No.8

Particulars		Deferred Tax Liabilities / (Assets)		
		Amount in ` as on		
		31-Mar-22	Additions during the year	31-Mar-21
Deferred Tax Asset				
1 Tax on excess of Depreciation provided in books over Income Tax Act		1,08,647	28,368	80,279
2 Deferred Tax Asset Adjustment		-	-	-
3 Disallowance		58,395	-	58,395
Total	[A]	1,67,042	28,368	1,38,674
Deferred Tax Liability				
1 Tax on excess of Tax Depreciation over Book Depreciation		-	-	-
2 Expenses to be allowed (Which was disallowed in Previous Year(s))		-	-	-
Total	[B]	-	-	-
Net Deferred Tax Asset / (Liability)	[A] - [B]	**1,67,042**	**28,368**	**1,38,674**

Stellarslog Technovation Pvt. Ltd. * Bangalore *

LOKESH KUMAR * M.No. 243276 * Chartered Accountant

STELLARSLOG TECHNOVATION PRIVATE LIMITED
CIN: U72200KA2015PTC084539
Reg Off Addr: No.252/25, 9th A Main Road, 3rd Block, Jayanagar, Bengaluru-560011

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.

LOKESH KUMAR M.No. 242276 Chartered Accountant

Stellarslog Technovation Pvt. Ltd. Bangalore

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, 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.

LOKESH KUMAR
M.No. 243276
Chartered Accountant

Stellarslog Technovation Pvt. Ltd.
Bangalore

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 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 *

LOKESH KUMAR M.No. 242276 Chartered Accountant

STELLARSLOG TECHNOVATION PRIVATE LIMITED
CIN: U72200KA2015PTC084539
Reg Off Addr: No.252/25, 9th A Main Road, 3rd Block, Jayanagar, Bengaluru-560011

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
Quess Corp Limited	Associate Company

ii) Transactions with Related Parties:

a. **Director Remuneration:**
   i) Naveen R : Rs. 50,84,009/-(PY Rs. 17,00,000/-)
   ii) Prashant Janadri: Rs. 50,84,009/-(PY Rs. 11,00,000/-)

b. **Loans from Related paties:**

Nature of transaction: Unsecured Loan

Name of Related Party	Opening Balance as on 01.04.2021 (Amount in Rs.)	Loan repaid during the year (Amount in Rs.)	Loan taken during the year (Amount in Rs.)	Balance Outstanding as at 31.03.2022 (Amount in Rs.)
Naveen R	32,88,257/- Cr	32,88,257/- Dr	15,00,000/- Cr	15,00,000/- Cr
Prashant Janadri	-	-	18,00,000/- Cr	18,00,000/- Cr

c. **Revenue transactions with Related parties:**
   - Quess Corp Limited- Income from Service rendered during the reporting year is Rs. 1,47,47,012/-
   - Quess Corp Limited- Expenses of Laptop Rental charges incurred during the year is Rs. 14,00,000/-

Stellarslog Technovation Pvt. Ltd. Bangalore

LOKESH KUMAR M.No. 243276 Chartered Accountant

2.2 PAYMENT TO THE AUDITOR

Statutory Audit Fee: Rs.2,00,000/- (PY: Rs.25,000/-)

Tax Audit Fee: Rs. 1,00,000/-(PY: Rs.Nil)

2.3 FOREIGN EXCHANGE OUTFLOW & INFLOW

Earnings in foreign exchange	- Nil(PY: Rs. Nil)
Expenditure in foreign exchange	- Rs. 8,75,965/-(PY : Rs. Nil)

As per report of even date

for Stellarslog Technovation Pvt Ltd

LOKESH KUMAR M.No. 243276 Chartered Accountant

Lokesh Kumar
Chartered Accountant
Membership No.243276

Naveen Ramachandra
Director
DIN No. 07081719

Prashant Janadri
Director
DIN No. 07534421

UDIN: **22243276AJKLZF9945**

Place : Bengaluru
Date : 17.05.2022

Place : Bengaluru
Date : 17.05.2022

Place : Bengaluru
Date : 17.05.2022

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, 2022, 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, 2022, 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.

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- 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.

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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 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.

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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, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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:

- The Company does not have any pending litigations which would impact its financial position.

- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

- The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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- The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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)

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Anand Subramanian
(Partner)
(Membership No. 110815)
(UDIN:22110815AJQVSG6166)

Place: Bengaluru
Date: May 26, 2022

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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 Terrier Security Services (India) Private Limited ("the Company") as of March 31, 2022, 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.

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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 March 31, 2022, 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)

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Anand Subramanian
(Partner)
(Membership No. 110815)
(UDIN: 22110815AJQVSG6166)

Place: Bengaluru
Date: May 26, 2022

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 to the Members of Terrier Security Systems (India) Private Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-Use assets.

(ii) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment and Right-of-Use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the Company) and hence reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use assets) and Intangible Assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the inventories were physically verified and confirmed during the year at reasonable intervals, by the respective zonal officers. According to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company, the nature of its business and insignificant value of inventory to its business. As represented by the management, no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

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(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors, stock, and other stipulated financial information) filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

iii. The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.

iv. According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. In respect of Statutory Dues:
(a) Undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax and other material statutory dues applicable to the Company have generally been regularly deposited by the Company with the appropriate authorities, though there has been a slight delay in a few cases.

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BENGALURU

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(b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, and other material statutory dues in arrears as at March 31, 2022, 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	Due Date	Date of Payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (PF Act, 1952)	Provident Fund	1,101,833	Prior to April 2021	15th of respective subsequent month	-
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (PF Act, 1952)	Provident Fund	533,956	April 2021 to September 2021	15th of respective subsequent month	-
The Employees' State Insurance Act, 1948	Employees' State Insurance dues	2,008,321	Prior to April 2021	15th of respective subsequent month	-
The Employees' State Insurance Act, 1948	Employees' State Insurance dues	1,506,289	April 2021 to September 2021	15th of respective subsequent month	-
Professional Tax Act, 1987	Professional Tax	5,93,754	Prior to April 2021	As decided by respective state legislation	-
Professional Tax Act, 1987	Professional Tax	1,12,290	April 2021 to September 2021	As decided by respective state legislation	-
The Income Tax Act, 1961	Tax Deducted at Source	25,571	April 2021 to September 2021	7 th of respective subsequent month	-

(c) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022.

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

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ix. (a) Loan amounting to Rs. 103,294,748 repayable to Parent entity outstanding as at March 31, 2022, is repayable on demand along with unpaid accrued interest. According to the information and explanations given to us, such loans and interest thereon have been repaid as and when demanded during the financial year. Considering the above, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) As represented to us by the Management, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

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xiii. In our opinion, the Company is in compliance with section 188 of the Companies Act 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. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

xiv. (a) In our opinion, the Company has adequate internal audit system commensurate with the size and nature of its business.

(b)The internal audit plan agreed with the internal auditors and approved by the Board of Directors of the Company is for the period 1 July 2020 to 30 September 2021. We have considered the internal audit reports of the Company issued till the date of our report covering the period 1 April 2021 to 30 September 2021 as per the said approved internal audit plan, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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xx. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Anand Subramanian
(Partner)
(Membership No. 110815)
(UDIN: 22110815AJQVSG6166)

Place: Bengaluru
Date: May 26, 2022

Terrier Security Services (India) Private Limited

(Amount in INR)

Balance Sheet	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	7,871,531	16,992,930
Right-of-use assets	4(a)	5,828,560	17,482,436
Intangible assets	5	200,000	56,865
Financial assets			
Other non-current financial assets	6	1,358,046	6,120,306
Deferred tax assets (net)	7	50,149,351	61,776,733
Income tax assets (net)	8	190,486,135	133,222,716
Total non-current assets		**255,893,623**	**235,651,986**
Current Assets			
Inventories	9	6,397,461	4,943,547
Financial assets			
Trade receivables	10		
-Billed		698,319,778	517,970,672
-Unbilled		352,113,957	235,837,191
Cash and cash equivalents	11	294,293	59,462,817
Bank balances other than cash and cash equivalents above	12	16,891,480	28,844,266
Loans	13	11,888,944	8,487,185
Other financial assets	14	2,411,195	3,021,477
Other current assets	15	26,380,964	23,040,453
Total current assets		**1,114,698,072**	**881,607,608**
Total Assets		**1,370,591,695**	**1,117,259,594**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	8,900,000	5,000,000
Other equity	17	198,956,685	203,006,483
Total Equity		**207,856,685**	**208,006,483**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	4(b)	440,518	4,090,331
Non-current provisions	18	141,653,111	136,977,279
Total non-current liabilities		**142,093,629**	**141,067,610**
Current liabilities			
Financial liabilities			
Lease liabilities	4(b)	5,902,035	15,010,202
Borrowings	19	326,072,910	151,777,962
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprise:	20	35,549,887	32,902,651
Other financial liabilities	21	440,736,849	385,665,237
Current provisions	22	84,005,025	72,306,192
Other current liabilities	23	128,374,675	110,523,257
Total current liabilities		**1,020,641,381**	**768,185,501**
Total Liabilities		**1,162,735,010**	**909,253,111**
Total Equity and Liabilities		**1,370,591,695**	**1,117,259,594**

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: 26 May 2022

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

for and on behalf of Board of Directors of
Terrier Security Services (India) Private Limited

Vijay Sivaram
Director
DIN : 07990452

Place: Bengaluru
Date: 26 May 2022

Madhu Damodaran
Director
DIN : 00424780

Place: Bengaluru
Date: 26 May 2022

Terrier Security Services (India) Private Limited

(Amount in INR)

Statement of Profit and loss	Note	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Income			
Revenue from operations	24	4,576,536,166	4,067,816,871
Other income	25	2,123,879	13,473,747
Total Income		**4,578,660,045**	**4,081,290,618**
Expenses			
Cost of materials, stores and spare parts consumed	26	10,862,246	37,921,317
Employee benefits expenses	27	4,399,288,242	3,741,794,561
Finance cost	28	20,068,407	28,876,272
Depreciation and amortisation expense	29	26,751,578	32,047,532
Other expenses	30	101,190,729	129,800,319
Total expenses		**4,558,161,202**	**3,970,440,001**
Profit for the year		**20,498,843**	**110,850,617**
Tax expense			
Current tax	31	-	-
Deferred tax Charge	31	(13,618,488)	(100,252,830)
Total tax expense		**(13,618,488)**	**(100,252,830)**
Profit for the year		**6,880,355**	**10,597,787**
Other comprehensive income/(expense)			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement (Losses)/gain on defined benefit plans		(7,911,258)	3,076,248
Income tax relating to items that will not be reclassed to profit or loss		1,991,105	(774,230)
Other comprehensive income for the year, net of income tax		**(5,920,153)**	**2,302,018**
Total comprehensive income for the year		**960,202**	**12,899,805**
Earnings per equity share (face value of Rs 10 each)	36		
Basic		13.64	21.20
Diluted		3.44	21.20

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

for and on behalf of Board of Directors of
Terrier Security Services (India) Private Limited

Anand Subramanian
Partner
Membership No. 110815

Place: Bengaluru
Date: 26 May 2022

Vijay Sivaram
Director
DIN : 07990452

Place: Bengaluru
Date: 26 May 2022

Madhu Damodaran
Director
DIN : 00424780

Place: Bengaluru
Date: 26 May 2022

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Terrier Security Services (India) Private Limited

(Amount in INR)

Statement of Cash Flows	For the Year ended 31 March 2022	31 March 2021
Cash flow from operating activities		
Profit before tax	20,498,843	110,850,617
Adjustments for:		
Depreciation of property, plant and equipment	10,858,423	13,344,493
Amortisation of intangible assets	56,865	575,600
Deposits written off	-	772,301
Depreciation of rights-of-use-assets	15,836,290	18,127,433
Bad debts written off	53,245,461	84,252,138
Loss allowance on financial assets	(42,838,263)	(86,437,355)
Interest income on term deposits	(1,044,147)	(1,622,165)
Finance costs	18,680,131	26,140,437
Finance costs on right of use assets	1,388,276	2,735,835
Operating cash flows before working capital changes	**76,681,879**	**168,739,334**
Working capital adjustments:		
Changes in:		
Inventories	(1,453,914)	1,161,929
Trade receivables	(190,756,304)	333,359,203
Unbilled revenue	(116,276,765)	37,151,824
Other financial assets	610,282	(1,387,688)
Other assets	(3,340,511)	6,747,875
Loans	1,360,501	4,920,485
Trade payables	2,647,236	(42,976,123)
Other financial liabilities	53,961,612	(146,853,701)
Other liabilities	17,851,418	1,657,367
Provisions	8,463,407	13,490,071
Cash generated from operations	**(150,251,158)**	**376,010,576**
Income taxes paid/(refund net)	(57,263,420)	81,947,171
Net cash (Used in)/from operating activities (A)	**(207,514,578)**	**457,957,747**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles	(2,077,453)	(1,929,929)
Bank deposits (having original maturity of more than three months)	12,996,933	(3,911,965)
Net cash from/(Used in) investing activities (B)	**10,919,479**	**(5,841,894)**
Cash flows from financing activities		
Proceeds from borrowings, net	174,294,949	(393,078,822)
Lease Payments	(18,188,245)	(20,808,437)
Finance cost paid	(18,680,131)	(26,140,437)
Net cash from/(Used in) financing activities (C)	**137,426,573**	**(440,027,696)**
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(59,168,526)	12,088,157
Cash and cash equivalents at the beginning of the year	59,462,819	47,374,661
Cash and cash equivalents at the end of the year	**294,293**	**59,462,819**

Components of cash and cash equivalents

Particulars	As at 31 March 2022	31 March 2021
Cash and cash equivalents		
Cash on hand	2,553	2,553
In current accounts	291,740	59,460,266
Cash and cash equivalents as per note balance sheet	**294,293**	**59,462,819**

Issue of Optionally convertible redeemable preference share and conversion of partly paid equity share into fully paid equity share are non cash items (Refer Note 16F)

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

Anand Subramanian
Partner
Membership No. 110815

Place: Bengaluru
Date: 26 May 2022

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

for and on behalf of Board of Directors of

Vijay Sivaram
Director
DIN : 07990452

Place: Bengaluru
Date: 26 May 2022

Madhu Damodaran
Director
DIN : 00424780

Place: Bengaluru
Date: 26 May 2022

Terrier Security Services (India) Private Limited

Statement of Changes in Equity

(A) Equity Share Capital

(Amount in INR)

Particulars	Note	31 March 2022	31 March 2021
Opening Balance	16	5,000,000	5,000,000
Changes in equity share capital		3,900,000	-
Closing Balance		**8,900,000**	**5,000,000**

(B) Other Equity

(Amount in INR)

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 1 April 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**
Add: Profit for the year	6,880,355			6,880,355
Add: Remeasurement of the net defined benefit Liability/Asset, net of tax effect	-	-	(5,920,153)	(5,920,153)
Issue of Optionally Convertible Redeemable Preference Shares (OCRP Shares)	**(1,500,000)**	-	-	(1,500,000)
Capitalisation of OCRP Shares	**(3,510,000)**	-	-	(3,510,000)
Balance as of 31 March 2022	**241,875,663**	**2,200,000**	**(45,118,978)**	**198,956,685**

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

for and on behalf of Board of Directors of

Terrier Security Services (India) Private Limited

Anand Subramanian

Partner

Membership No. 110815

Place: Bengaluru

Date: 26 May 2022

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Vijay Sivaram

Director

DIN : 07990452

Place: Bengaluru

Date: 26 May 2022

Madhu Damodaran

Director

DIN : 00424780

Place: Bengaluru

Date: 26 May 2022

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 & Training and other services.

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 26 May 2022.

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 is measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Going concern:

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has 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.

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CHARTERED ACCOUNTANTS
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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 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 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 realization 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

DELOITTE HASKINS & SELLS
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concentrations, customer creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.4 Current and Non-current classification

Current and non-current classification: The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

2.5 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 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.

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BENGALURU

Vijay

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.

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 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 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.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

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.

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2.7 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 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) Amortization

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 2022
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.

2.8 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 recognized immediately in the statement of profit and loss. Intangible assets that do not have definite useful life are not amortized 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.

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2.9 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.

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

The Company applies the short-term lease recognition exemption to its short-term leases of buildings (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).. 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.

2.10 Inventories

Inventories (raw materials and stores and spares) are valued at 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.

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BENGALURU

2.11 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 24 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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

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. The revenue is recognized only after the completion of the training of the participants.

2.12 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.

2.13 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 recognized 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.

2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

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.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Vijendra

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.

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.
Equity investments at FVOCI recognized	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 the statement of profit and loss.

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(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 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 Company 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 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 recognized as an income/expense in the statement of profit and loss during the period.

(iii) Derecognition of financial assets

A financial asset is derecognized only when the Company:
- has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the 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 derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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 derecognized if the Company has not retained control of the financial asset.

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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.

2.15 Employee benefits

a) Short-term employee benefits

A liability is recognized 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 unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. 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.

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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 HDFC Life Insurance Company Limited. 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 a non-Current asset or liability.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

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.

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.

2.16 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or 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 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 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 assets are recognized 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

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temporary differences. Deferred tax assets, unrecognized 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 realized.

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.

2.17 Provisions

A provision is recognized if, because 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 recognized 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.

2.18 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.

2.19 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.

2.20 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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2.21 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.

2.22 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.

2.23 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted.

3 Property, plant and equipment

(Amount in INR)

Particulars	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Total
Gross block						
As at 1 April 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	952,851	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**
Additions during the year	-	-	-	1,737,024	-	1,737,024
Disposals for the year	-	-	-	-	-	-
As at 31 March 2022	**12,247,898**	**18,150,797**	**15,180,872**	**17,937,205**	**28,314,721**	**91,831,493**
Accumulated Depreciation						
As at 1 April 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**	**73,101,538**
Depreciation for the year	2,500,766	2,935,720	31,500	2,721,272	2,669,165	10,858,423
Depreciation on deletion	-	-	-	-	-	-
As at 31 March 2022	**11,576,331**	**16,378,208**	**15,151,782**	**13,577,224**	**27,276,417**	**83,959,962**
Net Block :						
As at 31 March 2022	**671,567**	**1,772,589**	**29,090**	**4,359,981**	**1,038,304**	**7,871,531**
As at 31 March 2021	**3,172,333**	**4,708,309**	**60,590**	**5,344,229**	**3,707,469**	**16,992,930**

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Notes to the financial statements for the year ended 31 March 2022

4(a) Right-of-use assets

(Amount in INR)

Particulars	Amount
Gross block	
As at 1 April 2020	53,504,416
Additions during the year	-
Disposals for the year	-
As at 31 March 2021	53,504,416
Additions during the year	4,182,414
Disposals for the year	-
As at 31 March 2022	57,686,830
Accumulated depreciation	
As at 1 April 2020	17,894,547
Additions during the year	18,127,433
Disposals for the year	-
As at 31 March 2021	36,021,980
Additions during the year	15,836,290
Disposals for the year	-
As at 31 March 2022	51,858,270
Net Block	
As at 31 March 2022	5,828,560
As at 31 March 2021	17,482,436

4(b) Lease liabilities

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Non-current lease liability	440,518	4,090,331
Current lease liability	5,902,035	15,010,202
Total	6,342,553	19,100,533

The following is the movement in lease liabilities

Particulars	31 March 2022	31 March 2021
Balances as at beginning of the year	19,100,533	37,173,135
Add: Additions	4,041,989	-
Add: Finance cost accrued during the year	1,388,276	2,735,835
Less: Repayment of lease obligation	(18,188,245)	(20,808,437)
Balance as at the end of the year	6,342,553	19,100,533

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

Particulars	31 March 2022	31 March 2021
Less than one year	6,090,400	16,172,240
One to five years	446,000	4,184,400
'More than five years	-	-

5 Intangible Assets (Computer Software)

(Amount in INR)

Particulars	Amount
Additions on Amalgamation	
As at 1 April 2020	6,519,483
Additions during the year	-
Disposals for the year	-
As at 31 March 2021	6,519,483
Additions during the year	200,000
Disposals for the year	-
As at 31 March 2022	6,719,483
Accumulated Amortization	
As at 1 April 2020	5,887,018
Amortisation for the year	575,600
Amortization on deletions	-
As at 31 March 2021	6,462,618
Amortisation for the year	56,865
Amortization on deletions	-
As at 31 March 2022	6,519,483
Net Block	
As at 31 March 2022	200,000
As at 31 March 2021	56,865

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6 Other non-current financial assets

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Unsecured, considered good		
Security deposits paid for rental*	1,358,046	6,120,306
	1,358,046	6,120,306

*Security deposits include deposits given for Premises taken under leases

7 Deferred tax assets

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Deferred tax assets recognised on assets and liabilities are as follows:		
Deferred tax on assets		
Property, Plant and Equipment	7,632,351	6,714,484
Deferred tax on loss allowance	42,387,638	54,655,006
Deferred tax on lease liabilities, net of right of use assets	129,362	407,243
	50,149,351	61,776,733

8 Income tax assets (net)

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Advance income tax	190,486,135	133,222,716
	190,486,135	133,222,716

9 Inventories

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Valued at lower of cost and net realizable value		
Consumables	5,963,989	4,366,839
Stores and spares	433,472	576,708
	6,397,461	4,943,547

10 Trade receivables

i) Trade receivables - billed

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Unsecured		
Trade receivable - Considered good	813,574,070	686,082,383
Less: Allowance for expected credit loss	(115,254,292)	(168,111,711)
Trade receivable - Considered good	698,319,778	517,970,672
Trade receivable - Credit impaired	52,091,492	49,048,995
Less: Allowance for Credit impairment	(52,091,492)	(49,048,995)
Trade receivable - Credit Impaired	-	-
Total trade receivables	698,319,778	517,970,672

ii) Unbilled Revenue

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Unbilled revenue*	359,090,617	235,837,191
Less: Allowance for expected credit loss	(6,976,660)	-
Total Unbilled Revenue	352,113,957	235,837,191
Total Trade Receivables	1,050,433,735	753,807,863

*Includes unbilled revenue billable to releated parties INR 24,671,064 (Previous Year INR 15,214,667) refer note 37

Of the Trade Receivable-Billed, trade receivables from related party are as below:

Particulars	31 March 2022	31 March 2021
Trade receivables from related parties	17,927,799	13,492,192
Less: Loss allowance	-	-
Net trade receivables	17,927,799	13,492,192

Trade receivable ageing schedule for the year ended as at 31 March 2022:

(Amount in INR)

Particulars	**Outstanding for the following periods from due date of payment/ date of transaction**							
	Not billed	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1 - 2 year**	**2 - 3 year**	**More than 3 years**	**Total**
Undisputed trade receivables								
- Considered good	359,090,617	401,536,579	327,624,355	27,864,327	27,450,035	16,209,682	12,889,091	1,172,664,686
- Credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	23,003,479	18,149,377	10,938,637	52,091,493
Gross Trade receivables	**359,090,617**	**401,536,579**	**327,624,355**	**27,864,327**	**50,453,514**	**34,359,059**	**23,827,728**	**1,224,756,179**
Less: Allowance for expected credit loss								(174,322,444)
Net Trade receivable	359,090,617	401,536,579	327,624,355	27,864,327	50,453,514	34,359,059	23,827,728	1,050,433,735

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Trade receivable ageing schedule for the year ended as at 31 March 2021:

(Amount in Rs)

Particulars	Outstanding for the following periods from due date of payment/ date of transaction							
	Not billed	Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables								
- Considered good	235,837,192	369,132,762	183,935,472	44,416,365	50,128,403	34,535,615	3,933,765	921,919,573
- Credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	22,285,854	25,559,031	1,204,111	49,048,996
Gross Trade receivables	235,837,192	369,132,762	183,935,472	44,416,365	72,414,257	60,094,646	5,137,876	970,968,569
Less: Allowance for expected credit loss								(217,160,706)
Net Trade receivable								753,807,863

11 **Cash and cash equivalents**

(Amount in Rs)

Particulars	31 March 2022	31 March 2021
Cash and cash equivalents		
Cash on hand	2,553	2,553
Balances with banks		
In current accounts	291,740	59,460,266
	294,293	**59,462,819**

12 **Bank balances other than cash and cash equivalents above**

(Amount in Rs)

Particulars	31 March 2022	31 March 2021
Deposit held as margin money	16,891,480	28,844,266
	16,891,480	**28,844,266**

13 **Loans**

(Amount in Rs)

Particulars	31 March 2022	31 March 2021
Unsecured, considered good		
Security deposits*	11,888,944	8,487,185
	11,888,944	**8,487,185**

*Security deposits include deposits given for Premises taken under leases

14 **Other financial assets**

(Amount in Rs)

Particulars	31 March 2022	31 March 2021
Interest accrued but not due	2,411,195	3,021,477
	2,411,195	**3,021,477**

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Notes to the financial statements for the year ended 31 March 2022

15 Other current assets

(Amount in Rs)

Particulars	31 March 2022	31 March 2021
Advances other than capital advances		
Advances to suppliers	8,650,494	3,948,671
Advances to employees	2,263,163	2,069,894
Prepaid expenses	15,467,307	17,021,888
	26,380,964	23,040,453

16 Equity Share capital

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Authorised Share Capital		
1,850,000 (Previous year 1,000,000) equity shares at par value of Rs 10 each	18,500,000	10,000,000
150,000 (Previous year NIL) Optionally Convertible Redeemable Preference shares (OCRP Shares) at par value of Rs 10 each	1,500,000	-
	20,000,000	10,000,000
Issued, subscribed and paid-up		
890,000 (Previous year 500,000) equity shares at par value of Rs 10 each, fully paid up	8,900,000	5,000,000
	8,900,000	5,000,000

(Amount in INR)

	Particulars	31 March 2022	31 March 2021
	SHARE CAPITAL	No. of Shares	No. of Shares
A.	Authorised Share Capital		
	Equity Shares of Rs. 10 each		
	1,850,000 (Previous year 1,000,000) equity shares of par value of Rs 10 each	1,850,000	1,000,000
	150,000 Optionally Convertible Redeemable Preference shares (OCRP Shares) of par value of Rs 10 each	150,000	-
B.	Issued, Subscribed and Paid up Capital		
	890,000 (Previous year 500,000) equity shares of par value of Rs 10 each	890,000	500,000
	TOTAL	890,000	500,000
C.	Reconciliation of Paid up Share Capital		
	Opening Paid up Equity Share Capital	500,000	500,000
	Add:- Conversion of OCRP Shares into Equity shares during the year (Refer note F)	390,000	-
	Closing Paid up Equity Share Capital	890,000	500,000

D. **Details of shareholders holding more than 5% shares in the Company**

Particulars	As on 31march 2022		As on 31march 2021	
	Number of Shares	% Held	Number of Shares	% Held
Equity Shares				
Quess Corp Limited	370,000	42%	370,000	74%
Terrier Employee Benefit Trust	520,000	58%	130,000	26%

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.

F During the year, the Company has allotted 1,50,000, 10% Optionally Convertible Redeemable Preference Shares ("OCRP Shares") having face value of Rs. 10 each by way of bonus issue, as fully paid-up shares in the proportion of 3 OCRP Shares for every 10 equity shares already held by existing shareholders of the Company. Consequently, the Company allotted 111,000 OCRP shares to Quess Corp Limited and 39,000 to Terrier Employee Benefit Trust.
Terrier Employee Benefit Trust also exercised the option for conversion of 39,000 OCRP shares into 390,000 equity shares of Rs. 10 each. The conversion also resulted in utilisation of Retained Earnings for converting 390,000 partly paid equity shares of Re 1 each to 390,000 equity shares of Rs. 10 each.
The OCRP Shares shall be compulsorily redeemed at par, if not converted into equity shares of the Company on or before the expiry of 20 years from date of issue. The OCRP shares shall be entitled to dividend at 10% per annum on the face value of OCRP shares subject to approval of Board of Directors. The dividends are non-cumulative in nature. OCRP Shareholders shall be entitled to no voting rights except on matters directly concerning them.
The OCRP shares are considered as a compound instrument under "Ind AS 32" – Financial Instruments: Presentation as it contains a mandatory redemption after 20 years and dividends are discretionary. Accordingly, it is considered as compound instrument. Given that the management has represented that the issue of OCRP shares is at fair value, the same is considered as liability.
Under Ind AS 110 - Consolidated Financial Statements, OCRP shares can be converted into equity shares by the holder of the instruments at any point in time and therefore considered as potential voting shares. Given that, the shares can be converted without any contractual restrictions, Quess Corp Limited continues to be the Parent company of the Company.

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17 Other equity*

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Retained earnings	241,875,663	240,005,308
Other reserves	2,200,000	2,200,000
Other comprehensive income	(45,118,978)	(39,198,825)
	198,956,685	203,006,483

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

18 Non-current provisions

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Provision for employee benefit		
Provision for gratuity (refer note 38)	141,653,111	136,977,279
	141,653,111	136,977,279

19 Borrowings

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Secured		
Cash credit and overdraft facilities (refer note 33)	226,072,910	151,777,962
Loan from related parties, unsecured		
From Quess Corp Limited (refer note 33 & 37)	100,000,000	-
	326,072,910	151,777,962

20 Trade payables

i) Trade payables - billed dues

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 41)	-	-
Trade payables to related parties (refer note 37)	16,173,004	8,684,259
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	19,376,883	24,218,392
	35,549,887	32,902,651

Trade payable ageing schedule as on 31 March 2022:

(Amount in INR)

Particulars	Outstanding for the following periods from due date of payment/ date of transaction					
	Unbilled dues	Less than 1	1 - 2 year	2 - 3 year	More than 3 years	Total
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	21,341,765	7,114,601	896,971	6,196,550	35,549,887

Trade payable ageing schedule as on 31 March 2021:

(Amount in INR)

Particulars	Outstanding for the following periods from due date of payment/ date of transaction					
	Unbilled dues	Less than 1	1 - 2 year	2 - 3 year	More than 3 years	Total
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	21,316,176	3,473,680	7,901,598	211,197	32,902,651

21 Other financial liabilities

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Other Payables		
Accrued salaries and benefits	368,718,087	339,955,154
Uniform deposits	50,103,604	37,130,641
Accrued Expense	17,510,410	8,579,442
Interest accrued but not due	3,294,748	-
Optionally Convertible Redeemable Preference shares OCRP Shares 111,000 of Rs. 10 each (Refer note 16F)	1,110,000	-
	440,736,849	385,665,237

22 Current provisions

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Provision for employee benefits		
Provision for compensated absences	14,554,752	17,178,320
Provision for bonus	69,450,273	55,127,872
	84,005,025	72,306,192

23 Other current liabilities

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Advance received from customers	5,841,585	5,136,968
Balances payable to government authorities	122,533,090	105,386,289
	128,374,675	110,523,257

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24 Revenue from operations

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Manned guarding services	4,534,303,826	4,007,374,045
Electronic surveillance solutions	16,009,305	41,887,195
Training and other services	26,223,035	18,555,631
	4,576,536,166	**4,067,816,871**

(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 INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Receivables, which are included in 'Trade and other receivables'	698,319,778	517,970,672
Unbilled revenue	352,113,957	235,837,191

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 2022 and 31 March 2021:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning	235,837,191	272,989,016
Add : Revenue recognized during the year	4,583,512,826	4,067,816,871
Less : Invoiced during the year	4,460,259,400	4,104,968,696
Less: Allowance for expected credit loss	(6,976,660)	-
Balance at the end	**352,113,957**	**235,837,191**

(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 2022 and 31 March 2021, other than those meeting the exclusion criteria mentioned above, is INR 4,236,712 (31 March 2021: INR 1,902,329)

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25 Other income

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Interest income under the effective interest method on:		
Cash and cash equivalents	1,044,147	1,622,165
Interest income on present valuation of financial instruments	707,530	622,615
Interest on tax refunds	-	11,043,800
Miscellaneous income	372,202	185,167
	2,123,879	**13,473,747**

26 Cost of material and stores and spare parts consumed

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Inventory at the beginning of the year	4,943,547	6,105,477
Add: Purchases during the year	12,316,160	36,759,387
Less: Inventory at the end of the year	6,397,461	4,943,547
	10,862,246	**37,921,317**

27 Employee benefits expenses

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Salaries and wages	3,924,310,503	3,334,107,321
Contribution to provident and other funds	450,317,197	384,617,131
Staff welfare expenses	24,660,542	23,070,109
	4,399,288,242	**3,741,794,561**

28 Finance cost

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Interest expense on financial liabilities measured at amortised cost	18,680,131	26,140,437
Interest expense on lease liabilities	1,388,276	2,735,835
	20,068,407	**28,876,272**

29 Depreciation and amortisation expense

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Depreciation of property, plant and equipment (refer note 3)	10,858,423	13,344,499
Depreciation of rights-of-use-assets (refer note 4)	15,836,290	18,127,433
Amortisation of intangible assets (refer note 5)	56,865	575,600
	26,751,578	**32,047,532**

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30 Other expenses

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Recruitment and training expenses	49,510	5,334,542
Rent	8,241,365	8,161,147
Power and fuel	1,948,502	1,962,279
Repairs & Maintenance		
- Security & Housekeeping Charges	739,307	99,090
- Annual Maintenance Charges	1,690,890	1,481,872
- others	5,091,491	5,754,005
Legal and professional fees (refer note 30.1)	21,142,208	23,058,026
Rates and taxes	3,811,306	50,746,257
Printing and stationery	3,194,866	1,578,636
Travelling and conveyance	31,366,296	21,208,268
Communication expenses	1,332,277	201,795
Loss allowance	(42,838,263)	(86,437,355)
Equipment hire charges	5,603,149	2,930,163
Insurance	5,302,657	6,364,165
Bank charges	1,072,288	1,704,404
Bad debts written off	53,245,461	84,252,138
Business promotion and advertisement expenses	-	35,000
Deposits/ advances written-off	-	772,301
Miscellaneous expenses	197,419	593,587
	101,190,729	**129,800,319**

30.1 Payment to auditors (net of GST; included in legal and professional fees)

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Statutory audit fees	1,400,000	1,200,000
Limited review	1,200,000	950,000
Reimbursement of expenses	38,950	-
	2,638,950	**2,150,000**

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31 **Tax expense**

A. Amount recognised in the statement of profit and loss account

(Amount in INR)

Particulars	For the year ended 31 March 22	For the year ended 31 March 2021
Current income tax:		
In respect of the current year	-	-
Excess provision relating to prior years	-	-
Deferred tax		
In respect of the current year	(13,618,488)	(100,252,830)
Income tax expense reported in the statement of profit and loss	**(13,618,488)**	**(100,252,830)**

B. Amounts recognised in other comprehensive income

(Amount in INR)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement of the net defined benefit liability/ asset		
Before tax	(7,911,258)	3,076,248
Tax (expense)/ benefit	1,991,105	(774,230)
Net of tax	**(5,920,153)**	**2,302,018**

C. Amounts recognised directly in equity

No tax expense has been recognised directly in equity

D. Reconciliation of effective tax rate

(Amount in INR)

Particulars		For the year ended 31 March 22		For the year ended 31 March 2021
Profit before tax		20,498,843		110,850,617
Computed expected tax expense	25.17%	5,159,149	25.17%	27,898,883
Effect of:				
Deferred tax asset not recognized considering prudence		6,468,234		-
Non deductible expense		-		27,170,003
Tax incentives		-		(100,298,180)
Income Tax expenses		**(11,627,383)**		**(101,027,060)**
Income tax expense reported in the statement of profit and loss		**(11,627,383)**		**(101,027,060)**

The tax rates under Indian Income Tax Act, for the year ended 31 March 2022 and 31 March 2021 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 2022 and 31 March 2021

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Income tax assets	190,486,135	133,222,716
Income tax liabilities	-	-
Net income tax assets at the end of the year	**190,486,135**	**133,222,716**

F. Deferred tax assets, net

(Amount in INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax assets:		
Property, Plant and Equipment	7,632,351	6,714,484
Deferred tax on loss allowance	42,387,638	54,655,006
Deferred tax assets on liabilities		
Deferred tax on lease liabilities, net of right of use assets	129,362	407,243
	50,149,351	**61,776,733**

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 Company intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for the financial reporting purposes:

(Amount in INR)

	As at 31 March 2022	As at 31 March 2021
Deferred tax assets:	50,019,989	61,369,490
Deferred tax assets on liabilities	129,362	407,243

G. Recognised deferred tax assets and liabilities

Movement of deferred tax assets presented in the balance sheet

(Amount in INR)

For the year ended 31 March 2022	Opening balance	Recognized in statement of profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	6,714,484	917,867	-	7,632,351
Employee Benefit	-	(1,991,105)	1,991,105	-
Deferred tax on loss allowance	54,655,006	(12,267,368)	-	42,387,638
Deferred tax on liabilities				
Deferred tax on lease liabilities, net of right of use assets	407,243	(277,881)	-	129,362
	61,776,733	**(13,618,488)**	**1,991,105**	**50,149,351**

(Amount in INR)

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**

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32 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 2022 *(Amount in INR)*

Particulars	Carrying value	Fair value		
Financial assets	**31 March 2022**	**Level 1**	**Level 2**	**Level 3**
Amortised cost				
Trade and other receivables & Unbilled Revenue	1,050,433,735	-	-	-
Cash and cash equivalents	294,293	-	-	-
Other bank balances	16,891,480	-	-	-
Loans	11,888,944	-	-	-
Other financial assets	3,769,241	-	-	-
Total financial assets	**1,083,277,693**	-	-	-
Financial liabilities				
Amortised cost				
Lease liabilities	6,342,553	-	-	-
Trade and other payables	35,549,887	-	-	-
Borrowings	326,072,910	-	-	-
Other financial liabilities	440,736,849	-	-	-
Total financial liabilities	**808,702,199**	-	-	-

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 and other receivables & Unbilled Revenue	753,807,863	-	-	-
Cash and cash equivalents	59,462,817	-	-	-
Other bank balances	28,844,266	-	-	-
Loans	14,607,491	-	-	-
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**	-	-	-

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32 **Financial instruments-fair value and risk management (Continued)**

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 these are short term and 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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33 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 following financial assets represents the maximum credit exposure:

Trade receivables and Unbilled Revenue

Trade receivables (including unbilled revenue) are typically unsecured and are derived from revenue from customers 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.

Expected credit loss assessment for customers as at 31 March 2022 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. The Company's customers are bifurcated into two groups - Government and Non-Government customers. For Non-Government customers, the Company derives the loss rates based on collections and actual credit loss experience over the last four quarters (31 March 2021: last six quarters) which is adjusted for forward looking information over the expected collection period. Exposure to customers is diversified and there is no single customer contributing more than 10% of trade receivables and unbilled revenue. For government customers, given the insignficiant credit risk, provision is recorded to reflect allowances for time value based on historical pattern of collections. Further, specific provision is recorded for customer speciifc disputes.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

As at 31 March 2022 *(Amount in INR)*

Particulars	Gross carrying amount net of advances	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	376,228,241	0.4%	1,335,313	No	374,892,928
Past due 1–90 days	318,280,641	6.7%	21,377,894	No	296,902,747
Past due 91–180 days	29,458,101	40.9%	12,059,496	No	17,398,605
Past due 181–270 days	13,200,591	75.1%	9,916,676	No	3,283,915
Past due 271–360 days	12,468,037	100.0%	12,468,037	Yes	-
Above 360 days	110,188,367	100.0%	110,188,367	Yes	-
	859,823,978		167,345,783	-	692,478,195

As at 31 March 2021 *(Amount in INR)*

Particulars	Gross carrying amount net of advances	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	-
	735,131,107		217,160,706	-	517,970,401

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Balance as at the beginning of the year	217,160,706	303,598,062
Impairment loss recognised	(42,838,263)	(86,437,355)
Balance as at the end of the year	174,322,443	217,160,706

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33 Financial risk management (continued)

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.

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 is on demand. The interest rate is charged as per India Government Bond Rate for 10 Years declared on Quarterly basis . (Refer note 37)

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 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 2022 *(Amount in INR)*

Particulars	Carrying amount	Contractual cash flow			
		Less than 1 year	1-2 years	2-5 years	5 years and above
Borrowings	326,072,910	326,072,910	-	-	-
Lease liabilities	6,342,553	5,902,035	440,518	-	-
Trade payables	35,549,887	35,549,887	-	-	-
Other financial liabilities	440,736,849	440,736,849	-	-	-

As at 31 March 2021 *(Amount in INR)*

Particulars	Carrying amount	Contractual cash flow			
		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	-	-	-

33 Financial risk management

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 INR)

Particulars	31 March 2022		31 March 2021	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Variable rate borrowings	(2,440,069)	2,440,069	(1,135,785)	1,135,785

34 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 on non-current borrowings, current borrowing and current maturities of long-term borrowings less cash and cash equivalents.

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 INR)

Particulars	As at 31 March 2022	As at 31 March 2021
Gross debt	332,415,463	170,878,495
Less: Cash and cash equivalent	294,293	59,462,817
Adjusted net debt (total borrowings net of cash and cash equivalent)	**332,121,170**	**111,415,678**
Total equity	207,856,685	208,006,483
Net debt (Total external liabilities) to equity ratio	**1.60**	**0.54**

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35 Contingent liabilities and commitment

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Bank Guarantees issued against performance of contract	47,591,137	51,221,799
	47,591,137	**51,221,799**

36 Earnings per share

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Nominal value of equity shares (Rs per share)	10	10
Net profit after tax for the purpose of earnings per share (Rs)	6,880,355	10,597,787
Weighted average number of shares used in computing basic earnings per share	504,274	500,000
Basic earnings per share (Rs)	**13.64**	**21.20**
Weighted average number of shares used in computing diluted earnings per share	2,000,000	500,000
Diluted earnings per share (Rs)	**3.44**	**21.20**

37 Related party disclosures

(i) Name of Holding Company — Quess Corp Limited (refer note 16F)

(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
MFX Infotech Private Limited
Monster.com (India) Private Limited
Simpliance Technologies Private Limited
Billion Careers Private Limited
Excelus Learning Solutions Private Limited

- Having significant interest in the Company

Terrier Employee Benefit Trust
Fairfax Financial Holdings Limited
Fairfax (US) Inc.
HWIC Asia Fund
Fairbridge Capital (Mauritius) Limited
Thomas Cook (India) Limited
National Collateral Management Services Limited

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37 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
	Quesscorp Singapore Pte Limited (formerly known as Comtel Solutions Pte. Limited)
	MFXchange Holdings, Inc.
	MFXchange US, Inc.
	MFX Chile SpA
	Excelus Learning Solutions Private Limited
	Conneqt Business Solution Limited
	Vedang Cellular Services Private Limited
	Golden Star Facilities and Services Private Limited
	Quess Selection & Services Pte Limited (formerly known as Comtelpro Pte. Ltd.)
	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
	Heptagon Technologies Pvt Ltd
	Billion Careers Private Limited
	Quess East Bengal FC Private Limited

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Terrier Security Services (India) Private Limited
Notes to the financial statements for the year ended 31 March 2022

37 Related party disclosures (continued)

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

-Associates of Quess Corp Ltd	Quess Recruit. Inc. Agency Pekerjaan Quess Recruit SDN. BHD. Stellars Log Technovation Private Limited
-Joint Ventures of Quess Corp Limited	Himmer Industrial Services (M) Sdn Bhd

(ii) Related party transactions during the year

(Amount in INR)

Particulars		31 March 2022	31 March 2021
Revenue from operations			
- Services (Man Guard Services)			
	Quess Corp Ltd	202,434,832	139,092,818
	Allsec Technologies Limited	18,140,482	15,064,323
	Golden Star Facilities and Services Pvt Ltd	24,611,522	20,943,183
	MFX Infotech Private Limited	-	204,614
	Comtel Solutions PTE Ltd	-	528,000
	Vedang Cellular Services Private Limited	1,256,714	105,840
	ConnectQ Business Services Private Limited	63,962,559	64,249,743
	Monster.com (India) Pvt Ltd	2,165,562	1,897,263
	Qdigi Services Limited	6,862,470	7,071,896
	Net Resources Investments Private limited	751,880	881,434
	Total	**320,186,021**	**250,039,114**
- Receiving of services			
	Quess Corp Ltd	1,422,698	1,775,927
	Allsec Technologies Limited	132,149	59,401
	Simpliance Technologies Private Limited	122,869	65,070
	ConnectQ Business Services Private Limited	6,311,156	4,281,835
	Total	**7,988,872**	**6,182,233**
-Loans taken from related parties	Quess Corp Ltd	777,867,065	409,218,638
	Total	**777,867,065**	**409,218,638**
-Loans repaid to related parties	Quess Corp Ltd	677,867,065	751,381,258
	Total	**677,867,065**	**751,381,258**
- Interest expenses	Quess Corp Ltd	3,294,748	18,525,475
	Total	**3,294,748**	**18,525,475**

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Terrier Security Services (India) Private Limited
Notes to the financial statements for the year ended 31 March 2022

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

(Amount in INR)

Particulars		31 March 2022	31 March 2021
Trade receivables	Quess Corp Ltd	(420,268)	3,653,461
	Allsec Technologies Limited	2,457,569	1,130,239
	Golden Star Facilities and Services Pvt Ltd	6,094,299	1,707,735
	MFX Infotech Private Limited	-	234
	Net Resource Investment	33,816	71,572
	ConnectQ Business Services Private Limited	9,251,902	6,850,974
	Monster.com (India) Pvt Ltd	12,094	35,497
	Vedang Cellular Services Private Limited	339,526	42,480
	Qdigi Services Limited	158,861	-
	Total	**17,927,799**	**13,492,192**
Unbilled Revenue	Quess Corp Ltd	14,377,670	8,149,522
	Golden Star Facilities and Services Pvt Ltd	3,124,745	1,447,233
	Net Resource Investment	35,000	-
	Vedang Cellular Services Private Limited	41,320	-
	ConnectQ Business Services Private Limited	6,300,161	4,983,193
	Monster.com (India) Pvt Ltd	254,346	170,986
	Qdigi Services Limited	537,822	463,733
	Total	**24,671,064**	**15,214,667**
Trade payables	Quess Corp Ltd	15,165,512	6,665,471
	Heptagon Technologies Pvt Ltd	-	501,391
	ConnectQ Business Services Private Limited	985,025	1,507,391
	Simpliance Technologies Private Limited	22,467	10,006
	Total	**16,173,004**	**8,684,259**
Borrowings	Quess Corp Ltd	100,000,000	-
	Total	**100,000,000**	-
Interest accrued but not due on borrowings	Quess Corp Ltd	3,294,748	-
	Total	**3,294,748**	-
Accrued expenses			
	Allsec Technologies Limited	83,439	42,000
	Total	**83,439**	**42,000**

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38 Assets and liabilities relating to employee benefits

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Net defined benefit liability, gratuity plan	141,653,111	136,977,279
Liability for compensated absences	14,554,752	17,178,320
Total employee benefit liability	**156,207,863**	**154,155,599**

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:

Particulars	31 March 2022	31 March 2021
Change in defined benefit obligation		
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	151,597,139	159,895,137
Current service cost	29,346,441	28,197,016
Interest cost	9,412,047	9,462,947
Benefit settled	(43,201,689)	(42,958,753)
Actuarial (gains)/ losses recognised in other comprehensive income		
Actuarial (gain) / loss- Experience	13,552,094	4,595,387
Actuarial (gain) / loss- financial assumptions	(5,730,931)	(7,594,595)
Obligation at end of the year	**154,975,101**	**151,597,139**
Reconciliation of present value of plan assets		
Plan assets at beginning of the year, at fair value	14,619,862	54,274,517
Adjustment to the fair value of plan asset as at beginning	6,273,411	-
Interest income on plan assets	920,401	3,227,058
Return on plan assets greater/(lesser) than discount rate	(90,095)	77,040
Contributions	34,800,100	-
Benefits settled	(43,201,689)	(42,958,753)
Plans assets at end of year, at fair value	**13,321,990**	**14,619,862**
Net defined benefit liability	**(141,653,111)**	**(136,977,277)**

Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	31 March 2022	31 March 2021
Fair value of plan assets at the end of the year	13,321,990	14,619,862
Present value of the defined benefit obligations at the end of the year	154,975,101	151,597,139
Liability recognised in the balance sheet	**141,653,111**	**136,977,277**
Current	-	-
Non-current	141,653,111	136,977,277

Expense recognised in statement of profit or loss

Particulars	31 March 2022	31 March 2021
Current service cost	29,346,441	28,197,016
Interest cost, net	8,491,646	6,235,889
Re-measurement- actuarial gain/(loss) recognised on OCI	7,911,258	(3,076,248)
Net gratuity cost	**45,749,345**	**31,356,657**

Remeasurement recognised in other comprehensive income

Particulars	31 March 2022	31 March 2021
Remeasurement of the net defined benefit liability	7,821,163	(2,999,208)
Remeasurement of the net defined benefit asset	90,095	(77,040)
	7,911,258	**(3,076,248)**

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38 Assets and liabilities relating to employee benefits (continued)

Plan assets

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Funds managed by insurer	13,321,990	14,619,862
	13,321,990	**14,619,862**

Defined benefit obligation - Actuarial Assumptions

Particulars	Associate employees	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount rate	5.55%-6.55%	4.90%-6.30%
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 INR 158,403,252 (Previous Year INR 153,364,474) to its defined benefit plans during the next fiscal year
As at 31 March 2022 and 31 March 2021, 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 INR)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	9,621,966	10,354,792	9,073,995	9,798,134
Future salary growth(1% movement)	10,336,595	9,629,821	9,780,911	9,081,520
Attrition rate (1% movement)	8,933,850	11,655,611	8,221,866	11,515,877

Associate Employees

Particulars	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	125,736,927	168,898,962	122,957,204	166,132,171
Future salary growth(1% movement)	169,293,148	125,142,024	166,464,322	122,406,702
Attrition rate (1% movement)	140,217,185	155,255,770	134,951,959	156,025,097

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39 Ratios

Ratios	Numerator	Denominator	Ratio 21-22	Ratio 20-21	%variance	Reason for variance (greater than 25%)
Current ratio	Current Assets	Current Liabilities	1.09	1.15	-5%	
Debt-equity ratio	Total DEBT	Shareholder's Equity	1.60	0.82	95%	Note 1
Debt service coverage ratio	(EFDS)Earnings available for debt service	Debt Service	1.71	1.46	17%	
Return on equity ratio	Net profit after taxes	Average share holder equity	0.03	0.05	-37%	Note 2
Inventory turnover ratio	Cost of material consumed	Average inventory	1.92	6.86	-72%	Note 3
Trade receivables turnover ratio	Total Sales	Average Trade receivables	5.07	4.34	17%	
Trade payables turnover ratio	Total Purchases	Average Trade Payables	2.18	1.96	11%	
Net capital turnover ratio	Net Revenue	Average Working Capital	44.12	-521.52	108%	Note 4
Net profit ratio	Net Profit(After Tax)	Net Revenue	0.0015	0.0026	-42%	Note 5
Return on capital employed	EBIT	Capital Employed	0.07	0.12	-56%	Note 6

(EFDS)Earnings available for debt service
(EFDS= Net Profit After taxes + Non cash operating expenses like depreciation and Other amortizations + Interest + other adjustment like loss on sale of fixed assets)

Debt Service (Interest and lease payments + Principle Repayments)

Note 1 : There is increase in debt due to decline in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years
Note 2 : There has been decline in operating profits during the year ended 31st March, 2022 as compared to earlier years
Note 3 : There has been reduction in Consumable consumption during the year ended 31st March, 2022 as compared to earlier years
Note 4 : There has been improvement in working capital due to decrease in current liability during the year ended 31st March, 2022 as compared to earlier years
Note 5 : There has been decline in operating profit & Other income during the year ended 31st March, 2022 as compared to earlier years
Note 6 : There has been increase in Debt during the year ended 31st March, 2022 as compared to earlier years

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40 Expenditure in foreign currency

There has been no expenditure in foreign currency.

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 2022 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.

42 COVID 19 Impact

In assessing the recoverability of Trade receivables including unbilled receivables, contract assets and contract costs and intangible assets, 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.

43 The Company evaluated subsequent events through 26 May 2022, which is the date on which the financial statements are approved by the Board of Directors. Based on this evaluation, the Company is not aware of any other event or transaction that would require recognition or disclosure in the standalone 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

Vijay Sivaram
Director
DIN : 07990452

Place: Bengaluru
Date: 26 May 2022

Madhu Damodaran
Director
DIN : 00424780

Place: Bengaluru
Date: 26 May 2022

DELOITTE HASKINS & SELLS * BENGALURU * CHARTERED ACCOUNTANTS

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, 2022**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, 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, 2022, 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.

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

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Emphasis of Matter

Attention is invited to Note 37 of financial statements.

The Assignment of the SCADL contract from Trimax IT to TSIPL, is completed on 10 June 2021. While the operations and maintenance (O&M) phase of the project was commenced with Go-Live date as 1st November 2021, based on specific approval obtained from SCADL, O&M charges (INR 788 lakhs) for Nov 2019 to Aug 2021 has been invoiced to SCADL, and related revenue recognised during the year.
During the period, efforts were made to obtain confirmation of the same from SCADL and the same was not received. An amount of INR 4,700.5 Lakh has been received from SCADL during the year. During the year, the management have comprehensively reviewed the overall receivables INR 62,94.01 Lakh (previous year INR 10,174 Lakh). Accordingly allowance for expected credit loss of INR 37,84.37 Lakhs (previous year INR 8,315.16 Lakh).

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.

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

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 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.

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

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 Standard specified under Section 133 of the Act;

   e. On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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.

      iv. (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether,

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directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (g)(iv)(i) and (g)(iv)(ii) contain any material mis-statement.

v. The Company has not declared any dividend during the year and does not attract provisions of section 123 of the Companies Act, 2013.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703

Place: Bengaluru
Date: 24th May ,2022

UDIN: 22205703AJPVNA9744

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

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. 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 have any fixed assets. Consequently, comment on clause (i)(a) to (i)(e) of the order is not applicable.

ii.

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's operations does not involve inventory. Consequently, comment on clause (ii)(a) 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 have any working capital loan. Consequently, comment on clause (ii)(b) of the order is not applicable.

iii. 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 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. 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 given 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. 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 accepted any deposits from the public. Consequently, comment on clause (v) of the order is not applicable;

vi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 is regular in depositing material undisputed statutory dues including income-tax, goods and service tax, cess and other statutory dues, during the year with the appropriate authorities. As regards provident fund, employee state insurance, professional tax; remittances are made by the Quess Corp Limited and accordingly we are unable to comment on regularity of payments.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 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 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.

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

viii. 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 surrendered any transactions or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account;

ix.

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 not defaulted in repayment of any loans or borrowing from any financial institution, bank, Government or debenture holders during the year. Consequently, comment on clause (iX)(a) 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 has not been declared a willful defaulter by any bank or financial institution or other lender. Consequently, comment on clause (iX)(b) of the order is not applicable;

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 has not availed any term loans. Consequently, comment on clause (iX)(c) of the order is not applicable;

d. 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 utilized funds raised on short term basis for long term purposes. Consequently, comment on clause (iX)(d) of the order is not applicable;

e. 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 taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Consequently, comment on clause (ix)(e) of the Order is not applicable;

f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the company has not raised loans on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Consequently, comment on clause (ix)(f) of the Order is not applicable

x.

a. According to the information and explanations give to us and based on our examination of the records of the Company, Company has not raised 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 (x) (a) of the Order is not applicable;

b. According to the information and explanations give 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 (x) (b) of the Order is not applicable;

xi.

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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.

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b. No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

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 has not received any whistle-blower complaints during the year.

xii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 financial statements as required by the applicable accounting standards.

xiv. 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 have an internal audit system and is not required to have an internal audit system as per provisions of section 138 of Companies Act 2013. 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.

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 is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934, comment on clause (xvi) of the Order is not applicable;
b. According to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
c. According to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;
d. According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable;

xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the company has incurred cash losses during the immediately preceding financial year amounting to INR 92,03 Lakhs but has not incurred any cash losses during the current financial year.

xviii. According to the information and explanations given to us, there has been no resignation of statutory auditors during the year. Consequently, comment on clause (xviii) of the Order is not applicable;

xix. According to the information and explanations given to us and on the basis of our examination of the records of the Company;

On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

xx. According to the information and explanations give to us and based on our examination of the records of the Company, as the Company does not attract the provision u/s 135 in relation to the applicability of CSR. Consequently, comment on clause (xx)(a) & (xx)(b) of the Order is not applicable.

xxi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is not required to prepare consolidated financial statements. Consequently, comment on clause (xxi) 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: 24th May, 2022

UDIN: 22205703AJPVNA9744

VASAN & SAMPATH LLP
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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, 2022** 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) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

[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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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, 2022, 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: 24th May ,2022

UDIN: 22205703AJPVNA9744

VASAN & SAMPATH LLP ★ BANGALORE INDIA ★ CHARTERED ACCOUNTANTS

Trimax Smart Infraprojects Private Limited
BALANCE SHEET AS AT 31ST MARCH 2022

(Amount in lakhs)

Balance Sheet	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Financial assets			
Other financial assets	2	2,393.00	-
Deferred tax assets	3	0.00	0.06
Income tax assets (net)	4	51.26	5.88
Total non-current assets		**2,444.26**	**5.93**
Financial assets			
(i) Trade receivables	5	2,623.80	1,858.84
(ii) Cash and cash equivalents	6	25.40	4.79
(iv) Other current financial assets	7	50.80	-
Other current assets	8	192.41	302.23
Total current assets		**2,892.41**	**2,165.86**
Total Assets		**5,336.67**	**2,171.79**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	1.00	1.00
Other equity instrument	10	10,400.00	12,900.00
Other equity	11	(8,763.69)	(12,432.15)
Total equity attributable to equity holders of the Company		**1,637.31**	**468.85**
Total equity		**1,637.31**	**468.85**
Liabilities			
Non-current liabilities			
Financial liabilities			
Non-current Provisions	12	10.20	7.19
Total non-current liabilities		**10.20**	**7.19**
Current liabilities			
Financial liabilities			
Current Borrowings	13	2,610.35	29.29
Trade payables	14	956.47	1,396.31
Other current financial liabilities	15	25.76	16.92
Current Provisions	16	57.42	55.57
Other current liabilities	17	39.16	197.65
Total current liabilities		**3,689.16**	**1,695.75**
Total Liabilities		**3,699.36**	**1,702.94**
Total Equity and Liabilites		**5,336.67**	**2,171.79**

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: 24th May 2022

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

Madhu Damodaran
Additional Director
DIN: 00424780

Place: Bengaluru
Date: 24th May 2022

Guruprasad Srinivasan
Director
DIN: 07596207

Place: Bengaluru
Date: 24th May 2022

Trimax Smart Infra Project Private Limited

Trimax Smart Infraprojects Private Limited
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2022

(Amount in lakhs)

Statement of profit and loss	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	18	1,611.03	-
Other income	19	59.94	-
Total Income		**1,670.97**	-
Expenses			
Cost of materials and services	20	1,359.29	674.98
Employee benefits expense	21	128.34	109.23
Finance costs	22	70.14	38.36
Other expenses	23	(3,555.11)	8,380.66
Total expenses		**(1,997.34)**	**9,203.23**
Profit/(loss) before tax		**3,668.31**	**(9,203.23)**
Tax expense			
Deferred tax		(0.01)	(249.98)
Profit/(loss) for the period		**3,668.30**	**(9,453.21)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		0.21	(0.85)
Income tax relating to items that will not be reclassified to profit or loss		(0.05)	0.22
Other comprehensive income for the period		**0.16**	**(0.63)**
Total comprehensive income for the period		**3,668.46**	**(9,453.84)**
Earnings per equity share (face value of Rs 10 each)			
Basic (Rs.)		36,683.01	(94,532.12)
Diluted (Rs.)		4,016.64	(8,525.82)

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: 24th May 2022

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

Madhu Damodaran
Additional Director
DIN: 00424780

Place: Bengaluru
Date: 24th May 2022

Guruprasad Srinivasan
Director
DIN: 07596207

Place: Bengaluru
Date: 24th May 2022

Trimax Smart Infra Project Private Limited

Trimax Smart Infraprojects Private Limited

Statement of Cash flow Statement for the year ended 31 March 2022

(Amount in lakhs)

Statement of Cash Flows	Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from operating activities		
Profit for the period	3,668.30	(9,453.21)
Adjustments for:		
Provision for penalty	-	(961.46)
Loss allowance on financial assets, net	(4,530.79)	8,315.16
Prepaid Amortisation	-	1,200.00
Bad debts written off	945.79	-
Finance costs	70.14	1.06
Finance income on fixed deposit	(56.44)	-
Interest income on refund	(0.50)	-
Other Comprehensive Income	0.16	(0.63)
Operating cash flows before working capital changes	**96.65**	**(899.08)**
(Increase)/Decrease in inventories, Trade receivables	2,820.04	1,396.46
(Increase)/Decrease in Unbilled revenue and other current assets	59.02	36.65
Increase/(Decrease) in trade payables and other financial liabilities	(431.00)	(785.65)
Increase/(Decrease) in other liabilities and provisions	(153.64)	(39.87)
Cash generated from operations	**2,391.08**	**(291.49)**
Income taxes paid, net of refund	(45.33)	249.76
Net cash (used in) / provided by operating activities (A)	**2,345.75**	**(41.73)**
Cash flows from investing activities		
Bank deposits (having original maturity of more than three months)	(2,393.00)	-
Interest income on term deposits	56.44	-
Net cash (used in) / provided by investing activities (B)	**(2,336.56)**	**-**
Cash flows from financing activities		
Proceeds from borrowings	2,581.05	29.29
Proceeds from issue of other equity instrument	(2,500.00)	-
Interest paid	(70.14)	(1.06)
Interest income on refund	0.50	-
Net cash (used in) / provided by financing activities (C)	**11.42**	**28.23**
Net increase in cash and cash equivalents (A+B+C)	20.61	(13.50)
Cash and cash equivalents at the beginning of the period	4.79	18.29
Cash and cash equivalents at the end of the period	**25.39**	**4.79**

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

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 24th May 2022

for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

Madhu Damodaran
Additional Director
DIN: 00424780

Place: Bengaluru
Date: 24th May 2022

Guruprasad Srinivasan
Director
DIN: 07596207

Place: Bengaluru
Date: 24th May 2022

Trimax Smart Infra Project Private Limited

Trimax Smart Infraprojects Private Limited
Statement of Changes in Equity for the year ended 31 March 2022

a) Equity share Capital and Other Equity *(Amount in lakhs)*

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	(2,978.77)	0.47	(2,977.31)
Add: Profit for the year	-	(9,453.21)	-	(9,453.21)
Add: Other comprehensive income (net of tax)	-	-	(0.63)	(0.63)
Balance as of 31 March 2021	**1.00**	**(12,431.99)**	**(0.16)**	**(12,431.15)**
Particulars	**Share Capital**	**OTHER EQUITY**		**Total Equity attributable to Equity holders of the Company**
		Retained Earnings	**Other Comprehensive Income**	
Balance as of 01 April 2021	1.00	(12,431.99)	(0.16)	(12,431.15)
Add: Profit for the year	-	3,668.30	-	3,668.30
Add: Other comprehensive income (net of tax)	-	-	0.16	0.16
Balance as of 31 March 2022	**1.00**	**(8,763.68)**	**(0.00)**	**(8,762.69)**

b) Instruments entirely equity in nature

1. Compulsorily Convertible debentures

Balance at the beginning of the reporting period	Issued in compulsorily convertible debentures during the period	Redemption in compulsorily convertible debentures during the period*	Balance at the end of the reporting period
12,900.00	-	(12,900.00)	-
Total			-

2. Optionally Convertible Debentures

Balance at the beginning of the reporting period	Issued in Optionally Convertible Debentures during the period*	Redemption in Optionally Convertible Debentures during the period**	Balance at the end of the reporting period
-	12,900.00	(2,500.00)	10,400.00
Total Equity (a+b)			**1,637.31**

*During the EGM held on 2nd December 2021, the members have approved the restructuring of Compulsorily convertible debentures to Optionally convertible debentures.

**During the board meeting held on 9th December 2021, the company has approved the redemption of 25,000 Compulsorily convertible debentures at its issue price of INR 10,000/- aggregating to INR 25,00,00,000.

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

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 24th May 2022

for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

Madhu Damodaran
Additional Director
DIN: 00424780

Place: Bengaluru
Date: 24th May 2022

Guruprasad Srinivasan
Director
DIN: 07596207

Place: Bengaluru
Date: 24th May 2022

Trimax Smart Infra Project Private Limited

Trimax Smart Infraprojects Private Limited
Notes to the Financial Statements for the year ended 31 March 2022

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 24/05/2022.

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).

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.

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

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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2 Other non-current financial assets

(Amount in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Bank deposits (due to mature after 12 months from the reporting date)*	2,393.00	-
	2,393.00	-

*Fixed deposits to the tune of INR 2,393 lakhs (31 March 2021: Nil) are lien marked to bank guarentee.

3 Deferred tax asset

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred Tax asset are attributable to		
Deferred Tax - OCI	0.00	0.06
	0.00	**0.06**

4 Income tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax assets	51.26	5.88
	51.26	**5.88**

5 Trade receivables

i) Trade receivables - billed

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured		
Undisputed Trade receivables		
Considered good	2,509.64	1,858.84
Considered doubtful	3,784.37	8,315.16
Less: Allowance for expected credit loss (considered doubtful)*	(3,784.37)	(8,315.16)
	2,509.64	**1,858.84**
*Refer note no. 37		
Disputed Trade receivables		
Considered good	-	-
Considered doubtful	-	-
Less: Allowance for expected credit loss (considered good)	-	-
Less: Allowance for expected credit loss (considered doubtful)	-	-
	-	-
Net trade receivables	**2,509.64**	**1,858.84**

All trade receivables are current.

ii) Trade receivables - unbilled

Particulars	As at 31 March 2022	As at 31 March 2021
Unbilled revenue	114.16	-
Less: Provision for impairment of unbilled revenue	-	-
	114.16	-
Total of trade receivable	**2,623.80**	**1,858.84**

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Trade receivable ageing schedule as on 31 March 2022:

(Amount in lakhs)

Particulars	Not billed	Not due	Outstanding for the following periods from due date of payment/ date of transaction: Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables								
Considered good	114.16	187.06	1,199.35	56.07	-	20.11	1,047.05	**2,623.80**
Significant increase in credit risk	-	15.00	-	-	-	71.31	3,698.06	**3,784.37**
Credit impaired	-	(15.00)	-	-	-	(71.31)	(3,698.06)	**(3,784.37)**
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
Considered doubtful	-	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-

Trade receivable ageing schedule as on 31 March 2021:

Particulars	Not billed	Not due	Outstanding for the following periods from due date of payment/ date of transaction: Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed trade receivables								
Considered good	-	-	-	-	51.19	447.60	1,360.05	**1,858.84**
Significant increase in credit risk	-	-	-	-	218.21	1,908.20	6,188.74	**8,315.16**
Credit impaired	-	-	-	-	(218.21)	(1,908.20)	(6,188.74)	**(8,315.16)**
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
Considered doubtful	-	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-

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6 Cash and cash equivalents

(Amount in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Balances with banks		
In current accounts	25.40	4.79
Cash and cash equivalents in balance sheet	**25.40**	**4.79**
Cash and cash equivalent in the statement of cash flow	**25.40**	**4.79**

Includes INR 804 as at 31st March 2022 (INR. 804 for March 2021) held in Escrow Account (in the name of Trimax IT Infrastructure & Services Limited)., erstwhile JV partner.

7 Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due	50.80	-
	50.80	**-**

8 Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Advances to employees	0.12	-
Prepaid expenses	25.17	2.60
Security deposits	-	0.07
Balances with government authorities	167.12	299.56
	192.41	**302.23**

9 Share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
10,000 (31 March 2021: 10,000) equity shares of par value of Rs 10	1.00	1.00
	1.00	**1.00**
Issued, subscribed and paid-up		
10,000 (31 March 2021: 10,000) equity shares of par value of Rs 10	1.00	1.00
	1.00	**1.00**

9.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	10,000	1.00	10,000	1.00
At the end of the year	**10,000**	**1.00**	**10,000**	**1.00**

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 2022		As at 31 March 2021	
	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	99.99%	**9,999**	99.99%

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

10.1 Compulsorily convertible debentures

(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 2022		As at 31 March 2021	
	No.	Amount	No.	Amount
Number of compulsorily convertible debentures (CCDs)	-	-	1,29,000	12,900

(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 2022		As at 31 March 2021	
	No.	Amount	No.	Amount
Quess Corp Limited, holding company	-	-	1,29,000	12,900

(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 2022		As at 31 March 2021	
	% of holding	No.	% of holding	No.
Quess Corp Limited, holding company	-	-	100	1,29,000

10.2 Optionally Convertible Debentures

(a) Reconciliation of the number of optionally convertible debentures outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2022		As at 31 March 2021	
	No.	Amount	No.	Amount
Number of optionally convertible debentures (OCDs)	1,04,000	10,400	-	-

(b) The rights, preferences and restrictions attaching to optionally convertible debentures issued to Quess Corp Limited, holding company including restirctions if any :

The Company has one class of optionally convertible debentures of Rs 10,000 per OCD. These OCDs are unsecured and carry a discretionary coupon of 10% per annum. The OCDs shall have a tenure of 10 years from the date of issue. The holder of these OCDs shall have the right to convert any or all of the OCDs, any time during the tenure of OCDs.

(c) Particulars of optionally convertible debentures held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No.	Amount	No.	Amount
Quess Corp Limited, holding company	1,04,000	10,400	-	-

(d) OCD holders holding more than 5% of optionally convertible debentures along with the total number of OCDs held at the beginning and at the end of the reporting period is as given below

Particulars	As at 31 March 2022		As at 31 March 2021	
	% of holding	No.	% of holding	No.
Quess Corp Limited, holding company	100	1,04,000	-	-

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11 Other equity*

(Amount in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Other comprehensive income	(0.00)	(0.16)
Retained earnings	(8,763.68)	(12,431.99)
	(8,763.69)	**(12,432.15)**

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

12 Non-current provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefit		
Provision for gratuity	7.42	4.97
Provision for compensated absences	2.78	2.23
	10.20	**7.19**

13 Current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Loan from related parties, unsecured		
From Quess Corp Limited	2,610.35	29.29
	2,610.35	**29.29**

14 Trade payables

i) Trade payables - billed dues

Particulars	As at 31 March 2022	As at 31 March 2021
Undisputed dues		
Trade payables to related parties	866.35	1,375.28
Other trade payables	-	0.95
Dues to micro, small and medium enterprises	-	-
	866.35	**1,376.22**
Disputed dues		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	-	-
	-	-
Net trade payables	**866.35**	**1,376.22**

All trade payables are current.

ii) Trade payables - unbilled dues

Particulars	As at 31 March 2022	As at 31 March 2021
Undisputed dues		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding to related parties	87.28	17.14
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	2.83	2.94
	90.12	**20.08**
Disputed dues		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	-	-
	-	-
Net trade payables	**90.12**	**20.08**
Total trade payable	**956.47**	**1,396.31**

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Notes to the financial statements for the year ended 31 March 2022

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2022: *(Amount in lakhs)*

	Outstanding for the following periods from due date of payment/ date of transaction					
Particulars	**Unbilled dues**	**Less than 1 year**	**1 - 2 year**	**2 - 3 year**	**More than 3 years**	**Total**
Undisputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	90.12	866.35	-	-	-	**956.47**
Disputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	-	-	-	-	-

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2021:

	Outstanding for the following periods from due date of payment/ date of transaction					
Particulars	**Unbilled dues**	**Less than 1 year**	**1 - 2 year**	**2 - 3 year**	**More than 3 years**	**Total**
Undisputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	20.08	622.00	754.22	-	-	**1,396.31**
Disputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	-	-	-	-	-

*Includes Related Party Balances (refer Note 31)

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15 Other current financial liabilities

(Amount in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Other Payables		
Accrued salaries and benefits	11.48	10.15
Amount payable to related parties	14.27	6.77
	25.76	**16.92**

*Includes Related Party Balances (refer Note 31)

16 Current provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity	0.12	0.09
Provision for compensated absences	0.93	0.71
	1.05	**0.81**
Others		
Provision for warranty	56.37	54.76
	56.37	**54.76**
	57.42	**55.57**

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 2020	**54.76**	**961.46**
Provision recognized / (reversed)	-	(961.46)
Balance at the end of 31 March 2021	**54.76**	-
Provision recognized / (reversed)	1.61	-
Balance at the end of 31 March 2022	**56.37**	-

17 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Balances payable to government authorities	39.16	197.65
	39.16	**197.65**

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18 Revenue from operations

(Amount in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from execution of contracts for material and services	1,611.03	-
	1,611.03	**-**

19 Other income

Particulars	31 March 2022	31 March 2021
Interest on income tax refund	0.50	-
Interest income	56.44	-
Miscellaneous income	3.00	-
	59.94	**-**

20 Cost of materials

Particulars	31 March 2022	31 March 2021
Cost of materials and services	1,359.29	436.44
Provision for penalty/reversal	-	(961.46)
Prepaid Amortisation	-	1,200.00
	1,359.29	**674.98**

21 Employee benefits expense

Particulars	31 March 2022	31 March 2021
Salaries and wages	120.26	99.09
Contribution to provident and other funds	3.96	4.25
Expenses related to post-employment defined benefit plan	2.69	2.19
Expenses related to compensated absences	0.77	1.58
Staff welfare expenses	0.67	2.11
	128.34	**109.23**

22 Finance costs

Particulars	31 March 2022	31 March 2021
Interest on borrowings	70.14	1.06
Other interest expense	-	37.30
	70.14	**38.36**

23 Other expenses

Particulars	31 March 2022	31 March 2021
Provision/writeoff of advance	-	50.00
Legal and professional fees	7.50	12.64
Loss allowance on financial assets	(4,530.79)	8,315.16
Bad debts written off	945.79	-
Bank charges	12.10	0.00
Communication expenses	0.06	0.05
Miscellaneous expenses	3.03	0.55
Provision for warranty	1.61	-
Local Conveyance	4.25	2.23
Rates and taxes	1.33	0.03
	(3,555.11)	**8,380.66**

Payment to auditors (net of tax; included in legal and professional fees)

Statutory audit	4.00	4.00
	4.00	**4.00**

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24 Taxes

A. Amount recognised in profit and loss account

(Amount in lakhs)

Particulars	For the period ended 31 March 2022	For the period ended 31 March 2021
Statement of profit and loss account		
Current income tax:		
In respect of the current period	(0.01)	(249.98)
Income tax expense reported in the statement of profit and loss	**(0.01)**	**(249.98)**

B. Income tax recognised in other comprehensive income

Particulars	For the period ended 31 March 2022	For the period ended 31 March 2021
Remeasurement of the net defined benefit liability/ asset		
Before tax	0.21	(0.85)
Tax (expense)/ benefit	(0.05)	0.22
Net of tax	**0.16**	**(0.63)**

C. Reconciliation of effective tax rate

(Amount in lakhs)

Particulars	For the period ended 31 March 2022	For the period ended 31 March 2021
Profit/(loss) before tax	3,668.31	(9,203.23)
Tax using company's Domestic tax rate of March 2022 - 25.17% (March 2021 25.17%)	923.31	(2,316.45)
Effect of:		
Non-deductible expenses	(901.48)	1,864.46
Deferred Tax	0.01	249.98
Deferred Tax Not recognised	(21.84)	451.99
Income tax expense reported in the Statement of profit and loss	**0.01**	**249.98**

D. The following table provides the details of income tax assets and income tax liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax assets	51.26	5.88
Net income tax asset/(liability) at the end of the period	**51.26**	**5.88**

Deferred tax relates to the following:

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred Tax asset are attributable to		
Others	0.00	0.06
	0.00	**0.06**

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Notes to the financial statements for the year ended 31 March 2022

Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

For the period ended 31 March 2022	Opening balance	Additions through business combination	Recognized in profit and loss	Recognised in OCI	Closing balance
Deferred tax asset on:					
Others	0.06	-	-	(0.05)	0.00
Gross deferred tax assets	**0.06**	**-**	**-**	**(0.05)**	**0.00**

E. Unrecognized deferred tax assets/ (liabilities)

As at 31st March 2022,unrecognised deferred tax assets amount to INR 2,048.9 lakhs 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 2022	Amount in lakhs
2023	-
2024	-
2025	-
2026	-
Thereafter	2,048.90

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25 Financial instruments - fair value and risk management
Financial instruments - by category

(Amount in lakhs)

Particulars	31 March 2022			31 March 2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets:						
Trade receivables	-	-	2,623.80	-	-	1,858.84
Cash and cash equivalents including other bank balances	-	-	25.40	-	-	4.79
Other financial assets	-	-	50.80	-	-	-
Total financial assets	-	-	**2,700.00**	-	-	**1,863.63**
Financial Liabilities:						
Loans and borrowings	-	-	2,610.35	-	-	29.29
Trade payables	-	-	956.47	-	-	1,396.31
Other financial liabilities	-	-	25.76	-	-	16.92
Total financial liabilities	-	-	**3,592.58**	-	-	**1,442.52**

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 lakhs)

Particulars	Carrying amount 31 March 2022	Fair value		
		Level 1	Level 2	Level 3
Financial assets not measured at fair value				
Trade receivables	2,623.80	-	-	-
Cash and cash equivalents including other bank balances	25.40	-	-	-
Other financial assets	50.80	-	-	-
Total financial assets	**2,700.00**	-	-	-
Financial liabilities not measured at fair value				
Loans and borrowings	2,610.35	-	-	-
Trade payables	956.47	-	-	-
Other financial liabilities	25.76	-	-	-
Total financial liabilities	**3,592.58**	-	-	-

(Amount in lakhs)

Particulars	Carrying amount 31 March 2021	Fair value		
		Level 1	Level 2	Level 3
Financial assets not measured at fair value				
Trade receivables	1,858.84	-	-	-
Cash and cash equivalents including other bank balances	4.79	-	-	-
Total financial assets	**1,863.63**	-	-	-
Financial liabilities not measured at fair value				
Loans and borrowings	29.29	-	-	-
Trade payables	1,396.31	-	-	-
Other financial liabilities	16.92	-	-	-
Total financial liabilities	**1,442.52**	-	-	-

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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 2022. 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 2022 *(Amount in lakhs)*

Particulars	Smartcity	Total
Revenues by Geography		
India	1,611.03	1,611.03
Total	**1,611.03**	**1,611.03**

(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 lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Receivables, which are included in 'Trade and other receivables'	6,294.01	10,174.00
Contract assets (Unbilled revenue)	114.16	-

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 2022

(Amount in lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning	-	-
Add : Revenue recognized during the period	1,611.03	-
Less : Invoiced during the period	1,496.87	-
Balance at the end	**114.16**	-

(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 2022, 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

Based on the collection history, management has reason to estimate a minimum of 18-20% of more than 365 days shall be collected in the subsequent periods. Accordingly,management has considered to provide ECL provision of INR 3,784.37 lakhs. against the outstanding receivable.

The movement in the allowance for impairment in respect of trade receivables and unbilled revenue is as follows:

(Amount in lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance as at the beginning of the year	8,315.16	-
Impairment loss recognised/(reversed) under expected credit loss model	(3,585.00)	8,315.16
Less: Bad debts written off	(945.79)	-
Balance as at the end of the year	**3,784.37**	**8,315.16**

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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 2022:

As at 31 March 2022

(Amount in lakhs)

Particulars		Contractual cash flows			
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	2,610.35	2,610.35	-	-	-
Trade payables	956.47	956.47	-	-	-
Other financial liabilities	25.76	25.76	-	-	-

As at 31 March 2021

(Amount in lakhs)

Particulars		Contractual cash flows			
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	29.29	29.29	-	-	-
Trade payables	1,396.31	1,396.31	-	-	-
Other financial liabilities	16.92	16.92	-	-	-

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 lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	2,610.35	29.29
Total borrowings	**2,610.35**	**29.29**

(b) Sensitivity

(Amount in lakhs)

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2022				
Variable rate borrowings	(26.10)	26.10	(19.32)	19.32

(Amount in lakhs)

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2021				
Variable rate borrowings	(0.29)	0.29	(0.22)	0.22

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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 lakhs)*

Particulars	As at 31 March 2022	As at 31 March 2021
Gross debt	2,610.35	29.29
Less: Cash and cash equivalents	(25.40)	(4.79)
Adjusted net debt	**2,584.95**	**24.51**
Total equity	1,637.31	468.85
Total equity	**1,637.31**	**468.85**
Net debt to equity ratio	**1.58**	**0.05**

29 Contingent liabilities and Capital commitment

(Amount in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Contingent liabilities	-	-
Capital commitments	-	-
	-	-

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30 Earnings per share

(Amount in lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Nominal value of equity shares (Rs. Per share)	10	10
Net profit after tax for the purpose of earnings per share	3,668	(9,453)
Weighted average number of shares used in computing basic earnings per share	10,000	10,000
Basic earnings per share (Rs.)	36,683.01	(94,532.12)
Weighted average number of shares used in computing diluted earnings per share	91,328	1,10,877
Diluted earnings per share (Rs.)	4,016.64	(8,525.82)

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 Quess Singapore Pte Ltd. MFXchange Holdings, Inc. MFXchange US, Inc. Excelus Learning Solutions Private Limited Conneqt Business Solution Limited Vedang Cellular Services Private Limited Golden Star Facilities and Services Private Limited Quess Selection & Services Pte Ltd. 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 Quess Corp Services Limited Terrier Security Services (India) Private Limited Quess East Bengal FC Private Limited Heptagon Technologies Private Limited Billion Careers Private Limited
- Associates of Holding company	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
Guruprasad Srinivasan	Director
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 and Resigned w.e.f. 26th November 2021)
Madhu Damodaran	Additional Director (Appointed w.e.f. 26th November 2021)

** The shares held by Trimax IT is transferred to Quesscorp during the earlier year as result of Settlement cum Share Purchase agreement dated 15th October 2019. (Refer Note 37).

Hence these entities are related parties only till the date of transfer of shares.

(ii) Related party transactions during the period

(Amount in lakhs)

Particulars		31 March 2022	31 March 2021
Procurement of Material/Services			
	Quess Corp Limited	1,359.29	436.44
Professional fees			
	Allsec Technologies Limited	0.09	0.07
Finance costs			
	Quess Corp Limited	70.14	1.06
Payment made by related parties on behalf of the Company			
	Quess Corp Limited	20.79	14.92
Repayment of Loans to related parties			
	Quess Corp Limited	29.95	60.00
Redemption of OCD			
	Quess Corp Limited	2,500.00	-
Loans taken from related parties			
	Quess Corp Limited	2,557.95	89.00

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

(Amount in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables		
Quess Corp Limited	866.34	1,375.27
Allsec Technologies Limited	0.01	0.01
Borrowings		
Quess Corp Limited	2,610.35	29.29
Other payable		
Quess Corp Limited	14.27	6.77
Optionally Convertible Debentures		
Quess Corp Limited	10,400.00	-
Compulsorily Convertible debentures		
Quess Corp Limited	-	12,900.00

(iv) Compensation of key managerial personnel*

(Amount in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
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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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 2022.

(Amount in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability, gratuity plan	7.54	5.06
Liability for compensated absences	3.71	2.94
Total employee benefit liability	**11.25**	**8.00**
Current	1.05	0.81
Non-current	10.20	7.19
	11.25	**8.00**

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 lakhs)

Particulars	31 March 2022	31 March 2021
Change in defined benefit obligation		
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	5.06	2.02
Additions through business combination	-	-
Current service cost	2.36	2.06
Interest cost	0.33	0.13
Past service cost	-	-
Benefit settled	-	-
Actuarial (gains)/ losses recognised in other comprehensive income	-	-
- Changes in experience adjustments	0.12	0.80
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(0.33)	0.05
Obligation at the end of the year	**7.54**	**5.06**
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	**(7.54)**	**(5.06)**

Expense recognised in profit or loss

(Amount in lakhs)

Particulars	For the period ended 31 March 2022	For the period ended 31 March 2021
Current service cost	2.36	2.06
Interest cost	0.33	0.13
Past service cost	-	-
Past service cost	-	-
Interest income	-	-
Net gratuity cost	**2.69**	**2.19**

Remeasurement recognised in other comprehensive income

(Amount in lakhs)

Particulars	For the period ended 31 March 2022	For the period ended 31 March 2021
Remeasurement of the net defined benefit liability	(0.21)	0.85
Remeasurement of the net defined benefit asset	-	-
	(0.21)	**0.85**

Defined benefit obligation - Actuarial Assumptions

Particulars	For the period ended 31 March 2022	For the period ended 31 March 2021
Discount rate	6.90%	6.45%
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 lakhs)

	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	6.89	8.29	4.58	5.62
Future salary growth (1% movement)	8.27	6.89	5.60	4.59
Mortality rate (10% movement)	7.54	7.54	5.06	5.06
Attrition rate (50% movement)	6.72	8.68	4.30	6.15

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33 **Ratios**

Ratios	Numerator	Denominator	Ratio 21-22	Ratio 20-21
Current ratio	2,892	3,689	0.78:1	1.28:1
Debt-equity ratio	2,610	1,637	1.59:1	0.06:1
Debt service coverage ratio	3,738	70.14	53.30:1	-8633.72:1
Return on equity ratio	3,668	1,053	3.48:1	-19.63:1
Inventory turnover ratio	1,359	-	0	0.00:1
Trade receivables turnover ratio	1,497	2,127	0.70:1	0.00:1
Trade payables turnover ratio	2,335	1,176	1.98:1	6.49:1
Net capital turnover ratio	1,611	(797)	-2.02:1	0.00:1
Net profit ratio	3,668	1,611	2.28:1	0.00:1
Return on capital employed	3,738	2,611	1.43:1	-19.55:1
Return on investment	3,668	1,637	2.24:1	-19.63:1

A. Current Ratio = Current Assets divided by Current Liabilities
B. Debt-equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings and lease liabilities
C. Debt Service Coverage Ratio (DSCR) = Earnings available for debt services (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc) divided by Total interest and lease payments and principal repayments

D. Return on equity ratio : Net profit after tax less preference dividend divided by Average Shareholder Equity
E. Inventory turnover ratio : Cost of materials consumed divided by Average Inventory (Opening + Closing balance / 2)
F. Trade Receivables turnover ratio = Credit Sales (Total revenue from operations +Opening Unbilled- Closing Unbilled-Opening unearned revenue+ Closing Unearned revenue) divided by Average trade receivables ((Opening + Closing balance / 2)

G. Trade payables turnover ratio = Credit purchases (Cost of goods sold+ other expenses+ Opening provision for expenses- Closing Provision for expenses- Impairment loss allowance on financial asset- Loss on sale of fixed asset- forex gain loss-Expenditure on CSR-Bad debt/Deposits written off) divided by average trade payables

H. Net capital turnover ratio = Net Sales divided by Working Capital
I. Net profit ratio = Net profit after tax divided by Revenue from operations
J. Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Average Capital Employed- pre cash (Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability)

K. Return on investment. PAT divided by Total Equity

A. Current Ratio = Current Assets divided by Current Liabilities

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Current ratio	Current Assets (a) / Current Liabilities(b)	2,892 3,689	0.78:1	2,166 1,696	1.28:1	-39%

Reason for change more than 25%: The decrease in current ratio is due to loan taken from related party during the year

B. Debt-equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Debt-equity ratio	Total debt (a) / Total Equity(b)	2,610 1,637	1.59:1	29 469	0.06:1	2452%

Reason for change more than 25%: The increase in ratio is due to loan taken from related party during the year and redemption in OCD

C. Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Debt-equity ratio	EBITDA (a)/ Interest+ PrincipalRepayments(b)	3,738 70.14	53.30:1	(9,165) 1	-8633.72:1	101%

* EBITDA refers to profit for the year before tax+ Non cash Operating expense+ Finance cost
* Principal repayments considered for current year repayments

	31st March 2022	31st March 2021
Profit for the year	3,668	(9,203)
Add: Non cash operating expenses and finance cost		
'- Depreciation and Amortization	-	-
'- Finance cost	70.14	38
Earnings available for debt services(EBITDA)	3,738	(9,165)

Reason for change more than 25%: The increase in ratio is because of loss in previous year due to provision for doubtful debt created

D. Return on equity ratio : Net profit after tax divided by Equity

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Return on equity ratio	PAT (a) / Avg Equity(b)	3,668 1,053	3.48:1	(9,203) 469	-19.63:1	118%

Reason for change more than 25%: The increase in ratio is because of loss in previous year due to provision for doubtful debt created

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E. Inventory turnover ratio : Cost of materials consumed divided by closing inventory

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Inventory turnover ratio	Cost of materials consumed (a)/Avg Inventory (b)	1,359 -	0.00:1	675 -	0.00:1	0%

Reason for change more than 25%: There is no inventory in books

F. Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Trade Receivables turnover ratio	Credit sales (a) / Avg Trade receivables(b)	1,497 2,127	0.70:1	- 1,859	0.00:1	70%

Reason for change more than 25%: The increase is due to revenue recognised during the year

G. Trade payables turnover ratio = Credit purchases divided by closing trade payables

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Trade payables turnover ratio	Cr purchases(a) / Avg Trade payables(b)	2,335 1,176	1.98:1	9,056 1,396	6.49:1	69%

Reason for change more than 25%: The increase due to provision for doubtfule debt created during previous year

H. Net capital Turnover Ratio =Revenue from Operations divided by Net Working capital whereas net working capital= current assets - current liabilities

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Net capital Turnover Ratio	Revenue from operations(a) / Net Working capital (b)	1,611 (797)	-2.02:1	- 470	0.00:1	-202%

Reason for change more than 25%: The decrease is due to negative working capital and no revenue recognised during the previous year

I. Net profit ratio = Net profit after tax divided by Revenue from operations

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Net profit ratio	PAT(a) / Revenue from operations(b)	3,668 1,611	2.28:1	(9,203) -	0.00:1	228%

Reason for change more than 25%: The increase due to provision for doubtfule debt created during previous year

J . Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Capital Employed- pre cash

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Return on Capital employed	EBIT (a) / Capital employed(b)	3,738 2,611	1.43:1	(9,165) 469	-19.55:1	107%

Reason for change more than 25%: The increase due to provision for doubtfule debt created during previous year

K.Return on investment:

Ratio Name	Definition	31st March 2022	Ratio 21-22 (a/b)	31st March 2021	Ratio 20-21 (a/b)	% of change
Return on investment:	PAT (a) / Avg Equity(b)	3,668 1,637	2.24:1	(9,203) 469	-19.63:1	111%

Reason for change more than 25%: The increase due to provision for doubtfule debt created during previous year

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34 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 lakhs)

Particulars	31 March 2022	31 March 2021
Revenue from execution of contracts for material and services	1,611.03	-
	1,611.03	**-**

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.

35 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 2022 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.

36 Other Notes – Penalty

During the previous 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.

During the previous 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.

37 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
a.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.

b. The Assignment of the SCADL contract from Trimax IT to TSIPL, is completed on 10 June 2021. During the year, the supply phase of the project is completed and operations and maintenance (O&M) phase of the project was also formally commenced with Go-Live date as 1st November 2021. Further, based on specific approval obtained from SCADL, O&M charges (INR 788 lakhs) for earlier period i.e. Nov 2019 to Aug 2021 against FAT obtained on various dates has been invoiced to SCADL, and related revenue recognised during the year.

c. While efforts were made to obtain confirmation of the same from SCADL, we have not received the same. An amount of INR 4,700.5 Lakh has been received from SCADL during the year. During the year, the management have comprehensively reviewed the overall receivables INR 62,94.01 Lakh (previous year INR 10,174 Lakh). Accordingly allowance for expected credit loss of INR 37,84.37 Lakhs (previous year INR 8,315.16 Lakh), Refer Note no. 27 (i).

d. During the year the company had written off 945.79 lakhs related to GST and TDS which is not recoverable from trade receivable.

e. During the year we have given bank guarentee amount of INR 2,393.00 lakhs to SCADL as per novation agreement and the corresponding amount is lying in fixed deposit.

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Notes to the financial statements for the year ended 31 March 2022

38 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.

39 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

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 24th May 2022

for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

Madhu Damodaran
Additional Director
DIN: 00424780

Place: Bengaluru
Date: 24th May 2022

Guruprasad Srinivasan
Director
DIN: 07596207

Place: Bengaluru
Date: 24th May 2022

Trimax Smart Infra Project Private Limited

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 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, 2022, 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, 2022, 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.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report

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.

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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.

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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 March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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

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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.

iv.

1. The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2. The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

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

Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 22205226AISKNP7277

Place: Hyderabad, INDIA

Date: May 10, 2022

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF VEDANG CELLULAR SERVICES 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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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: 22205226AISKNP7277

Place: Hyderabad, INDIA
Date: May 10, 2022

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VEDANG CELLULAR SERVICES LIMITED FOR THE YEAR ENDED MARCH 31, 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals 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.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) 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) (a) of the Order are not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets. Quarterly returns / statements are filed with such Banks which are not in agreement with the books of account.

Details of difference between books of accounts and those as filed with banks / financial institutions are as follows :-

31-03-2022

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-21	IDFC First Bank Ltd	Account Receivable (gross) net of Account payable	23,99,82,469	22,71,57,509	1,28,24,960	Refer Note Below
Sep-21	IDFC First Bank Ltd		27,82,07,696	26,88,18,382	93,89,314	Refer Note Below
Dec-21	IDFC First Bank Ltd		31,73,89,884	29,29,21,260	2,44,68,624	Refer Note Below
Mar-22	IDFC First Bank Ltd		28,50,43,874	25,97,23,993	2,53,19,881	Refer Note Below

31-03-2021

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Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-20	Axis Bank Ltd	Account Receivable (gross) net of Account payable	12,46,93,679	12,46,93,679	-	
Sep-20	Axis Bank Ltd		20,12,35,633	20,12,35,633	-	
Dec-20	Axis Bank Ltd		22,99,17,234	22,99,17,234	-	
Mar-21	IDFC First Bank Ltd		26,86,36,738	25,49,13,058	1,37,23,680	Refer Note Below

Note :- The Company has been required by IDFC First Bank Limited to submit documents related to Accounts Receivable which are aged less than 120 days. Therefore, Accounts Receivable Balance aged more than 120 days is not considered in the statement submitted to Bank which has resulted in the difference between Amount as per books of account and Amount as reported in the quarterly return statement.

iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) 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, there are no amounts outstanding which are in the nature of deposits as on March 31, 2022 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, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) 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.

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viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) According to the information explanation given to us and on an overall examination of the financial statements of the Company, the Company does not have any subsidiary, joint venture or associate and has not taken any funds from an any entity or person. Accordingly, the provision stated in paragraph 3(ix) (e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us, the Company does not have any subsidiary, joint venture or associate and has not raised loans during the year. Accordingly, the provision stated in paragraph 3(ix) (f) of the Order is not applicable to the Company.

x.

(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

xi.

(a) 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 nor on the Company.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to 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) (a) to (c) of the Order are not applicable

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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. In our opinion and based on our examination, the Company does not require to comply with provision of section 138 of the Act. Hence, the provisions stated in paragraph 3(xiv) (a) to (b) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi.

(a) 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)(a) of the Order are not applicable to the Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) and 3 (xvi)(d) of the Order are not applicable to the Company.

xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx.

(a) According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

xxi. According to the information and explanations given to us, the Company does not have any subsidiary / associate / joint venture. Accordingly, there is no preparation of consolidated financial

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statements. Accordingly, the provisions stated in paragraph clause 3(xxi) of the Order are not applicable to the Company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 22205226AISKNP7277

Place: Hyderabad
Date: May 10, 2022

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VEDANG CELLULAR SERVICES PRIVATE 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 **Vedang Cellular Services Private Limited** ("the Company") as of March 31, 2022 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

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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.

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, 2022, 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

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 22205226AISKNP7277

Place: Hyderabad, INDIA
Date: May 10, 2022

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)
Balance Sheet as at 31 March 2022

Balance Sheet	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,39,59,889	2,03,55,713
Right of use asset	3	1,72,08,691	8,45,706
Intangible assets	4	93,92,121	1,16,72,767
Deferred tax assets (net)	5	1,10,77,015	97,65,000
Income tax assets (net)	6	5,92,90,571	5,62,59,113
Total non-current assets		11,09,28,287	9,88,98,299
Current Asset			
Financial assets			
(i) Trade receivables	7	28,50,43,873	26,86,36,377
(ii) Cash and cash equivalents	8	2,75,838	20,88,979
(iii) Bank balances other than cash and cash equivalents	9	30,30,000	30,00,000
(iv) Current loans	10	51,02,645	28,13,914
(v) Other current financial assets	11	3,73,032	2,74,321
Other current assets	12	73,26,013	36,58,238
Total current assets		30,11,51,401	28,04,71,829
Total Assets		41,20,79,688	37,93,70,129
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	18,20,830	18,20,830
Other equity	14	20,94,67,975	15,30,25,490
Total equity		21,12,88,805	15,48,46,320
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Provisions	15	36,81,304	35,92,190
Other non-current liabilities			
Lease Liability	35	1,15,07,743	-
Total non-current liabilities		1,51,89,047	35,92,190
Current liabilities			
Financial liabilities			
(i) Borrowings	16	3,41,69,788	7,42,42,758
(ii) Lease Liability	35	55,52,244	9,85,407
(iii) Trade payables	17		
- Total Outstanding dues of Micro enterprises and Small Enterprise and		-	-
- Total Outstanding dues other than Micro enterprises and Small Enterprise		3,72,81,992	2,91,00,998
(iv) Other current financial liabilities	18	9,34,02,027	9,68,24,729
Current provisions	19	55,48,049	47,56,904
Other current liabilities	20	96,47,736	1,50,20,822
Total current liabilities		18,56,01,836	22,09,31,618
Total Liabilities		20,07,90,883	22,45,23,808
Total Equity and Liabilities		41,20,79,688	37,93,70,129
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

Ananthakrishnan G
Partner
Membership No. 205226

Place: Hydrabad
Date: 10-05-2022

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: 06-05-2022

Vijay Sivaram
Director
DIN.07990452

Place: Bangalore
Date: 06-05-2022

MSKA & ASSOCIATES Hyderabad Chartered Accountants

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)

Statement of Profit and Loss for the year ended 31 March 2022

Statement of Profit and Loss	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	21	1,02,46,03,626	81,16,31,274
Other income	22	2,97,028	37,00,189
Total income		**1,02,49,00,654**	**81,53,31,463**
Expenses			
Direct Service Cost	23	38,67,88,051	28,82,22,888
Employee benefit expenses	24	48,83,79,949	49,25,02,269
Finance costs	25	1,01,67,944	95,25,682
Depreciation and amortisation expenses	26	2,58,87,839	3,90,94,945
Other expenses	27	4,86,04,763	4,18,61,231
Total expenses		**95,98,28,546**	**87,12,07,015**
Profit / (Loss) before tax		**6,50,72,108**	**(5,58,75,552)**
Tax expense			
Current tax	28	(99,41,639)	-
Deferred tax		12,78,843	20,08,175
Total tax expenses		**(86,62,796)**	**20,08,175**
Profit / (Loss) for the year		**5,64,09,312**	**(5,38,67,377)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit liability/ asset		44,330	2,58,960
Income tax relating to items that will not be reclassified to profit or loss		(11,157)	(65,175)
Other comprehensive income/(Expense) for the Year, net of tax		**33,173**	**1,93,785**
Total comprehensive income for the year		**5,64,42,485**	**(5,36,73,592)**
Earnings per equity share (face value of R 10 each)			
Basic earnings /(loss) per share (INR)	33	309.98	(295.84)
Diluted earnings /(loss) per share (INR)	33	309.98	(295.84)
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

Ananthakrishnan G
Partner
Membership No. 205226

Place: Hydrabad
Date: 10-05-2022

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: 06-05-2022

Vijay Sivaram
Director
DIN.07990452

Place: Bangalore
Date: 06-05-2022

VEDANG CELLULAR SERVICES PRIVATE LIMITED
(A Subsidiary of Quess Corp Limited)
Statement of cash flows for the year ended 31 March 2022

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Cash flows from operating activities		
Profit before taxation	6,50,72,108	(5,58,75,552)
Adjustments for non-cash and non-operating items:		
Depreciation and amortisation expenses	2,58,87,840	3,90,94,945
Finance Cost	1,01,67,944	95,25,682
Interest Income	(1,78,944)	(1,21,102)
Deferred Tax Expenses	12,67,686	19,43,000
Income Tax Expense	(99,41,639)	-
Gratuity passed through OCI	44,330	2,58,960
Operating cash flows before working capital changes	**9,23,19,325**	**(51,74,067)**
Working capital changes:		-
(Increase) / decrease in Other non-current assets	-	13,813
(Increase) / decrease in Trade Receivables	(1,64,07,496)	19,75,162
(Increase) / decrease in Current Loans	(22,88,731)	(1,21,229)
(Increase) / decrease in Other current financial assets	(98,711)	(37,000)
(Increase) / decrease in Other current assets	(36,67,775)	(10,37,771)
(Increase) / decrease in Bank Balance other than cash and cash equivalent	(30,000)	(25,00,000)
Increase / (decrease) in Non current Provisions	89,114	(1,91,240)
Increase / (decrease) in Income tax asset	-	2,61,58,823
Increase / (decrease) in Trade payables	81,80,995	(1,07,55,412)
Increase / (decrease) in Other current financial liabilities	(34,22,702)	80,56,531
Increase / (decrease) in Other current liabilities	(8,06,249)	(23,90,590)
Increase / (decrease) in Deferred tax Asset	(13,12,015)	(19,43,000)
Increase / (decrease) in Other non- current financial liabilities	1,15,07,743	-
Increase / (decrease) in Current provisions	7,91,145	5,86,440
Cash generated from operating activities	**(74,64,682)**	**1,78,14,527**
Income taxes	(30,31,458)	-
Net cash flow provided by/ (used in) operating activities (A)	**8,18,23,185**	**1,26,40,460**
Cash flows from investing activities		
Business acquisitions, net of cash acquired		
Purchase of property, plant and equipment	(1,35,18,027)	(1,35,62,823)
Asset Addition ROU on building	(2,00,56,328)	-
Interest received on term deposits	1,78,944	1,21,102
Net cash flow from investing activities (B)	**(3,33,95,411)**	**(1,34,41,721)**
Cash flows from financing activities		
Proceeds from Other current Borrowings	(4,00,72,970)	2,27,97,841
Interest Paid	(1,01,67,944)	(95,25,682)
Net cash flow from financing activities (C)	**(5,02,40,914)**	**1,32,72,159**
Net increase in cash and cash equivalents (A+B+C)	**(18,13,140)**	**19,76,969**
Cash and cash equivalents at beginning of period	**20,88,979**	**1,12,010**
Cash and cash equivalents at the end of the year (refer note 8)	**2,75,839**	**20,88,979**

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: Hydrabad
Date: 10-05-2022

MSKA & ASSOCIATES Hyderabad Chartered Accountants

for and on behalf of the Board of Directors of
Vedang Cellular Services Private Limited
CIN: U32309MH2010PTC201638

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

Ashish Kapoor	**Vijay Sivaram**
Director	Director
DIN No. 07596207	DIN 07990452
Place: Bangalore	Place: Bangalore
Date: 06-05-2022	Date: 06-05-2022

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)
Statement of Changes in Equity for the year ended 31 March 2022

(A) Equity share capital

(All amount in INR, unless otherwise stated)

Particulars	Note	31 March 2022
Opening balance	13	18,20,830
Changes in Equity Share Capital due to prior period errors	13	-
Restated balance at the beginning of the current reporting period		18,20,830
Changes in equity share capital		
Closing balance		**18,20,830**

(B) Other equity

Particulars	Equity share capital	Capital reserve	Attributable to owners of the Company / Other equity / Reserves and surplus: Retained earnings	Reserves and surplus: Other Reserve	Other equity: Securities premium account	Other comprehensive income: Foreign currency translation reserve	Other comprehensive income: Remeasurement of the net defined benefit liability/ asset	Total attributable to equity holders of the Company
Balance as of 1 April 2021	-	-	11,88,92,511	7,50,000	2,99,04,170	-	34,78,809	15,30,25,490
Add: Profit for the year	-	-	5,64,09,312	-	-	-	-	5,64,09,312
Add: Other comprehensive income (net of tax)	-	-	-	-	-	-	33,173	33,173
	-	-	-			-	-	-
Balance as of 31st March 2022	-	-	17,53,01,823	7,50,000	2,99,04,170	-	35,11,982	20,94,67,975

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: Hydrabad
Date: 10-05-2022

MSKA & ASSOCIATES ★ Hyderabad ★ Chartered Accountants

for and on behalf of the Board of Directors of
Vedang Cellular Services Private Limited
CIN: U32309MH2010PTC201638

VEDANG CELLULAR SERVICES PVT. LTD. ★ MUMBAI

Ashish Kapoor
Director
DIN No. 07596207
Place: Bangalore
Date: 06-05-2022

Vijay Sivaram
Director
DIN.07990452
Place: Bangalore
Date: 06-05-2022

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)
Notes forming part of the Financial Statements for the year ended 31 March 2022

3 Property, plant and equipment

(All amount in INR, unless otherwise stated)

Particulars	Furniture and fixtures	Plant and machinery	Computer equipment	Office equipment	Total Property, plant and equipment	Right of Use Assets
Cost						
Balance as at 31st Mar 2021	30,12,468	3,88,76,180	5,55,90,430	3,88,199	9,78,67,277	1,13,60,867
Addition during the year	88,400	60,96,706	11,28,215	4,60,779	77,74,100	2,00,56,328
Balance as at 31st Mar 2022	31,00,868	4,49,72,886	5,67,18,645	8,48,978	10,56,41,377	3,14,17,195
Accumulated depreciation and impairment losses						
Balance as at 31st Mar 2021	27,71,634	2,55,22,707	4,91,71,620	45,604	7,75,11,565	1,05,15,161
Depreciation for the Period	1,38,202	86,18,733	53,18,012	94,976	1,41,69,923	36,93,343
Balance as at 31st Mar 2022	29,09,836	3,41,41,441	5,44,89,632	1,40,580	9,16,81,488	1,42,08,504
Net Carrying Amount						
As at 31st Mar 2022	**1,91,032**	**1,08,31,445**	**22,29,013**	**7,08,398**	**1,39,59,889**	**1,72,08,691**
As at 31st Mar 2021	**2,40,834**	**1,33,53,473**	**64,18,811**	**3,42,595**	**2,03,55,713**	**8,45,706**

4 Intangible Assets

Particulars	Softwares
Cost	
Balance as at 31st Mar 2021	8,28,16,453
Addition during the year	57,43,927
Revaluation During the year	-
Disposals During The year	-
Balance as at 31st Mar 2022	8,85,60,380
Amortisation	
Balance as at 31st Mar 2021	7,11,43,686
Amortisation during the year	80,24,573
Balance as at 31st Mar 2022	7,91,68,259
As at 31st Mar 2022	**93,92,121**
As at 31st Mar 2021	**1,16,72,767**

Note:

a The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets) and intangible assets as at the balance sheet date.
b The Company doesn't have title deeds which are held other than in the company's name as at the balance sheet date.
c The Company has no Capital Work in Progress and Intangibles under Development.
d The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

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 2022

5 **Deferred tax assets (net)**

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset on liabilities:		
Impairment loss allowance on financial assets	3,89,325	11,805
Provision on employee benefits- Compensated absences	1,51,532	1,51,273
Provision on employee benefits- Gratuity	21,82,468	18,84,827
Deferred tax on fixed assets	83,53,690	77,17,095
Net deferred tax assets	**1,10,77,015**	**97,65,000**

6 **Income tax assets (net)**

Particulars	As at 31 March 2022	As at 31 March 2021
Income Tax Assets	7,15,32,208	5,85,59,113
Income Tax Liabilities	(1,22,41,639)	(23,00,000)
	5,92,90,571	**5,62,59,113**

7 **Trade receivables**

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured		
Considered good	17,88,39,905	15,77,91,886
Considered doubtful	-	-
	17,88,39,905	**15,77,91,886**
Loss allowance		
Unsecured considered good	(6,12,279)	(46,906)
Considered doubtful	-	-
	(6,12,279)	**(46,906)**
Net trade receivables	**17,82,27,626**	**15,77,44,980**

All trade receivables are current.

Trade Receivable Unbilled

Particulars	As at 31 March 2022	As at 31 March 2021
Unbilled revenue	10,77,50,875	11,08,91,397
Less: Loss Allowance	(9,34,628)	-
	10,68,16,247	**11,08,91,397**
Total Trade Receivable	28,50,43,873	26,86,36,377

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 30

Trade receivable ageing schedule as on 31 March 2022:

Particulars	Not billed	Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
	Outstanding for the following periods from due date of payment/ date of transaction							
Undisputed trade receivables (Gross)								
- Considered good	10,77,50,875	14,85,74,927	2,57,36,268	42,67,612	2,61,098	-	-	28,65,90,780
- Having significant credit risk	-	-	-	-	-	-	-	-
- Credit impaired	9,34,628	1,225	18,629	3,31,327	2,61,098	-	-	15,46,906
Disputed trade receivables (Gross)								
- Considered good	-	-	-	-	-	-	-	-
- Having significant credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-

Trade receivable ageing schedule as on 31 March 2021:

Particulars	Not billed	Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
	Outstanding for the following periods from due date of payment/ date of transaction							
Undisputed trade receivables (Gross)								
- Considered good	11,08,91,397	11,53,72,815	4,10,92,590	13,26,842	-	-	-	26,86,83,644
- Having significant credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	1,467	25,098	20,341	-	-	-	46,906
Disputed trade receivables (Gross)								
- Considered good	-	-	-	-	-	-	-	-
- Having significant credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

8 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Cash on hand	26,223	5,362
In current accounts	2,49,615	20,83,616
In deposit accounts (with original maturity of less than 3 months)	-	-
Cash and cash equivalents in the statement of cash flow	**2,75,838**	**20,88,978**

9 Bank balances other than cash and cash equivalents above

Particulars	As at 31 March 2022	As at 31 March 2021
In deposit accounts (due to mature within 12 months from the reporting date)	30,30,000	30,00,000
	30,30,000	**30,00,000**

Deposit with Axis Bank is in lien with them for issuing Bank gurantee worth 25 lac to one of the customer.

10 Current loans

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Security deposits	51,02,645	27,06,316
Advances to employees	-	1,07,598
	51,02,645	**28,13,914**

* Loans granted to promoters, directors, KMPs and related parties is NIL during FY 21-22 (FY 20-21 - NIL)

11 Other current financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due	3,73,032	2,74,321
	3,73,032	**2,74,321**

12 Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	73,26,013	36,58,238
	73,26,013	36,58,238

13 Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
250,000 (31 March 2021: 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 2021: 182,083) equity shares of par value of Rs 10 each, fully paid up	18,20,830	18,20,830
	18,20,830	18,20,830

13.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2022	As at 31 March 2021
Equity shares		
Outstanding at the beginning of the year	1,82,083	1,82,083
Add: Issued during the year		
Outstanding at the end of the year	1,82,083	1,82,083

13.2 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.

13.3 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2021	
	Number of shares	% Held	Number of shares	% Held
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	1,68,367	92.5%	1,68,367	92.5%
Ashish Kapoor	13,706	7.5%	13,706	7.5%
	1,82,073	**100.0%**	**1,82,073**	**100.0%**

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

13.4 Details of shareholding of promoters:

Promoter name	31 March 2022			31 March 2021		
	Number of shares	% of Total Shares	% change during the year	Number of shares	% of Total Shares	% change during the year
Mr. Ashish Banarasilal Kapoor	13,706	7.5%	Nil	13,706	7.5%	-2.50%

14 Other equity*

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium account (refer note 14.1)	2,99,04,170	2,99,04,170
Other Reserves	7,50,000	7,50,000
Retained earnings	17,53,01,823	11,88,92,511
Other comprehensive income (refer note 14.2)	35,11,982	34,78,809
	20,94,67,975	**15,30,25,490**

* For detailed movement of reserves refer Statement of Changes in Equity.

14.1 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.

14.2 Other comprehensive income

Remeasurement of defined benefit liability (asset) comprises actuarial gain and losses and return on plan assets (excluding interest income).

14.3 A corporate guarantee was issued by holding company Quess Corp Limited against the Cash Current account drawing limit of 20 Crores

15 Non-current provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity (refer note 36)	35,18,338	34,26,985
Provision for compensated absences (refer note 36)	1,62,966	1,65,205
	36,81,304	35,92,190

16 Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Cash credit and overdraft facilities	3,41,69,788	7,42,42,758
	3,41,69,788	7,42,42,758

Information about the Company's exposure to interest rate and liquidity risk is included in note 30.

16.1 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.

17 Trade payables

Trade Payables	As at 31 March 2022	As at 31 March 2021
- Total Outstanding dues of Micro enterprises and Small Enterprise and	-	-
- Total Outstanding dues other than Micro enterprises and Small Enterprise	3,72,81,992	2,91,00,998
Total Trade Payable	3,72,81,992	2,91,00,998
Payable to Related Party	2,80,268	16,44,853

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 30

VEDANTA CELLULAR SERVICES PVT. LTD. MUMBAI

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2022:

Particulars	Outstanding for the following periods from due date of payment/ date of transaction					
	Unbilled dues	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	5,92,05,427	3,55,89,320	16,92,672	-	-	9,64,87,419
Disputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-			-	-	-
Intercompany AP balance	-	-	-	-	-	-
Quess Corp Ltd	26,76,279	12,53,638	-	-	-	39,29,917
Allsec Technologies Limited	-	10,368	-	-	-	10,368
Terrier Security Services (India) Private Limited	-	3,80,847	-	-	-	3,80,847

Trade payable (billed and unbilled dues) ageing schedule as on 31 March 2021:

Particulars	Outstanding for the following periods from due date of payment/ date of transaction					
	Unbilled dues	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
Undisputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	5,51,39,030	2,76,41,978	14,59,020	-	-	8,42,40,028
Disputed						
- Micro enterprises and small enterprises	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Intercompany AP balance						
Quess Corp Ltd	-	32,928	-	-	-	32,928
Allsec Technologies Limited	-	7,480	-	-	-	7,480
Heptagon Technologies Private Limited	-	2,39,860	-	-	-	2,39,860

18 Other current financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Other payables		
Accrued salaries and benefits	3,41,96,600	4,16,85,699
Provision for Expenses	5,92,05,427	5,51,39,030
	9,34,02,027	9,68,24,729

19 Current provisions

Particulars	As at 31 March 2022	As at31 March 2021
Provision for employee benefits		
Provision for gratuity (unfunded) (Refer note 36)	51,08,932	43,20,956
Provision for compensated absences (unfunded) (Refer note 36)	4,39,117	4,35,948
	55,48,049	47,56,904

20 Other current liabilities

Particulars	As at 31 March 2022	As at31 March 2021
Balances payable to government authorities	96,47,736	1,50,20,822
	96,47,736	1,50,20,822

The Company's exposure to currency and liquidity risk related to other current liabilities is disclosed in note 30

VEDANTA 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 2022

21 Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from Contracts with customers		
Sale of services	1,02,46,03,626	81,16,31,274
	1,02,46,03,626	81,16,31,274

* Changes in Unbilled Revenue (Unbilled Revenue - Net)

Opening Unbilled Revenue	11,08,91,397	7,78,72,199
Closing Unbilled Revenue	10,77,50,875	11,08,91,397
	(31,40,522)	3,30,19,198

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. (refere Note 39 for detailed Revenue from Contracts with customers)

22 Other income

Particulars	31 March 2022	31 March 2021
Interest income under the effective interest method on:		
Deposits with banks	1,78,944	1,21,102
Interest income on present valuation of financial instruments	1,18,084	1,70,041
Interest on tax refunds	-	34,09,046
	2,97,028	37,00,189

23 Direct Service Cost

Particulars	31 March 2022	31 March 2021
Installation charges	26,34,88,542	15,83,87,944
Equipment hire charges	2,63,69,784	2,15,95,779
Travelling and conveyance	6,09,53,479	7,50,77,413
Vehicle Hire Charges	3,59,76,247	3,31,61,752
	38,67,88,051	28,82,22,888

24 Employee benefit expenses

Particulars	31 March 2022	31 March 2021
Salaries and wages	46,83,91,518	46,79,81,134
Contribution to provident and other funds	1,70,07,476	2,20,04,786
Expenses related to defined benefit plans	19,07,991	19,53,072
Expenses related to compensated absences	930	-
Staff welfare expenses	10,72,033	5,63,277
	48,83,79,949	49,25,02,269

25 Finance costs

Particulars	31 March 2022	31 March 2021
Interest expense on financial liabilities measured at amortised cost	1,01,67,944	95,25,682
	1,01,67,944	95,25,682

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26 Depreciation and amortisation expenses

Particulars	31 March 2022	31 March 2021
Depreciation of property, plant and equipment	1,78,63,266	2,42,11,306
Amortisation of intangible assets	80,24,573	1,48,83,639
	2,58,87,839	3,90,94,945

27 Other expenses

Particulars	31 March 2022	31 March 2021
Rent	51,78,870	14,90,068
Power and fuel	4,31,960	5,62,305
Repairs & maintenance		
- plant and machinery	1,00,198	9,19,800
- Software & others	67,16,731	35,53,600
Legal and professional fees (refer note 27.1)	95,61,545	1,13,00,668
Rates and taxes	7,84,244	33,11,994
Printing and stationery	63,57,553	57,33,621
Consumables	1,16,60,096	58,70,759
Travelling and conveyance	-	2,57,227
Communication expenses	11,03,931	18,74,496
Impairment loss allowance on financial assets, net	15,00,000	29,40,547
Insurance	25,78,161	34,52,912
Bank charges	60,379	1,80,463
Foreign exchange loss, net	22,685	-
Miscellaneous expenses	25,48,410	4,12,771
	4,86,04,763	4,18,61,231

27.1 Payment to auditors (net of service tax; included in legal and professional fees)

Particulars	31 March 2022	31 March 2021
Statutory audit fees	5,50,000	5,50,000
	5,50,000	5,50,000

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28 Taxes

A Amount recognised in profit or loss

(All amount in INR, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
In respect of the current period	99,41,639	-
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	(12,78,843)	(20,08,175)
Income tax expense reported in the Statement of Profit and Loss	**86,62,796**	**(20,08,175)**

B Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement of the net defined benefit liability/ asset		
Before tax	44,330	2,58,960
Tax (expense)/ benefit	(11,157)	(65,175)
Net of tax	**33,173**	**1,93,785**

C Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2022 Rate		Rate	For the year ended 31 March 2021
Profit before tax		6,50,72,108		(5,58,75,552)
Tax using the Company's domestic tax rate	25.18%	1,63,80,000	25.18%	(1,40,70,000)
Effect of:				
Deferred Tax Credit	-1.97%	(12,78,843)	3.59%	(20,08,175)
Income tax relating to items that will not be reclassified to profit or loss	0.00%		0.00%	-
Others	-9.89%	(64,38,360)	-25.18%	1,40,70,000
Effective tax rate		**86,62,797**		**(20,08,175)**
Income tax expense reported in the Statement of Profit and Loss	13.31%	**86,62,797**	3.59%	**(20,08,175)**

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 2022	As at 31 March 2021
Income tax assets	7,15,32,208	5,85,59,113
Income tax liabilities	(1,22,41,639)	(23,00,000)
Net income tax assets at the end of the year	**5,92,90,569**	**5,62,59,113**

E Deferred tax assets, net

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax:		
Provision on employee benefits- Gratuity	21,82,468	18,84,827
Provision on employee benefits- Compensated absences	1,51,532	1,51,273
Impairment on financial asset	3,89,325	11,805
Deferred tax on fixed assets	83,53,690	77,17,095
Net deferred tax liability	**1,10,77,016**	**97,65,000**

F Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

For the year ended 31 March 2022	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	83,99,963	-	6,47,752	-	**90,47,715**
Provision for employee benefits, compensated absences	16,55,566	-	2,97,901	-	**19,53,467**
Impairment on financial asset	(4,50,430)	-	3,77,520	-	**(72,910)**
Remeasurements gains / (losses) on defined benefit plans	1,59,901	-	-	(11,157)	**1,48,744**
Gross deferred tax assets	**78,22,000**		**13,23,173**	**(11,157)**	**1,10,77,016**

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29 Financial instruments - fair value and risk management

Financial instruments by category

(All amount in INR, unless otherwise stated)

Particulars	Note	31 March 2022 FVTPL	31 March 2022 FVTOCI	31 March 2022 Amortized Cost	31 March 2021 FVTPL	31 March 2021 FVTOCI	31 March 2021 Amortized Cost
Financial Assets:							
Loans	10	-	-	51,02,645	-	-	28,13,914
Trade receivables	7	-	-	28,50,43,873	-	-	15,77,44,980
Cash and cash equivalents including other bank balances	8	-	-	33,05,838	-	-	50,88,979
Other financial assets	11	-	-	3,73,032	-	-	2,74,321
Total financial assets		-	-	**29,38,25,388**	-	-	**27,68,13,591**
Financial Liabilities:							
Trade payables	17	-	-	3,72,81,992	-	-	2,91,00,998
Current borrowings	16	-	-	3,41,69,788	-	-	7,42,42,758
Other financial liabilities	18	-	-	9,34,02,027	-	-	9,78,10,136
Total financial liabilities		-	-	**16,48,53,808**	-	-	**20,11,53,892**

*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 2022

(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	51,02,645	-	-	-
Trade receivables	28,50,43,873	-	-	-
Cash and cash equivalents including other bank balances	33,05,838	-	-	-
Other financial assets	3,73,032	-	-	-
Total financial assets	**29,38,25,388**	-	-	-
Financial liabilities measured at amortised cost				
Trade payables	3,72,81,992	-	-	-
Current borrowings	3,41,69,788	-	-	-
Other financial liabilities	9,34,02,027	-	-	-
Total financial liabilities	**16,48,53,808**	-	-	-

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30 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 2022, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows

Particulars	As at	
	31 March 2022	31 March 2021
India	17,88,39,905	15,77,92,247
	17,88,39,905	15,77,92,247

Expected credit loss assessment for corporate customers as at 31 March 2022 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 2022

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	14,85,74,927	0.00%	1,225	No	14,85,73,702
Past due 1–90 days	2,57,36,268	0.07%	18,629	No	2,57,17,639
Past due 91–180 days	32,77,368	2.31%	75,806	No	32,01,563
Past due 181–270 days	6,35,698	12.41%	78,908	No	5,56,790
Past due 271–360 days	3,54,546	49.81%	1,76,613	No	1,77,933
Above 360 days	2,61,098	100.00%	2,61,098	Yes	-
	17,88,39,905		6,12,278		17,82,27,626

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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
Past due 271–360 days	-	18.20%	-	No	-
Above 360 days	-	100.00%	-	NA	-
	15,77,92,247		46,906		15,77,45,341

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 2022	31 March 2021
Balance as at the beginning of the year	46,906	**10,92,329**
Impairment loss allowances recognised/ (reversed)	5,65,372	(10,45,423)
Balance as at the end of the year	6,12,278	46,906

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 2022	31 March 2021
Expiring within one year (cash credit and overdraft facilities)	16,58,30,212	7,57,57,242
Expiring within one year (bill discounting facility)	-	-

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2022

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	3,41,69,788	3,41,69,788	-	-	-
Trade payables	3,72,81,992	3,72,81,992	-	-	-
Other financial liabilities	9,34,02,027	9,34,02,027	-	-	-

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	5,42,42,758	5,42,42,758	-	-	-
Trade payables	2,91,00,998	2,91,00,998	-	-	-
Other financial liabilities	9,68,24,729	9,68,24,729	-	-	-

As disclosed in note 16 and note 16.1, 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.

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.

iv) Currency Risk

The Company is not exposed to significant currency risk as the revenue and expenses are denominated only in Rupees.

v) 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 2022	As at 31 March 2021
Variable rate borrowings	3,41,69,788	7,42,42,758
Total borrowings	**3,41,69,788**	**7,42,42,758**

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2022				
Variable rate borrowings	(3,41,698)	3,41,698	(2,55,699)	2,55,699
31 March 2021				
Variable rate borrowings	(7,42,428)	7,42,428	(5,55,573)	5,55,573

31 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.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

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 2022	As at 31 March 2021
Total liabilities	20,07,90,883	22,45,23,808
Less: Cash and cash equivalents	2,75,838	20,88,979
Adjusted net debt	**20,05,15,046**	**22,24,34,829**
Total equity	21,12,88,805	15,48,46,320
Less: Effective portion of cash flow hedges and cost of hedging	-	-
Total equity	**21,12,88,805**	**15,48,46,320**
Net debt to equity ratio	0.95	**1.44**

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32 Contingent Liability and Capital Commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for - Software Heptagon)	9,20,000	2,03,271

32.1 The company has no Contingent Liability as on 31-03-2022 and 31-03-2021
32.2 Contingent Assets are neither recorded nor disclosed in the financial statements

33 Earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Nominal value of equity shares	10	10
Net profit after tax for the purpose of earnings per share	5,64,09,312	(5,38,67,377)
Weighted average number of shares used in computing basic earnings per share	1,82,083	1,82,083
Basic earnings per share	310	(296)
Weighted average number of shares used in computing diluted earnings per share	1,82,083	1,82,083
Diluted earnings per share	310	(296)

34 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) 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 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

Key executive management personnel

Name	**Designation**
Ashish Banarasilal Kapoor	Whole Time director
Ayyagari Rajeswara Rao	Independent Director
Vijay Sivaram	Director (With Effect from 14-02-2022)
Rallabhandi Lakshmi Sarada	Independent Director
Srinivasan Guruprasad	Director (till 14-02-2022)
Lohit Bhatia	Director

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(ii) **List of subsidiaries (including step-subsidiaries), associates and joint venture**

- 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
	CentreQ Business Services Private Limited1
	Excelus Learning Solutions Private Limited
	Conneqt Business Solution Limited
	Master Staffing Solutions Private Limited1
	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
	Heptagon Technologies Private Limited
- Associates of Holding Company	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 2022	31 March 2021
Revenue from operations			
	Quess Corp Ltd	3,74,311	13,11,491
Other expenses			
	Quess Corp Ltd	2,65,93,745	36,92,355
	Terrier Security Services (India) Private Limited	12,29,768	
	Allsec Technologies Limited	29,809	21,360
Purchase of intangible asset			
	Heptagon Technologies Pvt Ltd.	7,11,343.08	23,72,412
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 2022	As at 31 March 2021
Guarantees Outstanding			
	Quess Corp Ltd	21,00,00,000	20,00,00,000
Trade payables			
	Quess Corp Ltd	12,53,638	32,928
	Allsec Technologies Limited	10,368	7,480
	Heptagon Technologies Private Limited	-	2,39,860
	Terrier Security Services (India) Private Limited	3,80,847	-

(v) **Compensation of key managerial personnel***

Particulars	For the period ended 31st March 2022	For the period ended 31st March 2021
Salaries Including Bonuses	92,70,000	80,40,000
	92,70,000	80,40,000

*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. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: Nil, 1 April 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

35 Leases IND AS 116

Lease liability

Particulars	As at 31 March 2022	As at 31 March 2021
liability	55,52,244	9,85,407
liability	1,15,07,743	-
Total	**1,15,07,743**	**9,85,407**

The following is the movement in lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Operating lease recognised on adoption of Ind AS 116	9,85,408	65,43,605
Reclassification on adoption of Ind AS 116 - Fin lease obligation		
Add: Additions	2,00,96,706	-
Add: Additions through business combination	-	-
Less: Deletion	-	-
Add: Finance cost accrued during the period	7,59,133	3,85,361
Less: Payment of lease obligation	(47,81,259)	(59,43,558)
Translation loss / (gain)	-	-
Carrying amount as at 31 March 2022	1,70,59,988	9,85,408

Amount recognised in PL

Particulars	As at 31 March 2022	For the year ended 31 March 2021
Interest expense (included in finance cost)	7,59,133	3,85,361
Expenses relating to short-term lease (included in other expenses)	51,78,870	14,90,068
Expenses relating to lease of low value assets that are not included above (included in other expenses)	-	-
	59,38,003	18,75,429

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2022 on an undiscounted basis:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	55,52,244	9,85,407
One to five years	-	-
More than five years	-	-
	55,52,244	9,85,407

Vedang Cellular Services Limited
(A Subsidiary of Quess Corp Limited)
Notes forming part of the Financial Statements for the year ended 31 March 2022

36 Assets and liabilities relating to employee benefits

A

(All amount in INR, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability, gratuity plan	86,27,270	77,47,941
Liability for compensated absences	6,02,083	6,01,153
Total employee benefit liability	**92,29,353**	**83,49,094**
Current	55,48,049	47,56,904
Non-current	36,81,304	35,92,190
	92,29,353	83,49,094

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 2022	As at 31 March 2021
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	77,47,941	72,77,564
Additions through business combination		-
Current service cost	16,02,161	16,87,724
Interest cost	3,05,830	3,59,986
Past service cost		
Benefit settled	(9,84,332)	(13,18,373)
Actuarial (gains)/ losses recognized in other comprehensive income		
- Changes in experience adjustments	13,942	2,295
- Changes in demographic assumptions	-	(1,95,528)
- Changes in financial assumptions	(58,272)	(65,727)
Obligation at the end of the year	86,27,270	77,47,941

C I) Expense recognized in statement of profit or loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	16,02,161	16,87,724
Interest cost	3,05,830	3,59,986
Past service cost	-	-
Interest income	-	-
Net gratuity cost	19,07,991	20,47,710

ii) Re-measurement recognized in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement of the net defined benefit liability	(44,330)	(2,58,960)
Remeasurement of the net defined benefit asset	-	-
	(44,330)	(2,58,960)

D Plan assets

(All amount in INR, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Funds managed by insurer	-	-
	-	-

E Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount rate	4.35%	3.95%
Future salary growth	6.00%	6.00%
Attrition rate	65.00%	65.00%

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 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	84,84,912	87,74,414	76,14,847	78,85,642
Future salary growth (1% movement)	87,65,232	84,88,679	78,80,396	76,16,914
Attrition rate (-/+50%% movement)	75,62,752	1,15,68,651	64,41,202	1,11,17,585

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Notes forming part of the Financial Statements for the year ended 31 March 2022

37 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 2022 and 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

38 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

39 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 2022. 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 2022 *(All amount in INR, unless otherwise stated)*

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Geographic Revenue		
India	1,02,46,03,626	81,16,31,274
Total	1,02,46,03,626	81,16,31,274

Nature of Services	For the year ended 31 March 2022	For the year ended 31 March 2021
Active Telecom Services	1,02,46,03,626	81,16,31,274
Total	1,02,46,03,626	81,16,31,274

Revenue By Contract type	For the year ended 31 March 2022	For the year ended 31 March 2021
Fixed Price	1,02,46,03,626	81,16,31,274
Time & Material	-	-
Total	1,02,46,03,626	81,16,31,274

Revenue disaggregation as per segment and geography has been included in segment information (Refer note 38).

(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 2022	As at 31 March 2021
Receivables, which are included in 'Trade and other receivables'	17,82,27,626	15,77,44,980
Contract assets (Unbilled revenue)	10,68,16,247	11,08,91,397
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 2022

Particulars	For the year ended 31 March 2022
Balance at the beginning	11,08,91,397
Add : Revenue recognized during the period	1,02,46,03,626
Less : Invoiced during the period	(1,02,77,44,148)
Less : Impairment / (reversal) during the period	(9,34,628)
Add: Changes due to Business Combinations	-
Add : Translation gain/(Loss)	-
Balance at the end	10,68,16,247

Provision for doubtful UBR of one of the customer is created to the extent of 9 34 lac in FY 2021-22

(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 2022, other than those meeting the exclusion criteria mentioned above, is NIL

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40 Ratios

S No.	Ratio	Formula	Particulars		March 31, 2022		March 31, 2021		Ratio as on	Ratio as on	Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	31-Mar-22	31-Mar-21		
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Contract Assets + Assets held for Sale	Current Liability= Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Contract Liabilities+ Provisions + Other Current Liability	30,11,51,401	18,56,81,836	28,04,71,829	22,09,31,618	1.62	1.27	28%	There has been improvement in operating profits and cash flows for the year ended 31st March, 2022 as compared to earlier years, Reduction in CC amounts to 4 Crore Appx Lowering Denominator
(b)	Debt-Equity Ratio	Debt / Equity	Debt= long term borrowing and current maturities of long-term borrowings and redeemable preference shares treated as financial liability	Equity= Equity + Reserve and Surplus	3,41,69,788	21,12,88,805	7,42,42,758	15,48,46,320	0.16	0.48	-66%	Increased Cash flow from operations helped repayment to CC hence favourable ratio
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	10,11,27,892	1,01,67,944	(32,38,575)	2,15,45,477	9.9	-0.2	-6717%	There has been improvement in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes – Preference Dividend	Shareholder's Equity	5,64,42,485	21,12,88,805	(5,36,73,592)	15,48,46,320	27%	-35%	-177%	There has been improvement in operating profits and cash flows during the year ended 31st March, 2022 as compared to earlier years
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	NA	NA	NA	NA	NA	NA	NA	NA
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	1,02,46,03,626	27,68,40,125	81,16,31,274	26,76,48,796	3.70	3.03	22%	-
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	4,86,04,763	3,31,91,495	4,18,61,231	3,44,78,703	1.46	1.21	21%	-
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	Average Working Capital= Average of Current assets – Current liabilities	1,02,46,03,626	8,75,44,888	81,16,31,274	6,48,63,551	11.70	12.51	-6%	-
(i)	Net Profit Ratio	Net Profit / Net Sales	Net Profit	Net Sales	5,64,09,312	1,02,46,03,626	(5,38,67,377)	81,16,31,274	0.06	(0.07)	-183%	Current year Profit is increased due to favourable business and last year being COVID hit year
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Assets - Current Liability	9,09,59,948	22,64,77,853	(1,67,80,607)	15,84,38,511	0.40	(0.11)	-479%	Current year EBIT is increased due to favourable business and last year being COVID hit year
(k)	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Net Equity	5,64,09,312	21,12,88,805	(5,38,67,377)	15,48,46,320	0.27	(0.35)	-177%	Current year EBIT is increased due to favourable business and last year being COVID hit year

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VEDANG CELLULAR SERVICES PVT. LTD.

41 Crypto Currency

The Company does not have any transation or balance in crypto currency or virtual currency

42 Undisclosed Income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

43 The Code on Social Security 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

44 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

45 Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

46 Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions

31-03 2022

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-21	IDFC First Bank Ltd	Account Receivable (gross) net of Account payable	23,99,82,469	22,71,57,509	1,28,24,960	Refer Note 46.2
Sep-21	IDFC First Bank Ltd		27,82,07,696	26,88,18,382	93,89,314	
Dec-21	IDFC First Bank Ltd		31,73,89,884	29,29,21,260	2,44,68,624	
Mar-22	IDFC First Bank Ltd		28,50,43,874	25,97,23,993	2,53,19,881	

31-03 2021

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-20	Axis Bank Ltd	Account Receivable (gross) net of Account payable	12,46,93,679	12,46,93,679	-	
Sep-20	Axis Bank Ltd		20,12,35,633	20,12,35,633	-	
Dec-20	Axis Bank Ltd		22,99,17,234	22,99,17,234	-	
Mar-21	IDFC First Bank Ltd		26,86,36,738	25,49,13,058	1,37,23,680	Refer note 46.2

46.1 The company changed its CC facility from Axis Bank Ltd to IDFC First Ltd in FY 20-21

46.2 The Company has been required by IDFC First Bank Limited to submit documents related to Accounts Receivable which are aged less than 120 days. Therefore, Accounts Receivable Balance aged more than 120 days is not considered in the statement submitted to Bank which has resulted in the difference between Amount as per books of account and Amount as reported in the quarterly return/ statement.

47 Earnings in foreign currency

There is no earning in foreign currency during the current year and previous year.

48 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

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

Place: Hydrabad
Date: 10-05-2022

MSKA & ASSOCIATES Hyderabad Chartered Accountants

for and on behalf of the Board of Directors of
Vedang Cellular Services Private Limited
CIN: U32309MH2010PTC201638

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

Ashish Kapoor
DIN.02752632

Place: Bangalore
Date: 06-05-2022

Vijay Sivaram
DIN.07990452

Place: Bangalore
Date: 06-05-2022

Vedang Cellular Services Limited

Notes to the financial statements for the year ended 31st March 2022
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 06 May 2022.

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,

CELLULAR SERVICES PVT. LTD. MUMBAI VEDANG 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 2022
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 2021 - 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.

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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, 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.

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.

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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 39 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;
- 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

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.

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

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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.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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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 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

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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 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.

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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.

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2.21 Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022.

2.22 There are no new Standards that became effective during the year. The Company has applied certain amendments that became effective during the year which are discussed below:

A. Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020

These amendments have no impact on the financial statements of the Company.

B. Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

In the definition of "Recoverable amount" the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments have no impact on the financial statements of the Company.

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CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

BRAINHUNTER SYSTEMS LTD.

MARCH 31, 2022

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PARTNERS BEYOND BOUNDARIES

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, 2022, 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 12, 2022

BRAINHUNTER SYSTEMS LTD.

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

	2022	2021
ASSETS		
Current		
Cash and cash equivalents (note 3)	$ 1,652,638	$ 1,445,797
Accounts receivable	5,098,211	5,275,581
Prepaid expenses	134,852	177,519
	6,885,701	6,898,897
Non-Current		
Deposits	12,581	12,581
Deposits with government authorities (note 13)	675,026	642,741
Future income tax recoverable (note 9)	410,019	453,147
Investments (note 14)	5,001,375	5,001,375
Property and equipment (note 4)	611,366	702,713
Intangibles (note 5)	462,797	541,912
	7,173,164	7,354,469
	$ 14,058,865	$ 14,253,366
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 7)	$ 3,263,153	$ 3,967,428
Due to affiliated parties current portion (note 8)	1,454,820	1,246,756
Deferred revenue	468,240	209,933
Deferred leasehold inducement	250,931	295,116
Income tax payable (note 9)	85,504	78,016
	5,522,648	5,797,249
Non-Current		
Due to affiliated parties (note 8)	5,211,734	6,532,905
	10,734,382	12,330,154
SHAREHOLDER'S EQUITY		
Capital stock (note 10)	7,224,655	7,224,655
Deficit	(3,900,172)	(5,301,443)
	3,324,483	1,923,212
	$ 14,058,865	$ 14,253,366

Approved:______________________________________

See accompanying notes.

BRAINHUNTER SYSTEMS LTD.

CONSOLIDATED STATEMENT OF INCOME AND DEFICIT

FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
Revenue	$ 48,203,292	$ 47,800,765
Cost of sales	40,871,070	40,794,442
Gross margin	7,332,222	7,006,323
Expenses		
Salaries and benefits	3,865,019	3,800,947
Selling, general, and administrative	778,540	985,010
	4,643,559	4,785,957
Income before the undernoted items	2,688,663	2,220,366
Loss on foreign exchange	(29,996)	(69,783)
Interest expense (note 8)	(409,427)	(418,769)
Depreciation of property and equipment (note 4)	(201,028)	(229,919)
Amortization of intangibles (note 5)	(309,036)	(201,698)
Income before income taxes	1,739,176	1,300,197
Income taxes		
Current (note 9)	294,777	219,106
Future (note 9)	43,128	27,640
	337,905	246,746
Net income	1,401,271	1,053,451
Deficit, beginning of year	(5,301,443)	(6,354,894)
Deficit, end of year	$ (3,900,172)	$ (5,301,443)

See accompanying notes.

BRAINHUNTER SYSTEMS LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
Cash flows from (used in) operating activities		
Net income	$ 1,401,271	$ 1,053,451
Adjustments for:		
Future income tax recoverable	43,128	27,640
Depreciation of property and equipment (note 4)	201,028	229,919
Amortization of intangibles (note 5)	309,036	201,698
Accrued interest on loans from related parties	32,292	32,159
	1,986,755	1,544,867
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	177,370	3,963,121
Decrease (increase) in prepaid expenses	42,667	(5,391)
Increase (decrease) in accounts payable and accruals	(704,275)	(2,011,306)
Increase (decrease) in income taxes payable	7,488	(206,000)
Increase (decrease) in deferred leasehold inducement	(44,185)	(44,184)
Increase (decrease) in deferred revenue	258,307	125,711
	1,724,127	3,366,818
Cash flows from (used in) investing activities		
Purchase of property and equipment	(109,681)	(85,755)
Deposits with government authorities	(32,285)	-
Deposits	-	25,268
Intangibles	(229,921)	(350,408)
	(371,887)	(410,895)
Cash flows from (used in) financing activities		
Loans from (to) affiliated parties	(1,145,399)	(3,773,740)
	(1,145,399)	(3,773,740)
Increase (decrease) in cash and cash equivalents	206,841	(817,817)
Cash and cash equivalents, beginning of year	1,445,797	2,263,614
Cash and cash equivalents, end of year	$ 1,652,638	$ 1,445,797
Supplemental cash flow information		
Interest paid	$ 409,295	$ 386,610
Income taxes paid	$ 287,195	$ 425,107

See accompanying notes.

BRAINHUNTER SYSTEMS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

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, 2022, an allowance of $62,312 (2021 - $62,312) 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.

	2022	2021
Cash	$ 1,652,638	$ 1,445,797

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

	2022			2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	$ 1,205,671	$ 1,167,458	$ 38,213	$ 8,766
Office furniture and fixtures	483,902	457,652	26,250	55,935
Computer software	444,497	424,490	20,007	22,565
Leasehold improvements	1,259,810	732,914	526,896	615,447
	$ 3,393,880	$ 2,782,514	$ 611,366	$ 702,713

The depreciation of property and equipment totaled $ 201,028 in 2022 (2021 - $ 229,919).

5. Intangibles

	2022	2021
Cost	$ 1,053,370	$ 823,449
Accumulated amortization	(590,573)	(281,537)
	$ 462,797	$ 541,912

During the year $ 229,921 (2021 - $ 350,408) was capitalized as intangibles, which consist of Mobile enabled Enterprise Collaboration App of $149,449 (2021 - $203,237) and Facelift of Talentflow ATS application of $96,567 (2021 - $147,171), 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 $ 309,036 in 2022 (2021 - $201,698).

6. Bank indebtedness

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, 2022, the Company recognized $409,427 (2021 - $418,769) in interest expense on the facilities.

7. Accounts payable and accrued liabilities:

	2022	2021
Trade and accrued liabilities	$ 3,144,776	$ 3,777,863
Salaries and commissions payable	118,377	189,565
	$ 3,263,153	$ 3,967,428

Included in accounts payable and accrued liabilities as at March 31, 2022 are government remittances payable (recoverable) of $ 79,196 (2021 - $82,229) relating to federal and provincial sales taxes, payroll taxes, health taxes and workers' safety insurance.

8. Due from (to) affiliated parties:

	2022	2021
MFXchange Holdings Inc. towards credit facilities from ICICI Bank of Canada (note 6) bearing interest at CDOR plus 2.5% per annum (2021 - 2.5%)	$ (6,731,895)	$ (7,845,002)
Quess Corp Limited bearing interest at NIL% per annum (2021 - NIL%)	65,341	65,341
	$ (6,666,554)	$ (7,779,661)
Current portion	$ (1,454,820)	$ (1,246,756)
Long-term portion	(5,211,734)	(6,532,905)
	$ (6,666,554)	$ (7,779,661)

The amount receivable from Quess Corp Limited in the amount of $65,341 (2021 - $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, 2022, the Company recognized $409,427 (2021 - $418,769) in interest expense on the amounts due to related parties.

Accounts receivable include an amount due from MFXchange Holdings Inc. of $6,356 (2021 - $NIL), from Quess Corp (USA), Inc. of $42,298 (2021 - $NIL), and from MFXchange US Inc. of $9,338 (2021 - $NIL).

Accounts payables include an amount due to MFX Infotech Private Limited for $21,864 (2021 - $23,554).

During the year ended March 31, 2022, the Company earned revenue of $NIL (2021 - $NIL) from Quess Corp (USA), Inc., other income of $37,270 (2021 - $39,385) from MFXchange US Inc., and $22,500 (2021 - $80,544) from MFXchange Holdings Canada.

9. Income taxes:

The Company pays income taxes at a statutory rate of 26.5% (2021 - 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:

	2022	2021
Income before income taxes	$ 1,739,176	$ 1,300,197
Rate	26.5%	26.5%
Expected provision for (recovery of) income taxes	460,882	344,552
Increase (decrease) in income taxes resulting from:		
Permanent difference	575	(133)
Change in valuation allowance	(29,192)	(135,521)
Other	(128,633)	37,848
Income tax expense	$ 303,632	$ 246,746

As at March 31, 2022, the Company has $1,223,435 of future tax assets before any valuation allowance. As at March 31, 2022, the Company recognized a future tax asset of $410,019 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 $813,416 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, 2022 is as follows:

	2022	2021
Future income tax assets (liabilities):		
Non-capital losses	$ 987,987	$ 1,021,063
Property and Equipment	192,413	225,871
Sub-lease inducement	26,522	32,308
Other temporary differences	16,513	16,513
	1,223,435	1,295,755
Less: valuation allowance	813,416	842,608
Net future income tax assets	$ 410,019	$ 453,147
Current income tax payable	$ 85,504	$ 78,016

As at March 31, 2022, the Company has non-capital losses of $3,728,255 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	$ 2,263,564
2037	1,146,245
2038	318,446
	$ 3,728,255

10. Capital stock:

	2022	2021
Authorized		
Unlimited common shares		
Issued:		
36,842,631 (2021 - 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, 2022, the Company has contractual obligations for basic rent payments as follows:

2022 - 2023	$ 195,949
2024 and thereafter	$ 1,228,904

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 2021.

b. Interest rate risk:

The Company is financed through related party debt which bears interest at rates tied to the related party acceptance rates. Consequently, the Company is exposed to the risk of increases in the bankers' acceptance rates. There has been no change to the risk exposure since fiscal 2021.

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% (2021 - 2.3%) 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, 2022, the Company recorded a foreign exchange gain (loss) of $(29,996) (2021 - $(69,783)). There has been no change to the risk exposure since fiscal 2021.

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 2021.

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, 2022, the Company has remitted payments totaling $675,026 (2021 - $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.

During the year, assessment was received for the year ended Dec. 31, 2017 for the amount of $31,879.88. The Company has paid the amount of $31,879.88 and have filed a notice of objection in December 2021.

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, 2022.

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. Examinations for Discovery have been scheduled for June 14, 15 and 16, 2021. There have been no settlement discussion 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 along with Shoppers Drug Mart has entered in to an out of court settlement with Ms. Burk in November 2021. As per terms of this settlement agreement the Company has made a payment of $25,000 to Ms. Burk in November 2021. The dismissal order has been received from the Supreme Court of Canada in December 2021.

14. Investment:

	2022	2021
MFXchange US Inc.	$ 4,991,865	$ 4,991,865
MFXchange Holdings Inc.	9,510	9,510
Total	$ 5,001,375	$ 5,001,375

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.

15. Subsequent Events

The Company evaluated all events and transactions that occurred after March 31, 2022 through May 12, 2022, 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 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.

COMTELINK SDN. BHD.
COMPANY NO: 201101010594 (938724-A)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2022

COMTELINK SDN. BHD.
COMPANY NO: 201101010594 (938724-A)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31^{ST} MARCH 2022

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CORPORATE INFORMATION

BOARD OF DIRECTORS

MUHUNTHAN A/L KRISHNAN
SANDEEP SHARMA
VIJAY SIVARAM

PRINCIPAL PLACE OF BUSINESS

SUITE 4.01, 4TH FLOOR MENARA RAI SURAI,
JALAN 15/48A,
SENTUL RAYA BOULEVARD,
51000 KUALA LUMPUR.

PRINCIPAL BANKER

UNITED OVERSEAS BANK (MALAYSIA) BHD

REGISTERED OFFICE

SUITE 11, 1ST 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, 2022.

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 138,480

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

During the financial year, the Company proposed and declared a single tier final dividend amounting to RM 522,244.

DIRECTORS' REMUNERATION

No directors' remuneration paid out during the year.

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 14 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 :

Muhunthan a/l Krishnan
Sandeep Sharma
Vijay Sivaram

COMTELINK SDN. BHD.
COMPANY NO: 201101010594 (938724-A)
(Incorporated in Malaysia)

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 01.04.2021	Bought	Sold	As at 31.03.2022
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: 2 6 MAY 2022

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 2022 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: 26 MAY 2022

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~~ PETALING JAYA in the state of ~~Wilayah Persekutuan on~~ SELANGOR DARUL EHSAN this 26 MAY 2022

Before me :

PESURUHJAYA SUMPAH
B381
RADZIAH BINTI
ABDUL RAHMAN
01.01.2022 - 31.12.2024
MALAYSIA

COMMISSIONER FOR OATHS

No. 9, Jalan PJS 8/9, 46150 Petaling Jaya
Selangor Darul Ehsan

Muhunthan a/l Krishnan

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, 2022 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 24.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2022, 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.

COMTELINK SDN. BHD.
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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

CHIN SOO HAR
Approval No. 01292/11/2022 J
Chartered Accountant

Petaling Jaya, Malaysia
Dated: 26 MAY 2022

COMTELINK SDN. BHD.

COMPANY NO: 201101010594 (938724-A)

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STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2022

	NOTE	2022	2021
		RM	RM
CURRENT ASSETS			
Trade and other receivables	6	-	381,317
Amount due from holding company	7	1,000,000	-
Cash and cash equivalent	8	235,785	1,368,828
		1,235,785	1,750,145
TOTAL ASSETS		1,235,785	1,750,145
EQUITY AND LIABILITIES			
Capital and Reserves			
Contributed share capital	9	1,000,000	1,000,000
Retained earnings	10	206,890	590,654
		1,206,890	1,590,654
CURRENT LIABILITIES			
Other payables and accruals	11	10,200	141,516
Provision for taxation		18,695	17,975
		28,895	159,491
TOTAL EQUITY AND LIABILITIES		1,235,785	1,750,145

The annexed notes form an integral part of these financial statements.

COMTELINK SDN. BHD.
COMPANY NO: 201101010594 (938724-A)
(Incorporated in Malaysia)

STATEMENT OF INCOME AND RETAINED PROFITS FOR THE YEAR ENDED 31ST MARCH 2022

	NOTE	2022 RM	2021 RM
Revenue	12	658,648	1,516,955
Less : Direct expenses		(487,263)	(1,087,315)
Gross profit		171,385	429,640
Add : Other Income	13	9,865	679
Staff cost		-	(217,981)
Administrative and other operating expenses		(13,165)	(58,422)
Profit before operations		168,085	153,916
Finance cost		(61)	(155)
Profit before tax	14	168,024	153,761
Income tax expenses	15	(29,544)	(85,352)
Profit after tax for the year		138,480	68,409
Retained profits brought forward		590,654	522,245
Available for appropriations		729,134	590,654
Dividend paid		(522,244)	-
Retained profit carried forward		206,890	590,654

The annexed notes form an integral part of these financial statements.

COMTELINK SDN. BHD.
COMPANY NO: 201101010594 (938724-A)
(Incorporated in Malaysia)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

	2022 RM	2021 RM
Cash flow from operating activities		
Profit before tax	168,024	153,761
Operating profit before working capital changes	168,024	153,761
(Increase)/decrease in working capital:		
Trade and other receivables	381,317	431,128
Amount due from holding company	(1,000,000)	-
Other payables and accruals	(131,316)	(134,327)
Cash generated from operating activities	(581,975)	450,562
Tax refund	-	-
Tax paid	(28,824)	(141,286)
Dividend paid	(522,244)	-
Net cash generated from operating activities	(1,133,043)	309,276
Net change in cash and cash equivalents	(1,133,043)	309,276
Cash and cash equivalents at 1st April	1,368,828	1,059,552
Cash and cash equivalents at 31st March	235,785	1,368,828

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2022

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 26th May 2022.

2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS AND THE COMPANIES ACT

The financial statements have been prepared in compliance with the Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the provision of the Malaysian Companies Act 2016.

3. BASIS OF PREPARATION

The financial statements of the Company have been prepared using cost and fair value basis.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Where judgement and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant judgements and estimation uncertainties are disclosed in Note 5.

4. 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. CRITICAL JUDGEMENT AND ESTIMATE UNCERTAINTY

5.1 Judgement and Assumptions Applied

In the process of applying the Company's accounting policies, management is of the opinion that there are no critical accounting judgments which are expected to have a significant effect in the amount recognized in the financial statements.

5.2 Estimation Uncertainty

There are no key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that will have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

6. TRADE AND OTHER RECEIVABLES

	2022 RM	2021 RM
Trade receivables	1,000,000	380,667
Other receivable	-	650
	1,000,000	381,317

7. AMOUNT DUE FROM HOLDING COMPANY

This is unsecured loan for a sum of RM 1,000,000 with interest rate of 3.5% per annum and not subject to any fixed terms of repayment and payable on demand or unless the parties agree otherwise.

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8. 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:

	2022 RM	2021 RM
Cash at bank	235,785	1,368,828
	235,785	1,368,828

9. CONTRIBUTED SHARE CAPITAL

	2022 No. of shares	2022 Amount	2021 No. of shares	2021 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 March	1,000,000	1,000,000	1,000,000	1,000,000

10. 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.

11. OTHER PAYABLES AND ACCRUALS

	2022 RM	2021 RM
Other creditor	-	133,216
Accruals	10,200	8,300
	10,200	141,516

COMTELINK SDN. BHD.
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12. REVENUE

Revenue represents invoiced value from software and e-commerce consultancy rendered during the year.

13. OTHER INCOME

	2022 RM	2021 RM
Gain on foreign exchange	1,238	679
Bad debt recovered	8,627	-

14. PROFIT BEFORE TAX

	2022 RM	2021 RM
Profit before tax is arrived at after charging:		
Auditor's remuneration	6,200	6,200
Director's fee	-	7,740

15. INCOME TAX EXPENSES

	2022 RM	2021 RM
Current year provision	29,544	28,640
Underprovision in prior year	-	56,712
	29,544	85,352

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:

	2022 RM	2021 RM
Profit before tax	168,024	153,761
Tax at Malaysian statutory tax rate of 17%	28,564	26,139
Expenses not deductible for tax purpose	-	1,749
Tax penalty	980	752
Underprovision in prior year	-	56,712
Tax expenses for the year	29,544	85,352

16. HOLDING COMPANY

Details of the holding company are as follows:-

Company Name	Country of incorporation	Equity	Principal Activity
Quesscorp Singapore Pte. Ltd	Singapore	100%	IT staffing

17. EMPLOYEES' INFORMATION

	2022 RM	2021 RM
Director's fee	-	7,740
EPF and Socso Contribution	-	212,267
Staff insurance	-	(2,026)

The number of employees (including directors) as at 31st March, 2022 is Nil.(2021:28)

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

Lodged by: AVEREST MANAGEMENT SERVICES (001875127-T)
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Email : averestms@yahoo.co.uk

COMTELINK SDN. BHD. **FOR MANAGEMENT PURPOSE ONLY**

COMPANY NO: 201101010594 (938724-A)

(Incorporated in Malaysia)

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

		2022 RM	2021 RM
	Revenue	658,648	1,516,955
Less:	Direct expenses	(487,263)	(1,087,315)
	Gross Profit	171,385	429,640
Add :	<u>Other income</u>		
	Gain on foreign exchange	1,238	679
	Bad debt recovered	8,627	-
		9,865	679
Less:	<u>Staff cost</u>		
	Director's fee	-	7,740
	EPF and Socso contribution	-	212,267
	Staff insurance	-	(2,026)
		-	217,981
	Administrative and other operating expenses as per schedule (Annexure 1)	13,165	58,422
	<u>Finance cost</u>		
	Bank charges	61	155
		61	155
	Total expenditure	13,226	276,558
	Profit before tax	168,024	153,761

COMTELINK SDN. BHD.
COMPANY NO: 201101010594 (938724-A)
(Incorporated in Malaysia)

ANNEXURE 1

SCHEDULE OF OPERATING EXPENSES FOR THE YEAR ENDED 31ST MARCH 2022

	2022 RM	2021 RM
Administrative and other operating expenses		
Attestation fee	55	55
Auditor's remuneration	6,200	6,200
Bad debt written off	-	8,627
Loss on foreign exchange	-	3,970
Postage and courier	30	30
Printing and stationery	165	165
Professional fee	4,865	30,869
Secretarial fee	-	6,656
Travelling expenses	50	50
Tax submission fee	1,800	1,800
	13,165	58,422

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 2022

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Company Registration No: 200001010874 (513480 X)

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 2022.

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	140,508

DIVIDENDS

The directors did not propose any final dividends for the financial year ended 31st March 2022.

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
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 1.4.2021	Bought	Sold	As at 31.3.2022
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.

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

Significant event is disclosed in Note 19 to the financial statements.

Company Registration No: 200001010874 (513480 X)

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 9 MAY 2022**

Signed in accordance with a resolution of the directors:

VIJAY SIVARAM	)	Directors
MUHUNTHAN A/L KRISHNAN	)	

Company Registration No: 200001010874 (513480 X)

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

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2022

	Note	2022 RM	2021 RM
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment	7	272,832	303,168
Total non-current asset		272,832	303,168
CURRENT ASSETS			
Trade and other receivables	8	3,448,820	3,504,523
Tax recoverable		1,381,603	887,276
Cash and cash equivalents	9	1,633,411	907,635
Total current assets		6,463,834	5,299,434
TOTAL ASSETS		6,736,666	5,602,602
EQUITY			
Share capital	10	500,000	500,000
Retained profit		2,867,881	2,727,373
Total equity		3,367,881	3,227,373
CURRENT LIABILITIES			
Trade and other payables	11	1,597,592	1,100,047
Deferred revenue	12	1,771,193	1,275,182
Total current liabilities		3,368,785	2,375,229
TOTAL LIABILITIES		3,368,785	2,375,229
TOTAL EQUITY AND LIABILITIES		6,736,666	5,602,602

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

Company Registration No: 200001010874 (513480 X)

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2022

	Note	2022 RM	2021 RM
REVENUE	13	3,920,420	4,261,503
Other operating income		1,914	113,909
		3,922,334	4,375,412
Less:			
Administrative expenses		(3,893,113)	(3,983,017)
Profit before taxation	14	29,221	392,395
Taxation	15	111,287	(126,596)
Profit for the year		140,508	265,799

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

Company Registration No: 200001010874 (513480 X)

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2022

	Share Capital RM	Retained Profit RM	Total Equity RM
Balance at 1st April 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
Non-owner changes in equity			
Profit for the year	-	140,508	140,508
Total comprehensive income for the year	-	140,508	140,508
Balance at 31st March 2022	500,000	2,867,881	3,367,881

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

Company Registration No: 200001010874 (513480 X)

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2022

	Note	2022 RM	2021 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		29,221	392,395
Adjustments for:			
Recovery from doubtful debts		(19)	(19,443)
Bad debts written off		424	60,458
Depreciation		30,336	8,586
Unrealised gain on foreign currency		(93)	(71,289)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		59,869	370,707
Decrease in receivables		55,298	1,649,062
Increase/(Decrease) in payables		993,556	(1,492,799)
CASH GENERATED FROM OPERATIONS		1,108,723	526,970
Tax paid		(383,040)	(611,663)
Tax refund		-	458,743
NET CASH GENERATED FROM OPERATING ACTIVITIES		725,683	374,050
CASH FLOW FROM INVESTING ACTIVITY			
Purchase of property, plant and equipment		-	(77,703)
NET CASH USED IN INVESTING ACTIVITY		-	(77,703)
Unrealised loss in cash and cash equivalents		93	95
Net increase in cash and cash equivalents		725,683	296,347
Cash and cash equivalents at beginning of the year		907,635	611,193
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9	1,633,411	907,635

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

Company Registration No: 200001010874 (513480 X)

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

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2022

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.....0 9 MAY 2022..

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	6 years

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 to 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:-

2022 Cost:	At 1st April 2021 RM	Addition RM	At 31st March 2022 RM
Computer	115,941	-	115,941
Computer software	13,349	-	13,349
Office equipment	1,479	-	1,479
Software	290,575	-	290,575
Total	421,344	-	421,344

Accumulated Depreciation:	At 1st April 2021 RM	Charge for the year RM	At 31st March 2022 RM	Carrying amount at 31st March 2022 RM	Carrying amount at 31st March 2021 RM
Computer	103,348	6,054	109,402	6,539	12,593
Computer software	13,349	-	13,349	-	-
Office equipment	1,479	-	1,479	-	-
Software	-	24,282	24,282	266,293	290,575
Total	118,176	30,336	148,512	272,832	303,168

8. TRADE AND OTHER RECEIVABLES

	2022 RM	2021 RM
Current:		
Trade receivables	1,158,467	384,371
Other receivables	36,441	5,815
Deposits and prepayments	276,212	277,517
Amount due from related companies	1,978,183	2,897,356
Total at cost	3,449,303	3,565,059
Less:		
Bad debts written off - trade receivables	424	60,458
Accumulated impairment losses (**) - trade receivables	59	78
	3,448,820	3,504,523

** Movement of impairment losses:

	2022 RM	2021 RM
Balance at beginning of the year	78	19,521
Recovery of doubtful debts	(19)	(19,443)
Balance at end of the year	59	78

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

	2022 RM	2021 RM
Cash and bank balances	1,633,411	907,635

10. SHARE CAPITAL

	2022 RM	2021 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

	2022 RM	2021 RM
Trade payables	124,199	7,912
Other payables and accruals	685,151	746,194
Amount due to related companies	788,242	345,941
	1,597,592	1,100,047

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

	2022 RM	2021 RM
Profit from operations before taxation is stated after charging/(crediting):-		
Audit fee		
- current year	15,000	15,000
- overprovision in prior year	(1,948)	-
Employee benefits:-		
- salaries and other benefits	1,218,467	792,425
- EPF	119,173	90,871
Realised gain on foreign exchange	-	(10,828)
Unrealised gain on foreign exchange	(93)	(71,289)

15. TAXATION

	2022 RM	2021 RM
Current year's provision	-	111,287
(Over)/Underprovision in prior year	(111,287)	15,309
	(111,287)	126,596

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:-

	2022 RM	2021 RM
Profit before taxation	29,221	392,395
Taxation at Malaysian Statutory tax rate at 24%	7,013	94,175
Expenses not deductible for tax purposes	19,091	33,904
Income not subject to tax	-	(17,109)
(Over)/Underprovision in prior year	(111,287)	15,309
Deferred tax (liabilities)/asset not recognised	(26,104)	317
Tax (income)/expense for the year	(111,287)	126,596

The Company has unabsorbed losses approximately of RM835,000 (2021:RM963,000) and unabsorbed capital allowances of approximately RM Nil (2021:RM10,900) for utilisation against future taxable income.

Pursuant to the Finance Act 2018, the unabsorbed tax losses can only be carried forward up to 7 consecutive years of assessment and any amount not utilized will be disregarded.

The unabsorbed tax losses that will expire in year of assessment 2028 amount to RM835,000.

Deferred tax assets have not been recognised in respect of the following item:-

	2022 RM	2021 RM
Unabsorbed tax losses	200,400	231,120
Unabsorbed capital allowances	-	2,616
Excess of capital allowance over depreciation	(65,480)	(72,760)
	134,920	160,976

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.

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").

2022 **Financial assets**	**Carrying Amount** **RM**	**AC** **RM**
Deposits	267,910	267,910
Trade receivables	3,448,820	3,448,820
Cash and cash equivalents	1,633,411	1,633,411
	5,350,141	5,350,141
Financial liability		
Trade and other payables	1,597,592	1,597,592

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

17. RELATED PARTIES

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

	2022 RM	2021 RM
a. Entities controlled by the holding company		
Monster India		
- Global revenue transfer from/(to)	(986,818)	(198,986)
- Professional fee	770,492	2,023,937
- Commission paid	-	28,929
- General managerial cost	-	24,537
- Intersegment sales support	-	9,508
- Telecalling service cost	371,632	17,335
Monster Singapore		
- Global revenue transfer from/(to)	-	337,008
- Intersegment sales support	-	33,701
Monster Hong Kong		
- Global revenue transfer from/(to)	-	31,433
- Intersegment sales support	-	3,144
Monster Middle East		
- Global revenue transfer from/(to)	-	3,859
- Intersegment sales support	-	386
Monster Philippines		
- Global revenue transfer from/(to)	-	(62,990)
- Intersegment sales support	-	6,299
Quessglobal (Malaysia) Sdn Bhd		
- Cost of sales	82,700	18,492

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:-

	2022 No.	2021 No.
Directors	3	4
Employees	7	6
	10	10

19. SIGNIFICANT EVENT

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 to the end of the current financial year.

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.

Company Registration No: 200001010874 (513480 X)

AGENSI PEKERJAAN MONSTER MALAYSIASDN. 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 2022 and financial performance of the Company for the financial year ended 31st March 2022 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
0 9 MAY 2022

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 Notaries Act 1952.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in Wilayah Persekutuan on
0 9 MAY 2022

Before me,

PESURUHJAYA SUMPAH MALAYSIA
W 711
SYED KHAIRUL ANUAR B. SYED ZAINUDIN
01/01/2021-31/12/2023

MUHUNTHAN A/L KRISHNAN

COMMISSIONER FOR OATHS

43A-1-11, JALAN 1/48A
SENTUL PERDANA
BANDAR BARU SENTUL
51000 KUALA LUMPUR
+6018 357 3015

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 2022 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 2022 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: 09 MAY 2022

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 2022

	2022	2021
	RM	RM
REVENUE	3,920,420	4,261,503
Add: OTHER INCOME		
Miscellaneous income	1,802	12,349
Recovery of doubtful debts	19	19,443
Realised gain on foreign exchange	-	10,828
Unrealised gain on foreign exchange	93	71,289
	3,922,334	4,375,412
Less:		
ADMINISTRATIVE EXPENSES (Schedule I)	(3,893,113)	(3,983,017)
PROFIT BEFORE TAXATION	29,221	392,395

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

ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31ST MARCH 2022

	2022 RM	2021 RM
Accounting fee	26,192	24,920
Audit fee		
- current year	15,000	15,000
- underprovision in prior year	(1,948)	-
Bank charges	4,400	3,521
Bad debts written off	424	60,458
Commission	172,178	88,375
Courier and postage	16	15
Depreciation	30,336	8,586
EPF and Socso	124,835	90,915
General expenses	-	442
Insurance	32,800	4,353
Intersegment sales support	-	21,424
Managerial cost	-	24,537
Office maintenance	1,129	8,670
Office internet connection	-	6,464
Office rental	90,556	118,822
Penalty	-	118
Printing and stationery	770	2,057
Professional fee	770,189	2,041,273
Promotions and advertisement	566,559	82,547
Recruitment fee	-	907
Reseller distribution services purchase	986,818	601,904
Salaries, bonus and allowances	1,040,627	698,530
Secretarial fee	4,748	483
Staff refreshment	178	5,476
Stamp and other duties	25,094	-
Taxation fee	10,368	2,370
Telephone and fax	(8,651)	67,630
Travelling expenses	495	2,720
Work permit	-	500
	3,893,113	3,983,017

MFXCHANGE HOLDINGS, INC.

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended March 31, 2022 and 2021

Williams Overman Pierce, LLP
CPAs • Advisors

MFXCHANGE HOLDINGS, INC.
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Williams Overman Pierce, LLP
CPAs • Advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
MFXchange Holdings, Inc. and Subsidiary

Adverse Opinion

We have audited the accompanying consolidated financial statements of MFXchange Holdings, Inc. and Subsidiary (the "Company"), which comprise the consolidated balance sheets as of March 31, 2022 and 2021, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the consolidated financial statements referred to in the first paragraph do not present fairly the consolidated financial position of MFXchange Holdings, Inc. and Subsidiary as of March 31, 2022 and 2021, or the results of its operations or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 consolidated 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.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing audits in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Williams Overman Pierce, LLP

Raleigh, North Carolina
May 18, 2022

MFXCHANGE HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2022 AND 2021

		2022		2021
ASSETS				
Current assets:				
Cash and cash equivalents	$	1,754,775	$	908,390
Accounts receivable		1,762,421		1,755,919
Contract assets		1,028,352		709,982
Prepaid expenses		924,683		1,077,587
Loan receivable related party, current portion		4,748,376		5,079,695
Total current assets		10,218,607		9,531,573
Property and equipment, net		4,676,982		334,451
Capital work-in-progress		-		1,969,942
Right-to-use assets, net		513,901		898,444
Software costs, net		470,260		685,762
Loan receivable related party, long-term portion		728,778		1,072,817
Investment in unconsolidated subsidiary		2,690,101		2,690,101
Deferred tax assets		575,558		771,809
Other assets		250,000		254,384
Total assets	$	20,124,187	$	18,209,283
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities:				
Accounts payable	$	1,503,701	$	1,861,285
Accrued expenses		4,518,304		3,475,693
Contract liabilities		879,337		498,867
Capital lease, current portion		904,163		460,384
Lease liability, current portion		308,687		389,976
Term loan facility, current portion		5,484,821		5,133,786
Total current liabilities		13,599,013		11,819,991
Term loan facility, long-term portion		2,609,356		3,841,173
Lease liability, long-term portion		248,454		557,140
Capital lease, long-term portion		677,831		691,482
Total liabilities		17,134,654		16,909,786
Commitments and Contingencies (See Note 12)				
Class A redeemable preferred stock, unlimited shares authorized, 1 share issued and outstanding as of March 31, 2022 and 2021		7,123		7,123
Class B redeemable preferred stock, unlimited shares authorized, 1 share issued and outstanding as of March 31, 2022 and 2021		2,690,101		2,690,101
Redeemable noncontrolling interest		3,551,412		3,551,412
Stockholders' deficit:				
Common stock, unlimited authorized, 1,211 issued and outstanding as of March 31, 2022 and 2021, respectively		2,544,492		2,544,492
Additional paid-in-capital		37,019,210		37,019,210
Accumulated deficit		(42,822,805)		(44,512,841)
Total stockholders' deficit		(3,259,103)		(4,949,139)
Total liabilities and stockholders' deficit	$	20,124,187	$	18,209,283

See accompanying notes to consolidated financial statements.

MFXCHANGE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

	2022	2021
Revenue, net	$ 33,472,542	$ 31,806,741
Operating expenses:		
Salaries and related benefits	9,995,729	9,396,833
Outside services	10,014,133	10,057,973
Hardware and software costs	7,458,186	6,561,196
Depreciation and amortization	1,090,190	1,190,817
General and administrative	1,776,820	1,713,794
Facility costs	795,136	915,563
Total operating expenses	31,130,194	29,836,176
Income from operations	2,342,348	1,970,565
Other income (expense):		
Financing expenses, net	(415,442)	(585,448)
Income before (provision for) benefit from income taxes	1,926,906	1,385,117
(Provision for) benefit from income taxes	(236,870)	181,349
Net income	$ 1,690,036	$ 1,566,466

See accompanying notes to consolidated financial statements.

MFXCHANGE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

	Common Stock				Additional		Accumulated		
	Shares		Amount		Paid-in Capital		Deficit		Total
Balance, as of April 1, 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)
Net income for the year ended March 31, 2022	-		-		-		1,690,036		1,690,036
Balance, as of March 31, 2022	1,211	$	2,544,492	$	37,019,210	$	(42,822,805)	$	(3,259,103)

See accompanying notes to consolidated financial statements.

MFXCHANGE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,690,036	$ 1,566,466
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,090,190	1,190,817
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(6,502)	1,457,256
Contract assets	(318,370)	639,666
Prepaid expenses	152,904	328,807
Deferred tax assets	196,251	(770,475)
Other asset	4,384	472,107
Right-to-use assets and liabilities, net	(5,432)	(59,589)
Increase (decrease) in:		
Accounts payable	(357,584)	(2,873,365)
Accrued expenses	1,042,612	(440,334)
Contract liabilities	380,470	(1,782,860)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	3,868,959	(271,504)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from loans to related party	675,358	1,934,747
Purchase of property and equipment	(1,662,715)	(1,051,873)
Purchase of intangibles	(167,348)	(351,409)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(1,154,705)	531,465
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of ICICI loan	(880,782)	(3,339,129)
Proceeds from equity infusion	-	2,315,442
Principal payments on notes payable and capital lease obligations	(987,087)	(1,028,202)
NET CASH USED IN FINANCING ACTIVITIES	(1,867,869)	(2,051,889)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	846,385	(1,791,928)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	908,390	2,700,318
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1,754,775	$ 908,390

See accompanying notes to consolidated financial statements.

MFXCHANGE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

	2022	2021
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	$ 447,928	$ 212,775
Income taxes paid	$ 29,083	$ 149,272
SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS		
Assumed capital lease obligations on software and equipment purchases	$ 1,417,208	$ 1,008,799
Right-to-use assets and lease liability recorded during the period	$ -	$ 70,695

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, 2022 and 2021, the carrying value of this investment was $2,690,101.

Accounting principles generally accepted in the United States ("U.S. GAAP") typically requires that 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 audited 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, 2022 and 2021.

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, 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, 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, 2022 and 2021.

MFXCHANGE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 the Company's 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 purchase 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. Software costs are amortized over an estimated useful life of 3 years.

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, 2022 and 2021, the carrying value of this investment was $250,000 and is included in other assets in the accompanying consolidated balance sheets (see Note 5). There were no impairments recorded during the year ended March 31, 2022. During the year ended March 31, 2021, the Company recorded an impairment of $16,977 related to this investment.

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 and were not material for the years ended March 31, 2022 and 2021.

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.

MFXCHANGE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated financial position, results of operations, or cash flows.

NOTE 2 – SOFTWARE COSTS

Capitalized software costs primarily include third party software. As of March 31, 2022 and 2021, the carrying value of software costs were $470,260 and $685,762, respectively. During the years ended March 31, 2022 and 2021, the Company recorded amortization expense related to software assets totaling $823,493 and $427,300, respectively.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of March 31:

	2022	2021
Hardware cost	$ 14,656,727	$ 10,190,323
Leasehold improvements	2,752,339	2,752,339
Furniture and equipment	377,725	377,725
Total cost	17,786,791	13,320,387
Less: accumulated depreciation	(13,109,809)	(12,985,936)
Property and equipment, net	$ 4,676,982	$ 334,451

Depreciation expense was $266,697 and $746,540 for the years ended March 31, 2022 and 2021, 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 2022.

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. 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.

NOTE 4 – RIGHT-TO-USE ASSETS AND LEASE LIABILITY (continued)

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:

	2022	2021
Office leases	$ 1,419,982	$ 2,592,843
Equipment and software lease	70,695	553,781
Right-to-use assets	1,490,677	3,146,624
Less: accumulated amortization	(976,776)	(2,248,180)
Right to use assets, net	$ 513,901	$ 898,444

During the years ended March 31, 2022 and 2021, the Company recorded $961,114 and $1,113,735, respectively, as lease expense in the accompanying consolidated statements of operations.

Lease liabilities are summarized below as of March 31:

	2022	2021
Office leases	$ 538,921	$ 905,098
Equipment and software lease	18,220	42,018
Total lease liability	557,141	947,116
Less: short-term portion	(308,687)	(389,976)
Long-term portion	$ 248,454	$ 557,140

The maturity for the remaining term of the lease liability is as follows:

Year ending March 31:	
2023	$ 308,687
2024	248,454
Total lease liability	$ 557,141

Lease expense was comprised of the following for the years ended March 31:

	2022	2021
Building lease expense	$ 665,679	$ 780,012
Equipment lease expense	295,435	333,723
Total lease expense	$ 961,114	$ 1,113,735

NOTE 5 – OTHER ASSETS

Other assets consisted of the following as of March 31:

	2022	2021
Investments (see Note 1)	$ 250,000	$ 250,000
Security deposits	-	4,384
Total	$ 250,000	$ 254,384

NOTE 6 – ACCRUED EXPENSES

Accrued expenses consisted of the following as of March 31:

	2022	2021
Salaries and benefits	$ 937,376	$ 582,876
Other accrued expenses	3,580,928	2,892,817
Total	$ 4,518,304	$ 3,475,693

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, 2022 and 2021, the balance outstanding under the Term Loan, including accrued interest, was $4,120,486 (5,146,696 CND) and $4,847,265 (6,463,101 CND), respectively. As of March 31, 2022 and 2021, the balance outstanding under the Working Capital Facility, including accrued interest, was $3,973,691 (4,963,341 CND) and $4,127,694 (5,187,891 CND), respectively. The Company advanced $5,477,154 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, excluding accrued interest, are as follows:

Year ending March 31:	
2023	$ 5,017,030
2024	1,491,061
2025	1,118,295
Total term loan and working capital facility	$ 7,626,386

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:

	2022	2021
Capital lease obligation	$ 1,581,994	$ 1,151,866
Less: current portion of capital lease	(904,163)	(460,384)
Long-term portion of capital lease	$ 677,831	$ 691,482

The maturity for the remaining term of the capital lease obligations is as follows:

Year ending March 31:	
2023	$ 904,163
2024	624,190
2025	53,641
Total	$ 1,581,994

NOTE 9 – STOCKHOLDERS' DEFICIT

Common Stock

The Company has an unlimited number of authorized common shares. As of March 31, 2022 and 2021, the Company had 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.

MFXCHANGE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 – STOCKHOLDERS' DEFICIT (continued)

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, 2022 and 2021, the Company has 1 share of Class B redeemable preferred stock issued and outstanding.

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, 2022 and 2021 there were no shares of Class C redeemable preferred stock issued and outstanding.

NOTE 9 – STOCKHOLDERS' DEFICIT (continued)

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, 2022 and 2021, accounts payable and accrued expenses of $378,770 and $464,671, respectively, were the total outstanding amounts payable to this related party vendor.

Loan Receivable Related Party

The Company had a loan receivable of $5,477,154 and $6,152,512 as of March 31, 2022 and 2021, respectively, from Brainhunter Systems, Ltd. for the advance of proceeds received from the Term Loan and Working Capital Facility (see Note 7).

As of March 31, 2022 and 2021, the Company also had other related party balances as follows:

	2022	2021
Accounts receivable from Quess Corp (USA)	$ 40,306	$ -
Loan and advance to Brainhunter Systems Ltd.	5,477,154	6,152,512
Accounts payable to Allsec Technologies Ltd.	(69,454)	(55,474)
Accounts payable to Quess Corp Limited	(88,066)	(87,520)
Accounts payable to Brainhunter Systems Ltd.	(12,546)	-
Due from related parties, net	$ 5,347,394	$ 6,009,518

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 of and for the year ended March 31, 2022 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 36% and 35% of the Company's revenues for the years ended March 31, 2022 and 2021, respectively. The Company had four customers that accounted for approximately 39% and 43% of total accounts receivable as of March 31, 2022 and 2021, respectively.

The Company utilized two major suppliers for outside services totaling approximately 49% and 50% of the Company's total expenditures for outside services for the years ended March 31, 2022 and 2021, respectively. The Company's two major suppliers accounted for approximately 19% and 28% of total accounts payable and accrued expenses as of March 31, 2022 and 2021, respectively.

NOTE 13 – INCOME TAXES

As of March 31, 2022 and 2021, the tax effects of temporary differences and carryforwards that gave rise to significant portions of the deferred tax assets and liabilities were as follows:

	2022	2021
Net operating loss carry forwards	$ 3,859,000	$ 3,902,000
Accrual and reserves	4,521,000	4,474,000
Total assets	8,380,000	8,376,000
Less: valuation allowance	(7,804,442)	(7,604,191)
Net deferred tax assets	$ 575,558	$ 771,809

As of March 31, 2022, MFXchange US, Inc. had federal net operating loss carryforwards ("NOL's") of approximately $16.7 million that will be available to reduce future taxable income, if any. At March 31, 2022, MFXchange Holdings, Inc. had Canadian NOL's of $0.52 million and capital loss allowance deductions of approximately $12.7 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, 2022 and 2021, a net deferred tax asset (benefit) of $575,558 and $771,809, 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, 2022 and 2021 was an increase of $200,251 and decrease of $88,475, 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, 2022 and 2021, and there was no change to the unrecognized tax benefits during the years ended March 31, 2022 and 2021. 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. 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, 2022, open tax years include the tax years ended December 31, 2018 through December 31, 2021.

NOTE 13 – INCOME TAXES (continued)

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, 2022 and 2021, and there was no change to the unrecognized tax benefits during the years ended March 31, 2022 and 2021.

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, 2022 and 2021, 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 18 2022, which is the date the financial statements were available to be issued. No subsequent events were noted.

MONSTER.COM.HK LIMITED

REPORTS AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2022

H.F. LEUNG & CO.

CERTIFIED PUBLIC ACCOUNTANTS

MONSTER.COM.HK LIMITED

REPORTS AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2022

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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 2022.

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 2022 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

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 2022, the Company's immediate holding company was Monster.Com.SG Pte Limited (a company incorporated in Singapore) and the ultimate holding company was Quess Corp Limited (a public company incorporated in India and listed its shares on National Stock Exchange of India Limited).

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, 3rd May 2022

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 2022, 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 2022, 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 2022, the Company had net current liabilities of HK$1,251,005 (2021: HK$1,547,983) and capital deficiency of HK$1,251,005 (2021: HK$1,547,983). 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 : 3rd May 2022

MONSTER.COM.HK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31ST MARCH 2022

	Note	2022 HK$	2021 HK$
Revenue	4	939,844	1,753,153
Less: Staff Costs	6	(464,047)	(540,303)
Less: Operating Lease Payments		(2,100)	(2,100)
Less: Administrative expenses		(160,309)	(1,106,918)
Profit before taxation	7	313,388	103,832
Taxation	8	(16,408)	23,266
Profit for the year		296,980	127,098

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 2022

	Note	2022 HK$	2021 HK$
Current assets			
Amount due from related Companies	9		
Trade & Other receivables	10		80,283
Deposits and Prepayments	10	1,236,837	1,302,403
Pre-Paid Taxation		2,359	2,359
Cash and cash equivalents		-	81,634
		636,160	505,543
		1,875,356	1,972,222
Current liabilities			
Accounts payable and accurals			
Amount due to related Companies	9	253,660	285,856
Deferred Revenue	11	2,643,347	2,588,316
Provision for taxation		215,057	646,033
		14,295	-
		3,126,359	3,520,205
Net current liabilities		(1,251,003)	(1,547,983)
NET LIABILITIES		(1,251,003)	(1,547,983)
CAPITAL AND RESERVES			
Share capital	13		
Retained profits		38,700,002	38,700,002
		(39,951,005)	(40,247,985)
TOTAL EQUITY		(1,251,003)	(1,547,983)

Approved on behalf of the Board by : 3rd May 2022

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 2022

	Share capital	Accumulated Loss	Total
	HK$	HK$	HK$
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)
Profit for the year	-	296,980	296,980
BALANCE AT 31ST MARCH 2022	38,700,002	(39,951,005)	(1,251,003)

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 2022

	2022 HK$	2021 HK$
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	313,388	103,832
Changes in working capital:		
Increase/Decrease in trade receivables	65,566	(281,217)
Increase/Decrease in deposits and prepayments	-	60,456
Increase /Decrease in amount due from a related Companies	80,283	263,513
Increase /Decrease in accounts payables and accurals	(32,196)	10,913
Increase/Decrease in Deferred revenue	(430,976)	(718,038)
Increase /Decrease in amount due to a related Companies	55,031	482,865
CASH GENERATED FROM OPERATIONS	51,096	(77,676)
Income Tax (Paid)/Refunded	79,521	(211,925)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	130,617	(289,601)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	130,617	(289,601)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	505,543	795,144
CASH AND CASH EQUIVALENTS CARRIED FORWARD	636,160	505,543
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	636,160	505,543

MONSTER.COM.HK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2022

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 2022, the Company's immediate holding company was Monster.Com.SG Pte Limited (a company incorporated in Singapore) and the ultimate holding company was 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 2022 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 is remote.

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:

	2022 HK$	2021 HK$
Revenue	1,225,110	1,986,889
Exchange difference	89,637	-
Bad Debts Recovered	1,744	115,271
Other Income	10,363	8,972
	1,326,854	2,111,132

5. DIRECTORS' EMOLUMENTS

The directors did not receive any fees or emoluments in respect of their to the Company during the year (2021 : Nil)

6. STAFF COSTS

Employee costs (including directors) comprise:

	2022 HK$	2021 HK$
Wages and Salaries	441,774	521,855
Staff insurance	4,273	-
MPF	18,000	18,448
	464,047	540,303

7. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging the followings:

	2022 HK$	2021 HK$
Audit Fee	75,000	75,000
Taxation Service fee	30,000	53,639
Loss on exchange	-	154,728
Rent	2,100	2,100
Staff costs (Note 6)	464,047	540,303

8. INCOME TAX

Hong Kong Profits Tax has been provided for at the rate of 8.25% (2021: 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:

	2022 HK$	2021 HK$
Hong Kong profits tax		
Provision for the year before tax relief	26,408	2,113
Less:Tax Relief for the year of assesment (2021/22)	(10,000)	(2,113)
Less : Overprovision made in previous year	-	(23,266)
Tax charge for the year	16,408	(23,266)

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.

	2022 HK$	2021 HK$
Monster.com India Pvt Limited		
Monster.com India Pvt Limited-(Dubai branch)	(704,698)	(515,127)
Monster.Com Phillppines	-	48,415
Monster.com.sg Pte Ltd	-	31,867
Agensi Pekerjaan Monster Malaysia Sdn. Bhd.	(591,318)	(680,593)
	(1,347,331)	(1,392,596)

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 2022, the Company's immediate holding company and ultimate holding company were Monster.Com.SG Pte Limited (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

	2022 HK$	2021 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:

	2022 HK$	2021 HK$
Consultancy Fee paid to related Company	-	693,061
Gross global website memebership fees from related companies	15,784	412,265
Gross global website memebership fees to related companies	331,559	338,415
Net Commission fee to related Companies	-	20,894

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 3rd May 2022

MONSTER.COM.HK LIMITED

DETAILED INCOME STATEMENT

YEAR ENDED 31ST MARCH 2022

(For management information purposes only)

	2022	2021
	HK$	HK$
Revenue	1,225,110	1,986,889
Less: Sub-Contracting Cost	(387,010)	(357,979)
Gross Profit	838,100	1,628,910
Other Income		
Bad debts Recovered	1,744	115,271
Exchange difference	89,637	-
Other Income	10,363	8,972
	101,744	124,243
Total Revenue	939,844	1,753,153
Administrative and general expenses		
Advertising	-	28,808
Audit fee	75,000	75,000
Bank charges	8,283	10,008
Bad debt expenses	-	2,745
Consultancy Fee	-	693,061
Exchange difference	-	154,728
MPF	18,000	18,448
Postage and courier	488	412
Printing and stationery	1,000	2,189
Rent	2,100	2,100
Salaries	441,774	521,855
Sales Commission	-	38,460
Staff insurance	4,273	-
Stamp duty	6,719	-
Secretarial Fees	25,000	26,328
Sundry expenses	403	2,314
Storage Service Fees	5,700	7,073
Taxation Service Fee	30,000	53,639
Telephone, fax and internet expenses	7,716	10,539
Transportation	-	1,614
	626,456	1,649,321
Profit before taxation	313,388	103,832

MONSTER.COM.SG PTE LIMITED

Company Reg. No.: 200004227N

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.: 200004227N)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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MONSTER.COM.SG PTE LIMITED
(Company Reg. No.: 200004227N)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 2022.

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 2022 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 2022)

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

10 MAY 2022

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 2022, 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 2022 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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Incorporated with Limited liability Regn No.201431978R

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.

CAULFIELD INTERNATIONAL PAC
Public Accountants and
Chartered Accountants

Singapore

10 MAY 2022

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MONSTER.COM.SG PTE LIMITED
(Company Reg. No.:200004227N)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 S$	2021 S$
ASSETS			
Non-current assets			
Investment in subsidiary	4	2,933,000	-
Plant and equipment	5	-	-
Intangible assets	6	225,436	245,991
Right-of-use assets	7	-	-
Total non-current assets		3,158,436	245,991
Current assets			
Trade and other receivables	8	1,702,439	2,061,009
Cash and cash equivalents	9	982,127	1,004,794
Total current assets		2,684,566	3,065,803
TOTAL ASSETS		5,843,002	3,311,794
EQUITY AND LIABILITIES			
Equity			
Share capital	10	2,933,002	2
Accumulated losses		(100,458)	(123,608)
Equity attributable to the owners of the company		2,832,544	(123,606)
Current liabilities			
Trade and other payables	11	3,008,429	3,435,400
Income tax payable		2,029	-
Total current liabilities		3,010,458	3,435,400
TOTAL EQUITY AND LIABILITIES		5,843,002	3,311,794

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 2022

	Note	2022 S$	2021 S$
Revenue	12	3,265,707	3,295,600
Other income	13	9,685	97,735
		3,275,392	3,393,335
Item of expenses:			
Subcontractor charges		(1,175,136)	(680,504)
Employee benefits	14	(1,398,023)	(1,514,925)
Selling and distributions costs		(342,171)	(94,060)
Administrative expenses		(336,912)	(1,182,764)
Finance cost		-	(221)
Profit/(Loss) before tax	15	23,150	(79,139)
Income tax credit	16	-	29,011
Profit/(Loss) for the year, representing total comprehensive income/(loss) for the year		23,150	(50,128)

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 2022

	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 2021		2	(123,608)	(123,606)
Issuance of ordinary shares capital	10	2,933,000	-	2,933,000
Profit for the year, representing total comprehensive income for the year		-	23,150	23,150
Balance as at 31 March 2022		2,933,002	(100,458)	2,832,544

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 S$	2021 S$
Cash flows from operating activities			
Profit/(Loss) before tax		23,150	(79,139)
Adjustments for:			
Amortisation of intangible assets	6	20,555	-
Bad debt written off		7	41,822
Depreciation of plant and equipments	5	-	8,569
Depreciation of right-of-use assest	7	-	17,646
Interest expense on lease liability		-	221
Allowance for expected credit loss on trade receivables		1,557	(26,360)
		45,269	(37,241)
Changes in working capital:			
Trade and other receivables		357,006	(172,918)
Trade and other payables		(426,971)	(152,029)
Cash used in operations		(24,696)	(362,188)
Income tax refund		2,029	-
Net cash used in operating activities		(22,667)	(362,188)
Cash flows from investing activities			
Acquisition of intangible assets	6	-	(82,264)
Net cash used in investing activities		-	(82,264)
Cash flows from financing activities			
Payment on principal portion of lease liability	A	-	(18,491)
Interest expenses on lease liability		-	(221)
Net cash used in financing activities		-	(18,712)
Net decrease in cash and cash equivalents		(22,667)	(463,164)
Cash and cash equivalents at 1 April		1,004,794	1,467,958
Cash and cash equivalents at 31 March	9	982,127	1,004,794

Note A: Reconciliation of liabilities arising from financing activities

	As at 1 April	Financing cash flow S$	Non Cash Changes: Additions S$	Non Cash Changes: Accretion of interest S$	As at 31 March S$
2021					
Lease liabilities	18,491	(18,712)	-	221	-

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 2021.

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 2022:

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 2022.

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 13.

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 2022. However, there is no significant impact to the financial statements of the Company.

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 2021. 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**
Amendment to FRS1 *Presentation of Financial Statements*: (Classification of Liabilities as Current or Non-current)	1 January 2023
Amendment to FRS1 *Presentation of Financial Statements* and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendment to FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
Amendment to FRS 12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendment to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investment 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 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.4 FINANCIAL INSTRUMENTS

(b) Financial liabilities - continued

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.

2.5 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.

2.6 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.7 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.

2.8 INVESTMENT IN SUBSIDIARY

Investment in subsidiary is carried at cost less allowance for any impairment losses on an individual subsidiary basis. On disposal of investment in subsidiary, the differences between net disposal proceeds and the carrying amounts of the investments is recognised in profit and loss

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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 7.

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.

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 and 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 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.

(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 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.

2.18 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.

2.19 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.19 RELATED PARTIES – CONTINUED

(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.

2.20 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.20 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.

2.21 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.

2.22 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.22 INTANGIBLE ASSETS– CONTINUED

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.

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) 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.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES - CONTINUED

3.2 Key sources of estimation uncertainty – continued

(a) Provision for expected credit losses (ECLs) of trade receivables - continued

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 2022 was S$1,599,321 (2021: S$1,881,929).

(b) Impairment of investment in subsidiaries

At the end of the financial year, an assessment is made on whether there is indication that the investment in subsidiaries is impaired. The management's assessment is based on the estimation of the value-in-use of the CGU by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investment in subsidiaries as at 31 March 2022 was S$2,933,000 (2021: S$ Nil).

4. INVESTMENT IN SUBSIDIARIES

	2022 S$	2021 S$
Unquoted equity shares, at cost	2,933,000	-

4. INVESTMENT IN SUBSIDIARIES - CONTINUED

The details of the subsidiaries as at 31 March 2022 and 31 March 2021 are as follows:

Name of subsidiary (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership interest held by the Group	
		2022 %	2021 %
- Monster.com.HK Limited (Hong Kong) [(a)]	Various recruitment services	100	-
- Agensi Perkerjaan Monster Malaysia Sdn. Bhd. (Malaysia) [(b)]	Online recruitment solutions and to carry on the activities of employment placement	49	-

[(a)] Audited by H.F.Leung & Co. Certified Public Accountants.

[(b)] Audited by HALS & Associates Chartered Accounts.

5. PLANT AND EQUIPMENT

	Leasehold improvement S$	Computers and office equipment S$	Furniture and fittings S$	Total S$
Costs				
At 1 April 2020 and 31 March 2021	172,449	144,494	42,193	359,136
Written off	(172,449)	(135,925)	(42,193)	(350,567)
At 31 March 2022	-	8,569	-	8,569
Accumulated depreciation				
At 1 April 2020	172,449	135,925	42,193	350,567
Depreciation	-	8,569	-	8,569
At 31 March 2021	172,449	144,494	42,193	359,136
Written off	(172,449)	(135,925)	(42,193)	(350,567)
At 31 March 2022	-	8,569	-	8,569
Carrying amount				
At 31 March 2021	-	-	-	-
At 31 March 2022	-	-	-	-

6.1. INTANGIBLE ASSETS

	Software S$
Costs	
At 1 April 2020 and 31 March 2021	-
Transferred from intangible assets under development (Note 6.2)	245,991
At 31 March 2022	245,991
Accumulated amortisation	
At 1 April 2020 and 31 March 2021	-
Amortisation for the year	20,555
At 31 March 2022	20,555
Carrying amount	
At 31 March 2021	-
At 31 March 2022	225,436

6.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

	Software S$
Costs	
At 1 April 2020	163,727
Additions	82,264
At 31 March 2021 and 31 March 2022	245,991
Transferred to intangible assets (Note 6.1)	(245,991)
At 31 March 2022	-
Accumulated amortisation	
At 1 April 2020, 31 March 2021 and 31 March 2022	-
Carrying amount	
At 31 March 2021	245,991
At 31 March 2022	-

7. RIGHT OF USE ASSETS

	Office Premise S$
Cost	
At 1 April 2020 and 31 March 2021	123,524
Disposals	(123,524)
At 31 March 2022	-
Accumulated amortisation	
At 1 April 2020	105,878
Depreciation	17,646
At 31 March 2021	123,524
Disposals	(123,524)
At 31 March 2022	-
Carrying amount	
At 31 March 2021	-
At 31 March 2022	-

8. TRADE AND OTHER RECEIVABLES

	2022 S$	2021 S$
Trade receivables:		
- Third parties	1,498,764	1,227,735
Less: Allowance of expected credit loss	(1,711)	(154)
	1,497,053	1,227,581
- Fellow subsidiaries	-	654,348
- Subsidiaries	102,268	-
	1,599,321	1,881,929
Other receivables	2,527	22,596
Deposits	1,441	109
Prepayments	12,971	4,771
Deferred commission	86,179	151,604
	1,702,439	2,061,009

Third party trade receivables are non-interest bearing and generally on 30 to 120 (2021: 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.

8. TRADE AND OTHER RECEIVABLES - CONTINUED

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:

	2022 S$	2021 S$
At 1 April	154	26,514
Provision for expected credit losses (Note 15)	1,557	(26,360)
At 31 March	1,771	154

9. CASH AND CASH EQUIVALENTS

	2022 S$	2021 S$
Cash at bank	982,127	1,004,794

The carrying amount of cash and cash equivalents approximate their fair values.

10. SHARE CAPITAL

	2022		2021	
	Number of ordinary shares	S$	Number of ordinary shares	S$
Issued and fully paid				
At 1 April	2	2	2	2
Issuance during the year	233,378	2,933,000	-	-
At 31 March	233,380	2,933,002	2	2

During the financial year, the Company issued 233,378 ordinary shares for a total cash consideration of S$2,933,000 for additional working capital.

The newly issued shares rank pari-passu in all respect with the previously issued shares.

All issued ordinary shares are fully paid. There are no par value for these ordinary shares. 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.

11. TRADE AND OTHER PAYABLES

	2022 S$	2021 S$
Trade payables		
- Third party	241,283	221,535
- Fellow subsidiaries	-	1,090,525
- Subsidiaries	667,918	-
	909,201	1,312,060
Accruals	295,644	664,200
Contract liabilities	1,731,552	1,425,561
GST payables	72,032	33,579
	3,008,429	3,435,400

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.

12. REVENUE

	2022 S$	2021 S$
Service income	3,265,707	3,295,600

13. OTHER INCOME

	2022 S$	2021 S$
Fixed deposits interest income		6,916
Foreign exchange gain	8,841	90,819
Miscellaneous income	844	-
	9,685	97,735

14. EMPLOYEE BENEFITS

	2022 S$	2021 S$
Other key management personnel:		
Defined contribution plan (Note 17)	12,240	12,619
Salaries and other short-term benefits (Note 17)	247,592	232,885
Staffs' salaries and other related costs:		
Defined contribution plan	76,630	91,508
Salaries and bonus [(a)]	928,181	1,061,647
Commission	118,092	110,213
Staffs' welfare	15,288	6,053
	1,398,023	1,514,925

14. EMPLOYEE BENEFITS - CONTINUED

(a) Included within salaries and bonus are:

(i) Government grant income of S$Nil (2021: S$164,442) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2021 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. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been arrived at after charging/(crediting):

	2022 S$	2021 S$
Amortisation of intangible assets (Note 6)	20,555	-
Allowance for expected credit loss on trade receivables (Note 8)	1,557	(26,360)
Bad debts written off	7	41,822
Communication expenses	3,838	21,417
Consultancy fee	179,845	1,000,040
Depreciation of plant and equipment (Note 5)	-	8,569
Depreciation of right of use assets (Note 7)	-	17,646
Employee benefits (Note 14)	1,398,023	1,514,925
Interest expenses on lease liability	-	221
Foreign exchange gain	(8,841)	(90,819)
Professional fees	63,770	71,083
Rent expenses	8,689	21,800
Sub-contractor charges	1,175,136	680,504

16. INCOME TAX CREDIT

The major components of income tax expense recognised in profit or loss for the financial years ended 31 March 2022 and 2021 were as follows:

	2022 S$	2021 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

16. INCOME TAX CREDIT - CONTINUED

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 2022 and 2021 were as follows:

	2022 S$	2021 S$
Profit/(Loss) before tax	23,150	(79,139)
Income tax using the statutory tax rate of 17% (2021: 17%)	3,936	(13,454)
Adjustments:		
Non-deductible expenses	-	756
Utilisation of deferred tax asset not recognised in prior year	(3,936)	-
Deferred tax assets on temporary difference not recognised	-	12,698
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$874,597 (2021: S$918,302) 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:

	2022 S$	2021 S$
Sales transferred from fellow subsidiaries	-	183,604
Sales transferred from subsidiaries	6,642	-
Sub-contractor charges by fellow subsidiaries	-	(666,638)
Sub-contractor charges by subsidiaries	1,166,640	-
Sales to fellow subsidiary	-	66,175
Sales to subsidiary	42,815	-
Sales support fees payable to fellow subsidiaries	-	(16,287)
Sales support fees recoverable from fellow subsidiaries	-	56,800
Payment on behalf by a fellow subsidiary		(376,527)

17. RELATED PARTY TRANSACTIONS - CONTINUED

	2022 S$	2021 S$
Payment on behalf by a subsidiary	(403,216)	-
Staffs' costs charged to fellow subsidiary	-	45,679
Staffs' costs charged to subsidiary	3,595	-
Advertising fees charged by a fellow subsidiary	-	4,730
Consultancy fee charged by a fellow subsidiary		1,000,040
Consultancy fee charged by a subsidiary	179,845	-
Rental expenses charged by a fellow subsidiary		21,000
Rental expenses charged by a subsidiary	17,500.00	-
Collection on behalf by a fellow subsidiary		132,014
Collection on behalf by a subsidiary	117,4478	-
Payment on behalf for fellow subsidiaries	-	6,420
Collection on behalf for fellow subsidiaries	-	11,813
Collection on behalf for subsidiaries	10,297	-
Key management personnel compensation:		
Other key management personnel:		
Defined contribution plan (Note 14)	12,240	12,619
Salaries and other short-term benefits (Note 14)	247,592	232,885

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

The carrying amounts of right-of-use assets and the movements during the year are disclosed in Note 7.

(b) Lease liabilities

The movements of lease liabilities during the year are disclosed in the statements of cash flows respectively and the maturity analysis of lease liabilities is disclosed in Note 19(b).

18. LEASES - CONTINUED

(c) Amounts recognised in profit or loss

	2022 S$	2021 S$
Depreciation of right of use assets	-	17,646
Interest expense on lease liability	-	221
Total amount recognised in profit or loss	-	17,867

(d) Total cash outflow

The Company had total cash outflows for leases of S$ Nil (2021: S$18,712) in 2022.

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 March 2022						
Trade receivables and subsidiaries	8	Note 1	Lifetime ECL (simplified)	1,601,032	(1,711)	1,599,321
					(1,711)	
31 March 2021						
Trade receivables and subsidiaries	8	Note 1	Lifetime ECL (simplified)	1,882,083	(154)	1,881,929
					(154)	

Trade receivables and subsidiaries (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.

31 March 2022	Not past due S$	≤30 days S$	31-60 days S$	61-90 days S$	Total S$
ECL rate	0%	0%	0%	22%	
Estimated total gross carrying amount at default	1,382,808	97,012	113,354	7,858	1,601,032
ECL	-	-	-	(1,711)	(1,711)
Expected credit loss rate					1,599,321

31 March 2021	Not past due S$	≤30 days S$	31-60 days S$	61-90 days S$	Total S$
ECL rate	0%	0%	0%	1%	
Estimated total gross carrying amount at default	1,821,321	39,379	10,040	11,343	1,882,083
ECL	-	-	-	(154)	(154)
Expected credit loss rate					1,881,929

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.

2022	Carrying amount S$	Contractual cash flows S$	One year or less S$
Financial assets			
Trade and other receivables [a]	1,603,289	1,603,289	1,603,289
Cash and cash equivalents	982,127	982,127	982,127
Total undiscounted financial assets	2,585,416	2,585,416	2,585,416
Financial liabilities			
Trade and other payables [b]	1,204,845	1,204,845	1,204,845
Total undiscounted financial liabilities	1,204,845	1,204,845	1,204,845
Total net undiscounted financial assets	1,380,571	1,380,571	1,380,571
2021			
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

[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:

	United States Dollars S$	Indian Rupee S$	Hong Kong Dollars S$	Malaysian Ringgit S$
2022				
Financial assets				
Trade and other receivables	-	-	102,268	-
Cash and cash equivalents	43,369	-	-	-
	43,369	-	102,268	-
Financial liabilities				
Trade and other payables[(b)]	31,012	3,387	404,048	263,870
Currency exposure	12,357	3,387	(301,780)	263,870
2021				
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)

[(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% (2021:10%) 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.

	Profit/(Loss) after tax	
	2022 S$	2021 S$
United States Dollars	1,026	(16,608)
Indian Rupee	281	(57,435)
Hong Kong Dollars	(25,048)	-
Malaysian Ringgit	21,901	(33,079)

A 10% (2021:10%) 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.

20. FAIR VALUES

Assets and liabilities not measured at fair 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 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:

	2022 S$	2021 S$
Financial assets measured at amortised cost		
Trade and other receivables (Note 8)[(a)]	1,603,289	1,904,634
Cash and cash equivalents (Note 9)	982,127	1,004,794
Total financial assets measured at amortised cost	2,585,416	2,909,428
Financial liabilities measured at amortised cost		
Trade and other payables (Note 11)[(b)]	1,204,845	1,976,260
Total financial liabilities measured at amortised cost	1,204,845	1,976,260

[(a)] The amounts excluded prepayments 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 2022 and 31 March 2021.

23. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 10 MAY 2022

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 2022

Appendix A

	2022 S$	2021 S$
Revenue		
Service income	3,265,707	3,295,600
Other income		
Fixed deposit interest income	-	6,916
Foreign exchange gain	8,841	90,819
Miscellaneous income	844	-
	9,685	97,735
Less:		
Sub-contractor charges	1,175,136	680,504
Employee benefits (Appendix B)	1,398,023	1,514,925
Selling and distribution costs (Appendix B)	342,171	94,060
Administrative expenses (Appendix B)	336,912	1,182,764
Finance cost (Appendix B)	-	221
	(3,252,242)	(3,472,474)
Profit/(Loss) before tax	23,150	(79,139)

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 2022

Appendix B

	2022 S$	2021 S$
Employee benefits		
Other key management personnel:		
Defined contribution plan	12,240	12,619
Salaries and other short term benefits	247,592	232,885
Staffs' salaries and other related costs:		
Defined contribution plan	76,630	91,508
Salaries and bonus	928,181	1,061,647
Commission	118,092	110,213
Staffs' welfare	15,288	6,053
	(1,398,023)	(1,514,925)
Selling and distribution costs		
Advertisements	341,484	94,052
Entertainment	687	8
	(342,171)	(94,060)
Administrative expenses		
Amortisation of intangible assets	20,555	-
Bad debt written off	7	41,822
Bank charges	33,848	16,697
Communication expenses	3,838	21,417
Consultancy fee	179,845	1,000,040
Depreciation of plant and equipment	-	8,569
Depreciation of right of use assets	-	17,646
Allowance for expected credit loss on trade receivables	1,557	(26,360)
Internet expenses	1,402	-
Miscellaneous expenses	-	6,762
Other office expenses	1,170	698
Printing and stationery	240	95
Professional fees	63,770	71,083
Rate and taxes	21,034	-
Rent expenses	8,689	21,800
Repair and maintenance	276	186
Insurances	681	1,282
Utilities	-	1,027
	(336,912)	(1,182,764)
Finance Cost		
Interest expenses on lease liability	-	221
	-	(221)

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, 2021 and ended on March 31, 2022 ("the fiscal year ended on March 31, 2022").

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, 2022 and up to the date of the owner's capital investments report, are as follows:

Mr. Narayanaswamy Ravi Viswanath	Chairman of Company and Legal representative, Nationality: Indian. Appointed on June 29, 2021;
Mr. Subrata Kumar Nag	Chairman of Company and Legal representative, Nationality: Indian. Dismissed on June 29, 2021;
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, 2022.

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, 2022. 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, 2022, its operation results and cash flows in the fiscal year from April 01, 2021 to March 31, 2022 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:0314944513-C.T.T.N.H.H
CÔNG TY
TNHH
QUESS CORP
VIỆT NAM
QUẬN 1-TP HỒ CHÍ MINH

~~VIJAY SIVARAM~~ Nguyễn Thị Kim Liên

~~Director~~ Người được ủy quyền

Ho Chi Minh City, June 08, 2022

SGA
Audit - Tax - Consulting

Saigon Consulting Tax Auditing Company Limited
Office: 2nd floor, 5-7 Hoang Viet street, ward 4
Tan Binh district, Ho Chi Minh city, Vietnam
Tel: 84-2862935468 I Fax: 84-2862935455
www.saigonauditing.com

Ref: 22234/BCKT-SGA

INDEPENDENT AUDITORS' REPORT

Financial statement of QUESS CORP VIETNAM LLC
for the year ended March 31, 2022

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, 2022, 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 June 08, 2022 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, 2022, 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.

Emphasis note

As at 31 March 2022, the accumulated loss exceeded the owner's equity amount of VND 698,119,150. However, the Parent Company is committed to providing financial support to the company operating for at least the next 12 months from the date the General Director approves this Financial Statement. Therefore, financial statements are prepared and presented on a going concern basis.

CÔNG TY TNHH KIỂM TOÁN THUẾ TƯ VẤN SÀI GÒN

DO NGOC HUU	**BUI NHAT ANH**
Vice Director	**Auditor**
Practicing auditor registration certificate	Practicing auditor registration certificate
No.1518-2018-207-1	No.1238-2019-278-1

For and on behalf of

SAI GON CONSULTING TAX AUDITING COMPANY LIMITED

Ho Chi Minh City, June 10, 2022

QUESS CORP VIETNAM LLC

BALANCE SHEET

As at March 31, 2022

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, 2022 VND	Apr 01, 2021 VND
ASSETS				
A. CURRENT ASSETS (100 = 110 + 120 + 130 + 140 + 150)	**100**		**5,132,677,456**	**7,699,736,544**
I. Cash and cash equivalents	**110**		**4,143,595,098**	**6,227,604,207**
1. Cash	111	IV.1	4,143,595,098	6,227,604,207
II. Short-term investments	**120**		-	-
III. Accounts receivable	**130**		**901,135,548**	**1,368,611,224**
1. Trade receivables	131	IV.2	2,020,478,513	2,517,068,046
2. Advances to suppliers	132	IV.3	79,452,903	74,697,861
3. Other receivables	136	IV.4	172,533,643	148,174,828
4. Provision for bad debts	137	IV.5	(1,562,542,319)	(1,562,542,319)
5. Assets in shortage awaiting resolution	139		191,212,808	191,212,808
IV. Inventories	**140**		-	-
V. Other current assets	**150**		**87,946,810**	**103,521,113**
1. Prepaid expenses	151	IV.6a	88,387,811	103,521,113
2. VAT deductibles	152		(441,001)	-
B. NON-CURRENT ASSETS (200 = 210 + 220 + 230 + 240 + 250 + 260)	**200**		**118,342,521**	**48,044,437**
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**		**118,342,521**	**48,044,437**
1. Long-term prepaid expenses	261	IV.6b	118,342,521	48,044,437
TOTAL ASSETS (270 = 100 + 200)	**270**		**5,251,019,977**	**7,747,780,981**

QUESS CORP VIETNAM LLC

BALANCE SHEET

As at March 31, 2022

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, 2022 VND	Apr 01, 2021 VND
RESOURCES				
C . LIABILITIES (300 = 310 + 330)	**300**		**5,949,139,127**	**6,085,728,547**
I. Current liabilities	**310**		**5,949,139,127**	**6,085,728,547**
1. Accounts payable to suppliers	311	IV.8	76,600,765	68,328,445
2. Advances from customers	312		148,495,008	164,070,888
3. Taxes payables and statutory obligations	313	IV.9	275,343,643	391,263,995
4. Payables to employees	314		230,887,587	116,322,738
5. Accrued expenses	315	IV.10	15,000,000	17,900,000
6. Other payables	319	IV.11	1,533,800,144	1,409,119,180
7. Loans and finance lease liabilities	320	IV.7	3,669,011,980	3,918,723,301
II. Long-term liabilities	**330**		**-**	**-**
D . OWNER'S EQUITY (400 = 410 + 430)	**400**		**(698,119,150)**	**1,662,052,434**
I. Equity	**410**	**IV.12**	**(698,119,150)**	**1,662,052,434**
1. Contributed capital	411		4,333,783,580	4,333,783,580
2. Retained profits	421		(5,031,902,730)	(2,671,731,146)
- Retained profits brought forward	421a		(2,671,731,146)	454,481,606
- Retained profits for the current year	421b		(2,360,171,584)	(3,126,212,752)
II. Others capital and funds	**430**		**-**	**-**
TOTAL RESOURCES (440 = 300 + 400)	**440**		**5,251,019,977**	**7,747,780,981**

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~~ Nguyễn Thị Kim Liên
~~Director~~ Người được uỷ quyền
Ho Chi Minh City, June 08, 2022

INCOME STATEMENT

for the fiscal year ended March 31, 2022

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	4,081,560,900	7,410,299,179
2. Revenue deductions	02		-	-
3. Net revenue from sales of goods and rendering of services (10=01-02)	10		4,081,560,900	7,410,299,179
4. Cost of sales	11	V.2	2,799,343,010	6,309,993,354
5. Gross profit form sales of goods and rendering of services (20=10-11)	**20**		**1,282,217,890**	**1,100,305,825**
6. Income from financial activities	21	V.3	297,409,213	1,630,449
7. Expenses from financial activities	22	V.4	167,004,331	367,017,584
In which: interest expenses	*23*		*164,599,277*	*171,699,886*
8. Selling expenses	25		-	-
9. General & administration expenses	26	V.5	3,772,794,356	3,858,617,266
10. Net operating profit/(loss) (30=20+(21-22)-(25+26))	**30**		**(2,360,171,584)**	**(3,123,698,576)**
11. Other income	31	V.6	-	2,275,354
12. Other expenses	32	V.7	-	4,789,530
13. Other profit (40=31 - 32)	40		-	(2,514,176)
14. Accounting profit before tax (50=30+40)	**50**		**(2,360,171,584)**	**(3,126,212,752)**
15. Current corporate income tax expenses	51	V.8	-	-
16. Deferred corporate income tax (income) expenses	52		-	-
17. Net profit/(loss) after tax (60=50-51-52)	**60**		**(2,360,171,584)**	**(3,126,212,752)**

M.S.D.N:0314944513-C.T.T.N.H.H
CÔNG TY TNHH QUESS CORP VIỆT NAM
QUẬN 1-TP. HỒ CHÍ MINH

Prepared by

~~VIJAY SIVARAM~~ Nguyễn Thị Kim Liên
~~Director~~ Người được uỷ quyền
Ho Chi Minh City, June 08, 2022

QUESS CORP VIETNAM LLC

CASH FLOWS STATEMENT

(Indirect method)

for the fiscal year ended March 31, 2022

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***		***(2,360,171,584)***	***(3,126,212,752)***
2. Adjustments				
- Provisions	03		-	1,562,542,319
- Unrealized foreign exchange gains, losses	04		(297,193,213)	120,416,023
- Interest expenses	06		164,599,277	171,699,886
3. Operating profit before changes in working capital	***08***		***(2,492,765,520)***	***(1,271,554,524)***
- Increase, decrease in trade receivable	09		467,916,677	(38,759,646)
- Increase, decrease in payables (not including other interest, incomes tax)	11		(785,742)	194,774,841
- Increase, decrease in prepaid expenses	12		(55,164,782)	15,678,954
- Income tax paid	15		-	(81,844,148)
Net cash flow from operating activities	***20***		***(2,080,799,367)***	***(1,181,704,523)***
II. Cash Flows from Investing Activities				
Net cash flows from investing activities	***30***		-	-
III. Cash Flows from Financing Activities				
Net cash flows from financing activities	***40***		-	-
Net cash flows in the period (50=20+30+40)	**50**		**(2,080,799,367)**	**(1,181,704,523)**
Cash and cash equivalent at beginning of year	**60**		**6,227,604,207**	**7,380,201,097**
Impacts of exchange rate fluctuations	61		(3,209,742)	29,107,633
Cash and cash equivalent at the end of year (70=50+60+61)	**70**		**4,143,595,098**	**6,227,604,207**

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 Nguyễn Thị Kim Liên

Director Người được uỷ quyền

Ho Chi Minh City, June 08, 2022

NOTES TO THE FINANCIAL STATEMENTS
for the fiscal year ended March 31, 2022

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, the thirth amendment on July 30th, 2021; 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 sixth amendment on July 6th, 2021.

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

- Computer programming, consulting services and other computer-related activities. *Details: Software consulting and system consulting services; Programming services;*

- Data processing, leasing and related activities. *Details: other data processing services; Database services;*

- Labor and employment service activities. *Details: Service of providing and arranging personnel; 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, 2022

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, 2022

Form B09-DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

IV. Additional information to items in Balance Sheet

Unit: Vietnam dong

1. **Cash and cash equivalents**		Mar 31, 2022	Apr 01, 2021
Cash in bank		4,143,595,098	6,227,604,207
- Cash in bank VND (****)		*2,353,531,410*	*4,391,616,991*
- Cash in bank USD		*568,424,945*	*611,147,673*
	#	*$ 24,822.05*	*$ 26,617.93*
	and	*1,221,638,743*	*1,224,839,543*
	#	*$ 53,346.67*	*$ 53,346.67*
		4,143,595,098	**6,227,604,207**

(****) including VND 2,000,000,000 blocked to secure a security deposit for the field "labor hire" in the business license.

2. **Short term accounts receivable from customers**	Mar 31, 2022	Apr 01, 2021
VPBank Finance Company Limited	1,430,542,319	1,430,542,319
Decathlon Vietnam., Ltd	243,127,260	134,012,118
Zuzu Hospitality Solutions Limited Company	18,573,359	875,820,671
Bollore Logistics Vietnam Co.,Ltd	150,378,339	47,707,938
Branch of Decathlon Vietnam., Ltd in Ha Noi city	107,017,567	-
Uniontek Technology Co.,Ltd	27,500,000	-
General Trading Of Household Products One Member Company	21,348,000	-
Renesas Vietnam Design Co.,Ltd	18,496,964	-
Other customers	3,494,705	28,985,000
	2,020,478,513	**2,517,068,046**

3. **Short term advance to suppliers**	Mar 31, 2022	Apr 01, 2021
Vietnam International Law firm	46,146,900	46,146,900
Other suppliers	33,306,003	28,550,961
	79,452,903	**74,697,861**

4. **Other short-term receivables**	Mar 31, 2022	Apr 01, 2021
Mortgage, collateral	151,938,126	139,134,900
Advance of employee	7,188,963	7,220,953
Undeclared VAT	11,707,579	-
Other receivables	1,698,975	1,818,975
	172,533,643	**148,174,828**

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2022

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

5. Bad and doubtful debts

	Mar 31, 2022		Apr 01, 2021	
	Carry amount	Recoverable amount	Carry amount	Recoverable amount
Total value of receivables that are past due or not overdue but are unlikely to recover				
- VPBank Finance Company Limited	1,430,542,319	-	1,430,542,319	-
- Decathlon Vietnam., Ltd	134,012,118	2,012,118	134,012,118	2,012,118
	1,564,554,437	2,012,118	1,564,554,437	2,012,118
Of which				
Allowance for doubtful debts – short-term		(1,562,542,319)		(1,562,542,319)
Allowance for doubtful debts – long-term				

6. Prepaid expenses

	Mar 31, 2022	Apr 01, 2021
a. Short-term prepaid expenses		
Insurance expenses	-	51,673,995
Prepaid office rental expenses	88,387,811	51,847,118
	88,387,811	**103,521,113**
b. Long-term prepaid expenses		
The cost of office equipment	88,503,033	-
Expenses incurred from insurance purchase	29,839,488	-
Office survey costs	-	48,044,437
	118,342,521	**48,044,437**

7. Loans and finance lease liabilities - short term

	Mar 31, 2022		Apr 01, 2021	
	Carrying amount	Repayable amount	Carrying amount	Repayable amount
Short term loans with related parties				
- Quess Corp Ltd (**)	2,191,734,720	2,191,734,720	2,286,283,440	2,286,283,440
#	*INR 7,014,000.00*	*INR 7,014,000.00*	*INR 7,014,000.00*	*INR 7,014,000.00*
- Quess (Philippines) Corp (***)	1,477,277,260	1,477,277,260	1,632,439,861	1,632,439,861
#	*PHP 3,232,554.18*	*PHP 3,232,554.18*	*PHP 3,232,554.18*	*PHP 3,232,554.18*
	3,669,011,980	**3,669,011,980**	**3,918,723,301**	**3,918,723,301**

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

8. Short term accounts payable to other suppliers	Mar 31, 2022		Apr 01, 2021	
	Carrying amount	Repayable amount	Carrying amount	Repayable amount
Talent Trader Vietnam Co.,Ltd	3,319,875	3,319,875	3,319,875	3,319,875
Hello Co.,Ltd	17,638,320	17,638,320	17,638,320	17,638,320
Expertis Auditing and Consulting Co.,Ltd	10,800,000	10,800,000	-	-
Grant Thornton (Vietnam) Co.,Ltd	36,948,350	36,948,350	38,156,250	38,156,250
Other suppliers	7,894,220	7,894,220	9,214,000	9,214,000
	76,600,765	**76,600,765**	**68,328,445**	**68,328,445**

9. Taxes payables and statutory obligations	Apr 01, 2021	Incurred	Paid	Mar 31, 2022
- Value added tax	270,458,395	383,128,062	(463,511,428)	190,075,029
- Personal income tax	120,805,600	226,557,876	(262,094,862)	85,268,614
- Other taxes	-	2,000,000	(2,000,000)	-
Taxes payables and statutory obligations	**391,263,995**	**611,685,938**	**(727,606,290)**	**275,343,643**
Tax and receivables from state budget	-			-

10. Short term accrued expenses

	Mar 31, 2022	Apr 01, 2021
Audit fee	15,000,000	11,000,000
Professional service fee	-	6,900,000
	15,000,000	**17,900,000**

11. Short term other payables

		Mar 31, 2022	Apr 01, 2021
Short term other payables		-	-
Surplus of assets awaiting resolution		46,504,604	46,504,604
Union fee		116,285,377	51,556,881
Social insurance, Health insurance, unemployment insuarance		83,533,067	71,172,347
Employee payables (Ms.Nguyen Thi Thanh Trang)		27,420,605	-
Others		44,770,930	138,507,431
Loan interest - Quess Corp Ltd - Related party		553,774,978	405,964,258
	#	*INR 1,772,193.35*	*INR 405,964,258.00*
Paid on behalf - Quess (Philippines) Corp - Related party		274,232,366	303,035,764
	#	*PHP 600,070.82*	*PHP 600,070.82*
Paid on behalf - Quess (Singapore) Corp - Related party		387,278,217	392,377,895
	#	*SGD 22,868.51*	*SGD 22,868.51*
		1,533,800,144	**1,409,119,180**

12. 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**	**454,481,606**	**4,788,265,186**
Net profit for previous year	-	(3,126,212,752)	(3,126,212,752)
Opening balance of the year	**4,333,783,580**	**(2,671,731,146)**	**1,662,052,434**
Net loss for the year	-	(2,360,171,584)	(2,360,171,584)
Closing balance	**4,333,783,580**	**(5,031,902,730)**	**(698,119,150)**

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**

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2022

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	4,081,560,900	7,410,299,179
	4,081,560,900	**7,410,299,179**

2. Cost of sales	Current year	Previous year
Cost of goods sold from render of services	2,799,343,010	6,309,993,354
	2,799,343,010	**6,309,993,354**

3. Financial income	Current year	Previous year
Gain of difference from exchange rate	216,000	1,630,449
Gain of difference from revaluation exchange rate	297,193,213	-
	297,409,213	**1,630,449**

4. Financial expenses	Current year	Previous year
Loan interest	164,599,277	171,699,886
Loss of difference from exchange rate	2,405,054	74,901,675
Loss of difference from revaluation exchange rate	-	120,416,023
	167,004,331	**367,017,584**

5. Other income	Current year	Previous year
Others	-	2,275,354
	-	**2,275,354**

6. Other expense	Current year	Previous year
Fine fee	-	4,789,467
Others	-	63
	-	**4,789,530**

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2022

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	2,909,831,525	1,628,216,096
Office equipment expenses	119,433,914	75,200,004
Outsourced services expenses	662,786,641	333,224,415
Other expenses	80,742,276	259,434,431
Provision for bad debts	-	1,562,542,319
	3,772,794,356	**3,858,617,266**

8. Operating cost by nature

	Current year	Previous year
Labor cost	5,709,174,535	7,938,209,450
Tools and instruments expenses	119,433,914	75,200,004
Outsourced services expenses	662,786,641	333,224,415
Other expenses	80,742,276	259,434,431
Provision for bad debts	-	1,562,542,319
	6,572,137,366	**10,168,610,620**

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, 2022

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		164,599,277	171,699,886
		#	*INR 526,751.40*	*INR 526,751.40*

At fiscal year end, accounts receivable and payable with related parties were as follows:

Related parties	Transaction		Balance 31/03/2022	Balance 01/04/2021
Quess Corp Ltd	Short term loan payable		2,191,734,720	2,286,283,440
		#	*INR 7,014,000.00*	*INR 7,014,000.00*
	Loan interest payable		553,774,978	405,964,258
		#	*INR 1,772,193.35*	*INR 1,245,441.95*
Quess (Philipines) Corp	Short term loan payable		1,477,277,260	1,632,439,861
		#	*PHP 3,232,554.18*	*PHP 3,232,554.18*
	Paid on behalf (payable)		274,232,366	303,035,764
		#	*PHP 600,070.82*	*PHP 600,070.82*
Quess (Singapore) Corp	Paid on behalf (payable)		387,278,217	392,377,895
		#	*SGD 22,868.51*	*SGD 22,868.51*

3. Going concern information

As at 31 March 2022, the accumulated loss exceeded the owner's equity amount of VND 698,119,150. However, the Parent Company is committed to providing financial support to the company operating for at least the next 12 months from the date the General Director approves this Financial Statement. Therefore, financial statements are prepared and presented on a going concern basis.

M.S.D.N:0314944513-C.T.T.N.H.H ★ CÔNG TY TNHH QUESS CORP VIỆT NAM ★ QUẬN 1-TP. HỒ CHÍ MINH

Prepared by

VIJAY SIVARAM Nguyễn Thị Kim Liên
Director Người được uỷ quyền
Ho Chi Minh City, June 08, 2022

QUESS CORP LANKA (PRIVATE) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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QUESS CORP LANKA (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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Independent auditor's report

To the Group Audit Team of Quess Corp Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the accompanying financial information of Quess Corp Lanka (Private) Limited ("the Company") as at 31 March 2022, and of its financial performance and its cash flows for the year then ended has been prepared, in all material respects, to give the information required to be shown in accordance with the policies contained in the parent company's accounting manual.

What we have audited

The Company's financial information comprise:

- the statement of financial position as at 31 March 2022;
- 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 significant accounting policies and other explanatory information.

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.

Emphasis of matter – Basis of preparation

We draw attention to the fact that the accompanying special purpose financial information is not presented in accordance with and does not include all the information required to be disclosed by Sri Lanka Accounting Standards. Accordingly, the accompanying information is not intended to give a true and fair view of the financial position of Quess Corp Lanka (Private) Limited as of 31 March 2022, or the results of its operations or its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards. Our opinion is not modified in respect of this matter.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka ("CA Sri Lanka Code of Ethics"). We have fulfilled our other ethical responsibilities in accordance with the CA Sri Lanka Code of Ethics.

Independent auditor's report

To the Group Audit Team of Quess Corp 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 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.

Independent auditor's report

To the Group Audit Team of Quess Corp 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.

Restriction on distribution and use

This report is intended solely for the use of group audit team of Quess Corp Limited in connection with the audit of the consolidated financial statements of Quess Corp Limited and should not be used for any other purpose.

PricewaterhouseCoopers

CHARTERED ACCOUNTANTS

COLOMBO

02 June 2022

QUESS CORP LANKA (PRIVATE) LIMITED

Statement of comprehensive income

(all amounts in Sri Lanka Rupees)

	Note	1 April to 31 March 2022	1 April to 31 March 2021
Revenue from contract with customers	7	2,073,468,948	2,126,421,636
Direct expenses	8	(1,813,696,444)	(1,934,764,833)
Gross profit		259,772,504	191,656,803
Other income		26,422	Nil
Administrative expenses		(140,895,698)	(39,978,112)
Net finance income / (expense)	9	29,586,356	3,976,799
Profit before income tax		148,489,584	155,655,490
Income tax expense	10	(39,224,761)	(38,479,818)
Profit for the year		**109,264,823**	**117,175,672**
Other comprehensive income		Nil	Nil
Total comprehensive income		**109,264,823**	**117,175,672**
Earnings per share	11	**89.83**	**81.93**

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 financial position

(all amounts in Sri Lanka Rupees)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	12	5,266,421	1,405,919
Intangible assets	13	Nil	Nil
Deferred income tax assets	18	19,651,719	18,958,786
		24,918,140	20,364,705
Current assets			
Trade and other receivables	14	394,859,029	339,657,085
Cash and cash equivalents	15	236,666,397	270,469,622
		631,525,426	610,126,707
Total assets		**656,443,566**	**630,491,412**
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	17	12,162,840	12,162,840
Retained earnings		357,431,640	424,892,008
Total equity		369,594,480	437,054,848
Non-current liabilities			
Defined benefit obligations	19	82,277,759	58,672,048
		82,277,759	58,672,048
Current liabilities			
Trade and other payables	20	202,303,478	119,345,133
Current income tax liabilities	21	2,267,848	15,419,381
		204,571,326	134,764,514
Total liabilities		**286,849,085**	**193,436,562**
Total equity and liabilities		**656,443,566**	**630,491,412**

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 ....

.... } Directors

....

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 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 expense	Nil	117,175,672	117,175,672
Balance at 31 March 2021	**12,162,840**	**424,892,008**	**437,054,848**
Balance at 1 April 2021	12,162,840	424,892,008	437,054,848
Profit for the year	Nil	109,264,823	109,264,823
Other comprehensive income	Nil	Nil	Nil
Total comprehensive income	Nil	109,264,823	109,264,823
Dividend payments	Nil	(176,725,191)	(176,725,191)
Balance at 31 March 2022	**12,162,840**	**357,431,640**	**369,594,480**

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 cash flows

(all amounts in Sri Lanka Rupees)

	Note	As at 31 March 2022	As at 31 March 2021
Cash flows from operating activities			
Cash generated from operations	22	171,469,835	178,331,326
Net finance income received	9	29,586,356	3,976,799
Income tax paid		(53,069,225)	(18,429,414)
Retirement benefit obligation paid		Nil	(3,979,392)
Net cash generated from operating activities		**147,986,966**	**159,899,319**
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(5,065,000)	(110,000)
Net cash used in investing activities		**(5,065,000)**	**(110,000)**
Cash flows from financing activities			
Dividends paid		(176,725,191)	Nil
Net cash used in financing activities		**(176,725,191)**	**Nil**
(Decrease) / increase in cash and cash equivalents		**(33,803,225)**	**159,789,319**
Movement in cash and cash equivalents			
At beginning of the year		270,469,622	110,680,303
(Decrease) / increase during the year		(33,803,225)	159,789,319
At end of the year	15	**236,666,397**	**270,469,622**

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

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 2021 to 31 March 2022. Comparative figures are for the period from 1 April 2020 to 31 March 2021.

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

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.

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.

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 2022	Increase in income LKR 2021
10% depreciation (2021 - 10% depreciation) of the LKR against USD	61,636	56,032
Net decrease in income	**61,636**	**56,032**

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 2022	Less than 1 year	Between 1 to 3 years	Total
Trade and other payables (excluding statutory liabilities)	83,438,879	Nil	83,438,879
	83,438,879	**Nil**	**83,438,879**

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**

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.

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. Accordingly, until year 2021, revenue has been disclosed on net basis in the statement of profit or loss, However, during the financial year ended 31 March 2022, this has been disclosed on gross basis to be in line with the revenue recognition standard. As a result, revenue, direct expenses and gross profit for the year ended 31 March 2021 has been reclassified. This reclassification did not result in a change in the profit for the year ended 31 March 2021.

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

	2022	2021
Recruitment fee	2,221,443	2,804,400
Contract staffing	2,020,047,504	2,081,241,506
Facility management service	51,200,001	42,375,730
	2,073,468,948	**2,126,421,636**

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

8 Expenses by nature

	2022	2021
Directors' emoluments	Nil	Nil
Auditors' remuneration - audit fee	2,261,850	400,000
- non-audit fee	Nil	Nil
Depreciation on property, plant and equipment (Note 12)	1,204,496	1,171,619
Amortisation on intangible assets (Note 13)	Nil	Nil
Direct expenses	1,813,696,444	1,934,764,833
Staff costs (Note 8.1)	116,924,681	45,375,512
Consultancy charges	1,702,662	1,217,967
Rent - Office	5,665,428	5,185,669
(Reversal) /provision for impairment of trade receivables	(5,237,247)	(38,032,645)
Security charges	4,513,310	Nil
Bad debts written-off	Nil	15,881,213
Utilities	4,361,140	1,317,514
Rates and taxes	44,821	338,658
Travelling expenses - Local	120,117	710,585
Travelling expenses - Foreign	3,040,038	805,500
Printing and stationery	221,330	443,553
Database login charges	1,602,651	1,834,730
Insurance	2,972,108	2,679,100
Maintenance expenses	724,951	190,871
Other expenses	773,362	458,266
Total direct and administrative expenses	**1,954,592,142**	**1,974,742,945**
Classified as		
Direct expenses	1,813,696,444	1,934,764,833
Administrative expenses	140,895,698	39,978,112
Total direct and administrative expenses	**1,954,592,142**	**1,974,742,945**

8.1 Staff costs

	2022	2021
Salaries and wages	37,819,753	36,526,984
Defined contribution plans	1,862,025	1,637,630
Defined benefit obligations (Note 19)	60,356,012	5,896,883
Staff incentive	Nil	618,898
Staff welfare	1,146,382	695,117
Other staff related expenses	15,740,509	Nil
	116,924,681	**45,375,512**

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

Full time	25	29

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

9 Net finance expense / (income)

	2022	2021
Bank charges	2,094,404	2,307,751
Net exchange loss / (gain)	(32,959,784)	(7,421,928)
Interest expenses	1,279,024	1,137,378
	(29,586,356)	**(3,976,799)**

10 Income tax expense

	2022	2021
Current income tax	39,917,694	26,258,695
Deferred income tax (credit) / charge (Note 18)	(692,933)	12,221,123
Income tax expense	**39,224,761**	**38,479,818**

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:

	2022	2021
Profit before income tax	148,489,584	155,655,490
Tax calculated at tax rate of 24% (2021 - 24%)	35,637,500	37,357,318
Tax effects of:		
- Expenses not deductible for tax purposes	5,665,371	Nil
- Recognition of previously unrecognized deferred taxes	(2,078,110)	Nil
- Net adjustment due to change in tax rate	Nil	1,122,500
Income tax expense	**39,224,761**	**38,479,818**

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:

	2022	2021
Net profit attributable to shareholders	109,264,823	99,647,310
Weighted average number of ordinary shares in issue	1,216,284	1,216,284
Earnings per share	**89.83**	**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 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**
Year ended 31 March 2022				
Opening net book amount	76,506	129,314	1,200,098	1,405,919
Additions	Nil	Nil	5,065,000	5,065,000
Depreciation charge (Note 8)	(66,556)	(129,314)	(1,008,628)	(1,204,498)
Closing net book amount	**9,950**	**Nil**	**5,256,470**	**5,266,421**
At 31 March 2022				
Cost	972,005	1,664,002	11,441,651	14,077,658
Accumulated depreciation	(962,055)	(1,664,002)	(6,185,181)	(8,811,237)
Net book amount	**9,950**	**Nil**	**5,256,470**	**5,266,421**

Cost and accumulated depreciation include fully depreciated office equipment of Rs 452702/-, furniture and fittings of Rs 1,664,002, and computer equipment of Rs 5556394/- at at 31 March 2022.

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

13 Intangible assets

	Computer software	Total
At 1 April 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**
Year ended 31 March 2022		
Opening net book amount	Nil	Nil
Amortisation charge (Note 8)	Nil	Nil
Closing net book amount	**Nil**	**Nil**
At 31 March 2022		
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

	2022	2021
Trade receivables	389,186,657	357,569,882
Less: provision for impairment of trade receivables	Nil	(21,029,648)
Trade receivables - net	389,186,657	336,540,234
Receivable from related parties (Note 25('c))	610,479	Nil
Prepayments	1,758,845	335,050
Deposits	447,780	1,513,780
Other receivables	2,855,268	1,268,021
	394,859,029	**339,657,085**

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:

	2022	2021
At 1 April	21,029,648	59,062,446
Reversal of provision during the year	(5,237,247)	(38,032,798)
Debtor write-off during the year	(15,792,401)	Nil
At 31 March	**Nil**	**21,029,648**

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

	2022	2021
Cash at bank	236,666,397	270,469,622
Short term deposits	Nil	Nil
Cash in hand	Nil	Nil
Cash at bank and in hand	**236,666,397**	**270,469,622**

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

	2022	2021
Cash at bank and in hand	236,666,397	270,469,622
Short term deposits	Nil	Nil
	236,666,397	**270,469,622**

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

16 (a) Financial instruments by category

	Loans and receivables	Total
31 March 2022		
Assets as per statement of financial position		
Trade and other receivables (excluding prepayments)	393,100,184	393,100,184
Cash and cash equivalents (Note 15)	236,666,397	236,666,397
	629,766,581	**629,766,581**

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	Other financial liabilities	Total
31 March 2022		
Liabilities as per statement of financial position		
Trade and other payables (excluding statutory liabilities)	83,438,879	83,438,879
	83,438,879	**83,438,879**

	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**

(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:

	2022	2021
Trade receivables		
Counterparties without external credit rating		
Group 1	259,941,472	269,487,268
Group 2	129,245,185	67,052,966
Total unimpaired trade receivables	**389,186,657**	**336,540,234**

	2022	2021
Cash at bank		
AA(lka)	211,995,864	244,744,512
AAA(lka)	24,670,533	25,725,109
Total	**236,666,397**	**270,469,621**

- *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)*

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 2021	1,216,284	12,162,840
At 31 March 2022	**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% (2021 - 24%).

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 :

	2022	2021
Deferred tax assets		
- Deferred tax asset to be recovered after more than 12 months	(19,746,661)	(14,081,292)
- Deferred tax asset to be recovered within 12 months	Nil	(5,047,116)
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	94,943	169,623
Deferred tax liabilities / (assets) - net	**(19,651,719)**	**(18,958,786)**

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

	2022	2021
At 1 April	(18,958,786)	(31,179,909)
(Credit) / charge to profit or loss (Note 10)	(692,933)	12,221,123
At 31 March	**(19,651,719)**	**(18,958,786)**

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 2020	134,623	(16,537,485)	(14,777,046)	(31,179,909)
Charge / (credit) to profit or loss	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)**
At 1 April 2021	169,623	(14,081,292)	(5,047,116)	(18,958,786)
Charge / (credit) to profit or loss	(74,680)	(5,665,369)	5,047,116	(692,933)
At 31 March 2022	**94,943**	**(19,746,661)**	**Nil**	**(19,651,719)**

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:

	2022	2021
At 1 April	58,672,048	52,775,166
Payments made during the year	Nil	(3,979,392)
Charge for the year	23,605,711	9,876,274
At 31 March	**82,277,759**	**58,672,048**

20 Trade and other payables

	2022	2021
Trade payables	(88,025)	4,406,783
Payables to related parties (Note 25(d))	83,526,904	55,449,504
Accrued expenses and other payables	118,864,599	59,488,846
	202,303,478	**119,345,133**

Other payables mainly consist of Salary payable amounting to Rs 70,689,369 (31 March 2021 - Rs 54,715,965), EPF/ETF payable amounting to Rs 2,659,024 (31 March 2021 - Rs 3,343,629) and VAT payable amounting to Rs 26,928,815 (31 March 2021 - Rs 397,607) and PAYE payable amounting to Rs 12,672,100 (31 Mar 2021- Rs 10,005,723).

21 Current income tax liabilities

	2022	2021
Balance at 1 April	15,419,381	7,590,103
Provision during the year	39,917,694	26,258,695
Income tax paid	(53,069,227)	(18,429,416)
Balance at 31 March	**2,267,848**	**15,419,381**

22 Cash generated from operations

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

	2022	2021
Profit before income tax	148,489,584	155,655,490
Adjustments for:		
Net finance income (Note 9)	(29,586,356)	(3,976,799)
Depreciation (Note 12)	1,204,498	1,171,619
Defined benefit obligations	23,605,711	9,876,274
Changes in working capital		
- (Increase) / decrease in trade and other receivables	(55,201,944)	63,918,649
- Increase / (decrease) in trade and other payables	82,958,342	(48,313,906)
Cash generated from operations	**171,469,835**	**178,331,326**

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	
	2022	**2021**
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.

	2022	**2021**
Salaries and other short term employee benefits	**Nil**	**Nil**

(c) Receivable from related parties

	2022	**2021**
Quess GTS	610,479	Nil
	610,479	**Nil**

(d) Payable to related parties

	2022	**2021**
Quess Holdings PTE Ltd - Loan amount	55,977,055	50,980,832
- Interest payable	27,549,849	4,468,672
	83,526,904	**55,449,504**

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

	2022	2021
Quess Holdings PTE Ltd		
Proceeds from short term loan	Nil	Nil
Translation of short term loan - Exchange loss	26,798,377	5,109,081
Provision for Interest on short term loan facility	1,279,024	1,137,378
	28,077,400	**6,246,459**

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.

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 2022

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 2022

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GENERAL INFORMATION

Entity's Name	:-	**QUESSCORP MANPOWER SUPPLY SERVICES L.L.C**
Legal Status	:-	Limited Liability Company(LLC)
Managers	:-	Mr. Khadim Obaid Khadim Mohammed Ms. Fatma Hamad Ibrahim Khalfan
Share holders	:-	Mr. Khadim Obaid Khadim Mohammed Ms. Laila Abdulkarim Ghulam Ali
Registered Office Address	:-	P O Box-111288 Dubai United Arab Emirates
Bank	:-	Abu Dhabi Commercial Bank
Auditors	:-	Bin Hamad Mathew Joseph & Associates Chartered Accountants Est. Dubai United Arab Emirates

QUESSCORP MANPOWER SUPPLY SERVICES L.L.C
DUBAI, UNITED ARAB EMIRATES

DIRECTOR'S REPORT

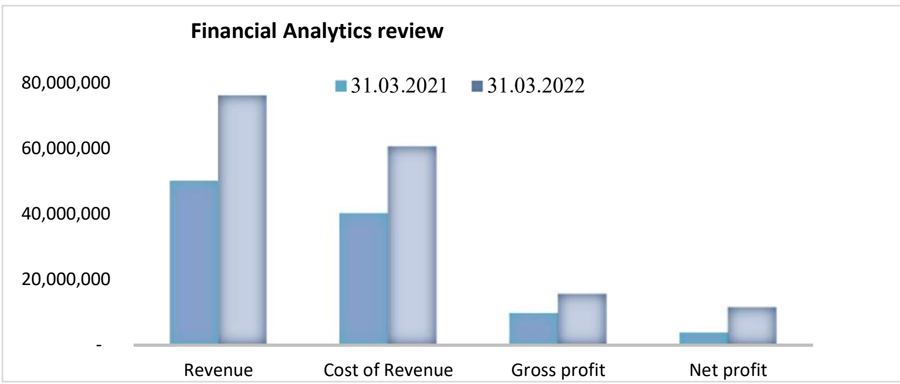
The Director have pleasure in presenting this report and the audited financial statements for the year ended 31.03.2022

Principal activities of the Entity :

The main business activity of the company is on demand labour supply (temporary employment)

Financial Overview:

	31.03.2022	31.03.2021
	(AED)	(AED)
Revenue	76,160,584	50,010,808
Cost of Revenue	60,539,180	40,223,600
Gross profit	**15,621,404**	**9,787,208**
Net profit	**11,530,055**	**3,815,968**
Gross profit margin	**21%**	**20%**



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.

DIRECTOR'S REPORT

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 company 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 company 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 company'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
26th April, 2022

INDEPENDENT AUDITOR'S REPORT

To
THE SHARE HOLDERS
QUESSCORP MANPOWER SUPPLY SERVICES L.L.C
DUBAI
UAE

Opinion

We have audited the accompanying financial statements of **QUESSCORP MANPOWER SUPPLY SERVICES L.L.C**(the Company) which comprise the statement of financial position for the year ended 31 March 2022 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 L.L.C** for the year ended 31 March 2022 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

26th April, 2022

QUESSCORP MANPOWER SUPPLY SERVICES L.L.C

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Notes	31.03.2022	31.03.2021
ASSETS		**(AED)**	**(AED)**
Current assets			
Cash and Bank Balances	5	5,004,058	3,253,489
Accounts and Other Receivables	6	23,491,018	13,099,393
Total Current Assets		**28,495,076**	**16,352,882**
Non Current assets			
Property, plant and equipment	8	42,356	55,551
Total Non Current Assets		**42,356**	**55,551**
TOTAL ASSETS		**28,537,432**	**16,408,433**
EQUITY AND LIABILITIES			
Current Liabilities			
Accounts & Other Payables	9	7,699,605	8,085,408
Related Parties	7	341,304	-
Total Current Liability		**8,040,909**	**8,085,408**
Non Current Liabilities			
Provision for employee's end of service benefits	10	927,469	284,026
Total Non Current Liability		**927,469**	**284,026**
Total Liability		**8,968,378**	**8,369,434**
EQUITY			
Capital	11	300,000	300,000
Statutory Reserve	12	150,000	150,000
Retained Earnings		19,419,054	7,888,999
Shareholder's Current Account		(300,000)	(300,000)
Total Equity		**19,569,054**	**8,038,999**
TOTAL EQUITY & LIABILITIES		**28,537,432**	**16,408,433**

The annexed notes 1- 21 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 26th April, 2022 on behalf of the management by :-

AUTHORISED SIGNATORY **AUDITOR'S REPORT ATTACHED**

QUESSCORP MANPOWER SUPPLY SERVICES L.L.C

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	31.03.2022 (AED)	31.03.2021 (AED)
Revenue	13	76,160,584	50,010,808
Cost of Revenue	14	(60,539,180)	(40,223,600)
GROSS PROFIT		**15,621,404**	**9,787,208**
Operating Expenses			
General and Administrative Expenses	15	(4,070,356)	(5,975,160)
Depreciation	8	(28,115)	(40,465)
Other Income/(Expenses)			
Other Income	16	7,122	44,385
PROFIT/(LOSS) FOR THE YEAR		**11,530,055**	**3,815,968**
Other Comprehensive Income/Loss		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**11,530,055**	**3,815,968**

The annexed notes 1- 21 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 26th April, 2022 on behalf of the management by :-

AUTHORISED SIGNATORY **AUDITOR'S REPORT ATTACHED**

BIN HAMAD AND MATHEW JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS EST.

QUESSCORP MANPOWER SUPPLY SERVICES L.L.C

STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Capital	Statutory Reserve	Retained Earnings	Shareholder's Current Account	Total
	(AED)	(AED)	(AED)	(AED)	(AED)
As at 01.04.2020	**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**
Profit/(Loss) for the year	-	-	11,530,055	-	11,530,055
Movements during the year	-	-	-	-	-
Transfer during the year	-	-	-	-	-
As at 31.03.2022	**300,000**	**150,000**	**19,419,054**	**(300,000)**	**19,569,054**

The annexed notes 1- 21 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 26th April, 2022 on behalf of the management by :-

AUTHORISED SIGNATORY **AUDITOR'S REPORT ATTACHED**

QUESSCORP MANPOWER SUPPLY SERVICES L.L.C

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2022

	31.03.2022 (AED)	31.03.2021 (AED)
Operating Activities		
Net Profit/(Loss) for the year	11,530,055	3,815,968
Adjustments for :-		
Depreciation	28,115	40,465
Provision for employees' end of service benefits	643,443	141,507
Operating profit before changes in working capital	**12,201,613**	**3,997,940**
Changes in Working Capital		
Decrease/(Increase) in Accounts & Other Recievables	(10,391,625)	(2,711,788)
Increase/(Decrease) in Accounts & Other Payables	(385,803)	(2,683,237)
Increase/(Decrease) in Related Party	341,304	-
Net Changes in Working Capital	**(10,436,124)**	**(5,395,025)**
Cash (used in) generated from operating activities	**1,765,489**	**(1,397,085)**
Less :-Extraordinary Items		
Gratuity Paid	-	(54,966)
Net Cash (used in) generated from operating activities	**1,765,489**	**(1,452,051)**
Investing Activities		
Addition of Assets	(14,920)	(45,775)
Net Change in Bank Deposits	1,614,225	1,046,937
Net Cash (used in) generated from Investing Activities	**1,599,305**	**1,001,162**
Net Increase/(Decrease) in Cash & Cash Equivalents	3,364,794	(450,889)
Cash & Cash Equivalents at the beginning of the year	1,639,264	2,090,153
Cash & Cash Equivalents at the end of the year	**5,004,058**	**1,639,264**

The annexed notes 1- 21 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 26th April, 2022 on behalf of the management by :-

AUTHORISED SIGNATORY **AUDITOR'S REPORT ATTACHED**

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

1.1 QUESSCORP MANPOWER SUPPLY SERVICES L.L.C (the company) is a Limited Liability Company licensed by Department of Economy and Tourism, 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:

	No. of Shares	Percentage	Value (AED)
Mr. Khadim Obaid Khadim Mohammed *(A Citizen of United Arab Emirates)*	270	90%	270,000
Ms. Laila 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 2022 [Current Year]
The previous year figures relate to the year ended 31 March 2021 [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

	31.03.2022	31.03.2021
	(AED)	(AED)
Cash in Hand	3,200	4,858
Balance with Banks	5,000,858	1,634,406
Cash and Cash equivalents	**5,004,058**	**1,639,264**
Fixed Deposit with Bank	-	1,614,225
	5,004,058	**3,253,489**

6 ACCOUNTS AND OTHER RECEIVABLES

	31.03.2022	31.03.2021
	(AED)	(AED)
Accounts Receivables	10,811,537	7,136,580
Refundable Deposit	1,112,869	543,195
Prepaid Expenses	1,451,421	1,216,109
Loans and Advances	3,520,676	-
Bank Guarantee	-	1,063,015
Other Receivables	6,594,515	3,140,494
	23,491,018	**13,099,393**

7 RELATED PARTY BALANCES

The Establishment, in the normal course of business carries out transactions with other business enterprises that fall within the definition of a related party. The Establishment believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties. Related parties include companies and establishments under common ownership and common management and control their partners and key management personnel.

	31.03.2022 (AED)	31.03.2021 (AED)
Due to Related Parties		
Quesscorp Holdings PTE LTD (Dubai Branch)	341,304	-
	341,304	**-**

8 PROPERTY, PLANT AND EQUIPMENTS

Movements in property, plant and equipment are shown in page no.26

9 ACCOUNTS AND OTHER PAYABLES

	31.03.2022 (AED)	31.03.2021 (AED)
Accounts Payables	407,931	115,875
Accrued Expenses	6,054,022	1,414,599
Other Payable	1,237,652	6,554,934
	7,699,605	**8,085,408**

10 PROVISION FOR EMPLOYEES’ END OF SERVICE BENEFITS

	31.03.2022 (AED)	31.03.2021 (AED)
Balance as at 1 st April	284,026	197,485
Adjusted		
Charge for the Year	643,443	141,507
Paid during the Year	-	54,966
Balance as at 31st March	**927,469**	**284,026**

11 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

12 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.

13 REVENUE

	31.03.2022	31.03.2021
	(AED)	(AED)
Revenue	76,160,584	50,010,808
	76,160,584	**50,010,808**

14 COST OF REVENUE

	31.03.2022	31.03.2021
	(AED)	(AED)
Cost of Revenue	60,539,180	40,223,600
	60,539,180	**40,223,600**

15 GENERAL AND ADMINISTRATIVE EXPENSES

	31.03.2022	31.03.2021
	(AED)	(AED)
Salaries & Allowances	2,580,689	2,240,416
Rent	53,925	54,507
Registration & Renewals	30,908	30,990
Legal & Professional Charges	82,217	3,029,877
Utility Charges	16,720	18,553
Insurance Charges	154,373	71,572
Sposorship fee	54,995	49,999
Printing & Stationary	7,385	5,042
sales promotion	700,243	-
Communication Expense	40,285	39,616
Travelling Expense	101,327	63,192
Bank Charges	54,698	19,622
Bad Debt	-	220,652
Other Expenses	192,591	131,122
	4,070,356	**5,975,160**

16 OTHER INCOME

	31.03.2022	31.03.2021
	(AED)	(AED)
Miscellaneous Income	7,122	44,385
	7,122	**44,385**

17 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.

18 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.

19 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.

	31.03.2022	31.03.2021
	(AED)	**(AED)**
Financial Assets		
Accounts & Other Receivables (*Less:-Prepayments*)	22,039,597	11,883,284
Cash and Bank Balances	5,004,058	1,639,264
	27,043,655	**13,522,548**
Financial Liabilities		
Accounts & Other Payables	7,699,605	8,085,408
Related Party	341,304	-
Provision For Employees end of service benefits	927,469	284,026
	8,968,378	**8,369,434**

20 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.

21 COMPARATIVE FIGURES

Comparative figures have been reclassified or regrouped, wherever it necessary, to confirm the presentation adopted in the current year.

FOR QUESSCORP MANPOWER SUPPLY SERVICES L.L.C

AUTHORISED SIGNATORY

CHARTERED ACCOUNTANTS EST. BIN HAMAD AND MATHEW JOSEPH & ASSOCIATES

PROPERTY, PLANT AND EQUIPMENTS

(Refer Note .8)

	Furniture & Fixtures	Office Equipments	Total
	(AED)	(AED)	(AED)
Cost			
As at 01.04.2020	**115,242**	**35,615**	**150,857**
Additions	-	45,775	**45,775**
Disposals	-	-	**-**
As at 31.03.2021	**115,242**	**81,390**	**196,632**
Additions	-	14,920	**14,920**
Disposals	-	-	**-**
As at 31.03.2022	**115,242**	**96,310**	**211,552**
Accumulated Depreciation			
As at 01.04.2020	**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**
Charge during the Year	*6,367*	*21,748*	**28,115**
Disposal	-	-	**-**
As at 31.03.2022	**114,494**	**54,702**	**169,196**
Net Book Value			
As at 31.03.2022	**748**	**41,608**	**42,356**
As at 31.03.2021	**7,115**	**48,436**	**55,551**

Quess Corp (USA), Inc.
BALANCE SHEET

Particulars		As of Mar 31, 2022		As of Mar 31, 2021
Cash and cash eqivalents	$	1,522	$	3,574
Prepaid expenses	$	2,441	$	2,441
Due from affiliates	$	-	$	-
Total current assets	$	3,962	$	6,015
Investment in unconsolidated subsidiary	$	33,16,974	$	33,16,974
Other assets	$	-	$	-
	$	33,16,974	$	33,16,974
Total assets	$	33,20,937	$	33,22,989
Accounts payable	$	-	$	-
Accrued Expenses	$	1,10,873	$	40,027
Due to affiliates	$	74,155	$	-
Sales tax payable	$	1,087	$	1,087
Total current liabilites	$	1,86,115	$	41,114
Common stock, 200 shares authorized, 1 share issued and outstanding, no par value	$	1,00,000	$	1,00,000
Additional Share Capital isuued	$	47,55,000	$	47,55,000
Retained earinings	$	(17,20,178)	$	(15,73,125)
Total stockholder's equity	$	31,34,822	$	32,81,875
Total liabilities and stockholder's equity	$	33,20,937	$	33,22,989

Management account approved by

N. Ravi Vishwanath
Group Chief Financial Officer

Quess Corp (USA), Inc.
STATEMENT OF INCOME

Particulars		**For the year ended March 31, 2022**		**For the year ended March 31, 2021**
Consulting Revenue	$	-	$	12,248
Direct Cost of Sales	$	-	$	12,248
Salaries	$	-	$	-
General and administrative	$	2,052	$	2,565
Professional fees	$	1,45,000	$	1,79,356
Total operating expenses		1,47,052		1,94,169
Income (loss) from operations	$	(1,47,052)	$	(1,81,921)
Other income (expense):				
Financing expenses, net	$	-	$	(80,175)
Income (loss) before provision for income taxes	$	(1,47,052)	$	(2,62,096)
Income taxes				
Net income	$	(1,47,052)	$	(2,62,096)

Management account approved by

N. Ravi Vishwanath
Group Chief Financial Officer

Quess Corp (USA), Inc.
STATEMENT OF CASH FLOWS

Particulars	YEAR ENDED March 31, 2022	YEAR ENDED March 31, 2021
Net Income	$ (1,47,052)	$ (2,62,096)
Increase / (Decrease) in :		
Accounts payable	-	-
Accrued Expenses	70,845	35,027
Prepaid Expenses	-	-
Income/Sales taxes payable	-	1,087
Other asset		
Net cash provided by operating activities	(76,207)	(2,25,982)
Repayment /(Advances) paid to affiliates	-	52,804
Invesment in unconsolidated subsidiary	-	(2,54,656)
Reserves on Account of Sale of BHS Investments	-	-
Additional Share Capital Issued	-	47,55,000
Net cash used in investing activities	-	45,53,148
Advances received from affiliates	74,155	(43,24,546)
Net cash provided by financing actitities	74,155	(43,24,546)
Net increase in cash and cash equivalents	(2,052)	2,620
Cash and cash equivalents, beginning	3,574	954
Cash and cash equivalents, ending	$ 1,522	$ 3,574

Management account approved by

N. Ravi Vishwanath
Group Chief Financial Officer

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

REPORTS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

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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 2022.

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	1,329,833

DIVIDENDS

The directors did not propose any final dividends for the financial year ended 31st March 2022.

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	(Resigned on 1.9.2021)
Muhunthan a/l Krishnan	(Appointed on 1.9.2021)

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.

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 1.4.2021	**Bought**	**Sold**	**As at 31.3.2022**
Ultimate holding company				
-Quess Corp Limited				
Vijay Sivaram				
-Direct interest	66,889	-	-	66,889

The above director has interest in shares of the Company to the extent of his shareholdings in ultimate holding company, Quess Corp Limited. No other director in office held any interest in shares in the Company and in the related corporations during and at the end of the financial year.

DIRECTORS REMUNERATIONS

The amounts of the remunerations of the director of the Company comprising remuneration received from the Company during the year are as follows:

	2022 RM
Emoluments	382,721

None of the directors of the Company have received any other benefits otherwise than in cash from the Company during the year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the directors of the Company during the 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.

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 3 1 MAY 2022

Signed in accordance with a resolution of the directors:

VIJAY SIVARAM

MUHUNTHAN A/L KRISHNAN

Directors

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2022

ASSETS	Note	2022 RM	2021 RM
NON-CURRENT ASSETS			
Property, plant and equipment	7	51,784	94,421
Investment in associate	8	122,500	122,500
Total non-current assets		174,284	216,921
CURRENT ASSETS			
Trade and other receivables	9	18,515,704	15,879,871
Deposits and prepayments		450,128	673,186
Cash and cash equivalents	10	1,603,514	1,905,782
Total current assets		20,569,346	18,458,839
TOTAL ASSETS		20,743,630	18,675,760
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	500,000	500,000
Retained earnings		11,606,845	10,277,012
Total equity		12,106,845	10,777,012
CURRENT LIABILITIES			
Trade and other payables	12	7,712,248	7,716,026
Bank overdraft	13	621,600	182,722
Current tax liabilities		302,937	-
Total current liability		8,636,785	7,898,748
TOTAL LIABILITIES		8,636,785	7,898,748
TOTAL EQUITY AND LIABILITIES		20,743,630	18,675,760

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 2022

	Note	2022 RM	2021 RM
REVENUE	14	56,664,426	45,065,587
Less: COST OF SALES		(51,295,005)	(39,273,101)
GROSS PROFIT		5,369,421	5,792,486
Other operating income		17,132	26,034
Administrative expenses		(3,240,779)	(2,344,573)
Profit from operations	15	2,145,774	3,473,947
Finance cost	16	(120,898)	(166,501)
Profit before taxation		2,024,876	3,307,446
Taxation	17	(695,043)	(385,823)
Profit for the year		1,329,833	2,921,623

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 2022

	Share Capital RM	Retained Earnings RM	Total Equity RM
Balance at 1st April 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
Non-owner changes in equity			
Profit for the year	-	1,329,833	1,329,833
Total comprehensive income for the year	-	1,329,833	1,329,833
Balance at 31st March 2022	500,000	11,606,845	12,106,845

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 2022

	Note	2022 RM	2021 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		2,024,876	3,307,446
Adjustments for:			
Interest expenses		120,898	166,501
Interest income		(11,170)	(23,164)
Unrealised gain on foreign exchange		-	(2,870)
Unrealised loss on foreign exchange		3,700	-
Depreciation		51,456	91,907
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		2,189,760	3,539,820
Increase in receivables		(2,412,775)	(2,107,131)
Decrease in payables		(7,478)	(1,512,636)
CASH USED IN OPERATING ACTIVITIES		(230,493)	(79,947)
Interest income		11,170	23,164
Interest expenses		(120,898)	(166,501)
Tax paid		(440,475)	(554,914)
Tax refund		48,369	-
NET CASH USED IN OPERATING ACTIVITIES		(732,327)	(778,198)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(8,819)	(10,250)
NET CASH USED IN INVESTING ACTIVITIES		(8,819)	(10,250)
Net decrease in cash and cash equivalents		(741,146)	(788,448)
Cash and cash equivalents at beginning of the year		1,723,060	2,511,508
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18	981,914	1,723,060

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 2022

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....3 1 MAY 2022...

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

2022 Cost:	At 1st April 2021 RM	Addition RM	At 31st March 2022 RM
Computer	112,646	8,819	121,465
Software	34,668	-	34,668
Furniture and fittings	185,184	-	185,184
Renovation	87,956	-	87,956
Total	420,454	8,819	429,273

Accumulated Depreciation:	At 1st April 2021 RM	Charge for the year RM	At 31st March 2022 RM	Carrying amount 31st March 2022 RM	Carrying amount 31st March 2021 RM
Computer	67,305	19,021	86,326	35,139	45,341
Software	22,840	5,097	27,937	6,731	11,828
Furniture and fittings	155,489	19,781	175,270	9,914	29,695
Renovation	80,399	7,557	87,956	-	7,557
Total	326,033	51,456	377,489	51,784	94,421

8. INVESTMENT IN ASSOCIATE

	2022 RM	2021 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 2022 %	2021 %
Agensi Pekerjaan Quess Recruit Sdn Bhd [Company Registration No. 201801003383 (1265396 M)]	Malaysia	Dormant	49	49

9. TRADE AND OTHER RECEIVABLES

	2022 RM	2021 RM
Current:		
Trade receivables	17,197,910	14,842,989
Other receivables - associated company	607,211	384,070
Other receivables - others	355,899	864,612
Amount due from a director	81,596	-
Amount due from related company	273,088	272,008
Total at cost	18,515,704	16,363,679
Less:		
Accummulated impairment losses (**)	-	(483,808)
	18,515,704	16,363,679

** Movement of impairmenr losses:

	2022 RM	2021 RM
Blaance at beginning of the year	483,808	483,808
Written off as bad debts recognised in profit or loss	(483,808)	-
Balance at end of the year	-	483,808

Included in amount due from a director and other receivables are balances totaling RM159,938 (2021:RM149,706) which carry interest rates of 7.00% per annum. The rest of other receivables balances represent non trade advances/loan made and are unsecured, interest free and repayable on demand.

Amount due from related company are unsecured, repayable on demand and carries interest rate of 2.25% per annum.

Included in trade receivables is RM39,216 (2021:RM24,524) due from Quess Corp Limited, the ultimate holding company and RM58,702 (2021:RM88,123) due from related parties of the Company as well as RM24,483 (2021:RM28,494) due from an associate company.

10. CASH AND CASH EQUIVALENTS

	2022 RM	2021 RM
Cash and bank balances	1,403,278	1,905,782
Short term deposit with licensed bank	200,236	-
	1,603,514	1,905,782

11. SHARE CAPITAL

	2022 RM	2021 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

	2022 RM	2021 RM
Other payables and accruals	3,708,766	2,822,675
Amount due to holding company	4,003,482	4,893,351
	7,712,248	7,716,026

The directors regard Quess Corp Limited (Company No: U74140KA2007PLCO43909), a company incorporated in India as the ultimate holding company.

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

	2022 RM	2021 RM
Profit from operations before taxation is stated after charging/(crediting):-		
Audit fee	14,198	22,760
Employee salary and allowances	45,901,357	37,418,547
Contribution to defined plan("EPF")	4,501,715	2,964,927
Directors emoluments	382,721	-
Realised loss on foreign exchange	4,923	10,280
Realised gain on foreign exchange	-	(1,095)
Unrealised loss on foreign exchange	3,700	-
Unrealised gain on foreign exchange	(5,963)	(2,870)

16. FINANCE COST

	2022 RM	2021 RM
Interest charges	120,898	166,501

17. TAXATION

	2022 RM	2021 RM
Current year's provision	663,712	439,874
Under/(Over)provision in prior year	31,331	(54,051)
	695,043	385,823

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:-

	2022 RM	2021 RM
Profit before taxation	2,024,876	3,307,446
Taxation at Malaysian Statutory tax rate at 24% (2020: 24%)	485,970	793,787
Expenses not deductible for tax purposes	175,953	19,288
Underprovision of tax in prior year	31,331	(54,051)
Income exempted from tax	-	(379,687)
Deferred tax assets not recognised on property, plant and equipment	1,789	6,486
Tax expense for the year	695,043	385,823

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

18. CASH AND CASH EQUIVALENTS

	2022 RM	2021 RM
Cash and bank balances	1,403,279	1,905,782
Short term deposit with licensed bank	200,235	-
Less: Bank overdraft	(621,600)	(182,722)
	981,914	1,723,060

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").

2022 **Financial assets**	**Carrying Amount** **RM**	**AC** **RM**
Trade and other receivables	18,515,704	18,515,704
Deposit	111,870	111,870
Cash and cash equivalents	1,603,514	1,603,514
	20,231,088	20,231,088
Financial liabilities		
Trade and other payables	7,712,248	7,712,248
Bank overdraft	621,600	621,600
	8,333,848	8,333,848

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

20. RELATED PARTIES

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

	2022 RM	2021 RM
Key management personnel compensation		
Directors:-		
- Emoluments	382,721	-
Quesscorp Holdings Pte Ltd, holding company		
- Interest charges	105,479	129,315
- Sales	293,933	-
Quess Phillipines Corp		
- Interest income	-	5,650
Quess Corp Limited, ultimate holding company		
- Sales	85,848	126,136
Agensi Perkerjaan Quess Recruit Sdn Bhd, associate company		
- Sales	157,339	126,136
Allsec Technologies Limited, related company		
- License cost	-	21,572
- Sales	-	268,288
Comtelink Sdn Bhd, related company		
- Sales	-	58,914
Agensi Pekerjaan Monster Malaysia Sdn Bhd, related company		
- Sales	44,633	94,864

Related party balances are disclosed in Notes 9 and 12 to the financial statements.

21. EMPLOYEES

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

	2022 No.	2021 No.
Directors	2	2
Employees	1,346	1,232
	1,348	1,234

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 MUHUNTHAN A/L KRISHNAN, 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 2022 and financial performance of the Company for the financial year ended 31st March 2022 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

3 1 MAY 2022

VIJAY SIVARAM

MUHUNTHAN A/L KRISHNAN

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

I, MUHUNTHAN A/L KRISHNAN, I/C No. 751206-01-5759, 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 Statutory Declarations Act, 1960.

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

3 1 MAY 2022

Before me,

MUHUNTHAN A/L KRISHNAN

PESURUHJAYA SUMPAH
W737
MUHAMMAD FAIZ DHARMENDRA BIN ABDULLAH
01 JAN 2021 - 31 DEC 2023
MALAYSIA

COMMISSIONER FOR OATHS

No. 30, Tingkat Bawah, Blok B,
Flat PKNS, Jalan Raja Muda Musa,
50300 Kg. Baru, Kuala Lumpur.

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 2022 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 2022 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: 3 1 MAY 2022

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 2022

	2022	2021
	RM	RM
REVENUE	56,664,426	45,065,587
Less: COST OF SALES		
Contract salary, wages and other direct cost	(51,295,005)	(39,273,101)
GROSS PROFIT	5,369,421	5,792,486
OTHER INCOME		
Miscellanous income	17,132	26,034
	5,386,553	5,818,520
Less:		
ADMINISTRATIVE EXPENSES (Schedule I)	(3,240,779)	(2,344,573)
FINANCE COST (Schedule I)	(120,898)	(166,501)
	(3,361,677)	(2,511,074)
PROFIT BEFORE TAXATION	2,024,876	3,307,446

Schedule I

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31ST MARCH 2022

	2022 RM	2021 RM
Advertisement	25,016	9,687
Audit fee	14,198	22,760
Bank charges	11,712	12,398
Courier and postage	2,864	508
Depreciation	51,456	91,907
Director emoluments	382,721	-
Electricity	9,234	3,461
EPF and Socso	273,812	245,582
General expenses	(164)	1,553
Login cost	14,947	17,693
Loss on foreign exchange		
- realised	-	10,280
- unrealised	3,700	-
Maintenance	4,984	3,262
Membership fee	-	(1,900)
Office rental	151,060	160,801
Penalty	-	1,351
Printing and stationery	10,826	5,665
Professional and legal fee	76,390	76,615
Rates	4,837	-
Salary, bonus and EIS	2,074,575	1,509,857
Secretarial fee	-	7,187
Staff welfare	45,639	76,070
Telephone	71,893	73,262
Travelling expenses	11,079	15,429
Work permit	-	1,145
	3,240,779	2,344,573

FINANCE COST
FOR THE YEAR ENDED 31ST MARCH 2022

	2022 RM	2021 RM
Interest charges	120,898	166,501

Quess (Philippines) Corp.

(Amount in PHP)

Balance Sheet	As at 31 March 2022	As at 31 March 2021
ASSETS		
Non-current assets		
Property, plant and equipment	1,156,641	698,092
Financial assets		
(i) Investments	250,000	250,000
(ii) Non-current loans	106,504	-
Deferred tax assets (net)	1,217,931	1,217,931
Total non-current assets	**2,731,076**	**2,166,023**
Current assets		
Financial assets		
(i) Trade receivables	63,116,978	57,412,763
(ii) Cash and cash equivalents	58,337,162	55,935,178
(iii) Current loans	5,949,245	4,701,572
(iv) Unbilled Revenue	35,590,666	40,626,507
Other current assets	5,548,686	7,155,028
Total current assets	**168,542,737**	**165,831,048**
Total assets	**171,273,813**	**167,997,071**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	8,600,000	8,600,000
Other equity	38,402,363	42,556,446
Total equity attributable to equity holders of the Company	**47,002,363**	**51,156,446**
Total equity	**47,002,363**	**51,156,446**
Liabilities		
Non-current liabilities		
Financial liabilities	-	-
Total non current liabilities	-	-
Current liabilities		
Financial liabilities		
(i) Current borrowings	77,885,362	76,782,407
(ii) Trade payables	8,117,776	7,850,372
(iii) Other current financial liabilities	3,746,378	10,715,855
Income tax liabilities (net)	6,297,937	94,842
Other current liabilities	28,223,997	21,397,151
Total current liabilities	**124,271,450**	**116,840,625**
Total Liabilities	**124,271,450**	**116,840,625**
Total Equity and Liabilities	**171,273,813**	**167,997,071**

Management account signed by Chief Financial Officer

Ravi Vishwanath Narayanaswamy

Date:

Quess (Philippines) Corp.

		(Amount in PHP)
Statement of profit and loss	For the year ended 31-Mar-22	for the year ended 31-Mar-22
Income		
Revenue from operations	243,661,180	194,599,864
Total income	**243,661,180**	**194,599,864**
Expenses		
Employee benefit expenses	213,427,265	169,427,623
Finance costs	1,762,655	1,742,974
Depreciation and amortisation expense	426,115	639,465
Other expenses	17,019,245	12,650,717
Total expenses	**232,635,280**	**184,460,779**
Profit before tax	**11,025,900**	**10,139,085**
Tax expense		
Current tax	(345,488)	(3,510,366)
Adjustments of tax relating to earlier periods	(14,834,495)	(6,582,519)
Total tax expenses	**(15,179,983)**	**(10,092,885)**
Profit for the period	**(4,154,083)**	**46,200**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Items that will be reclassified to profit or loss		
Exchange differences in translating financial statements of foreign operations	-	-
Total other comprehensive income, net of tax	-	-
Total comprehensive income	**(4,154,083)**	**46,200**
Profit attributable to		
Owners of the Company	(4,154,083)	46,200
Non controlling interests	-	-
Total profit for the year	**(4,154,083)**	**46,200**

Management account signed by Chief Financial Officer

Ravi Vishwanath Narayanaswamy

Date:

QUESS SELECTION & SERVICES PTE. LTD.

(FORMERLY KNOWN AS COMTELPRO PTE. LIMITED)

(Co. Reg. No.: 201715683K)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Joe Tan & Associates PAC
Chartered Accountants

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
Email: enquiry@jdt.com.sg website: www.jdt.com.sg
Incorporated with Limited Liability Regn No. 200801266N

QUESS SELECTION & SERVICES PTE. LTD.
(F.K.A: COMTELPRO PTE. LIMITED)
(Co. Registration No.: 201715683K)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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QUESS SELECTION & SERVICES PTE. LTD.
(F.K.A: COMTELPRO PTE. LIMITED)
(Co. Registration No.: 201715683K)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

The directors are pleased to present their statement to the member together with the audited financial statements of Quess Selection & Services Pte. Ltd. (Formerly Known as ComtelPro Pte. Limited.) (the "Company") for the financial year ended 31 March 2022.

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 2022 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
Vikas Kumar

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

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (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 except as stated below:

Name of directors and company in which interests are held	Number of ordinary shares			
	Direct Interest		Indirect Interest	
	At	At	At	At
Ordinary shares of the company	01.04.2021	31.03.2022	01.04.2021	31.03.2022
-Lohit Bhatia	-	-	36,195	44,783
-Guruprasad Srinivasan	-	-	115,557	100,533
-Sandeep Sharma	-	-	-	5,623
-Vikas Kumar	-	-	-	-

QUESS SELECTION & SERVICES PTE. LTD.
(F.K.A: COMTELPRO PTE. LIMITED)
(Co. Registration No.: 201715683K)

DIRECTORS' STATEMENT - CONTINUED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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.

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
Director

Singapore **23 JUN 2022**

QUESS SELECTION & SERVICES PTE. LTD.
(F.K.A: COMTELPRO PTE. LIMITED)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Quess Selection & Services Pte. Ltd. (Formerly known as ComtelPro Pte. Limited), (the Company) which comprise the statement of financial position of the Company as at 31 March 2022, 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 of the Company 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 2022 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$245,913 (2021: S$108,628) and a capital deficit of S$1,390,277 (2021: S$1,144,364) for the financial year ended 31 March 2022. 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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Member of PrimeGlobal, representing in more than 100 countries

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Email: enquiry@jdt.com.sg website: www.jdt.com.sg
Incorporated with Limited Liability Regn No. 200801266N

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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Incorporated with Limited Liability Regn No. 200801266N

Auditor's Responsibilities for the Audit of the Financial Statements. (Continued)

- 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

Date: 23 JUN 2022

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QUESS SELECTION & SERVICES PTE. LTD.
(FKA: Comtelpro Pte Limited)
(Co. Reg. No.: 201715683K)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 S$	2021 S$
ASSETS			
Current assets:			
Trade and other receivables	4	50,100	40,340
Contract assets	5	-	7,950
Cash and cash equivalents	6	139,425	173,945
Total current assets		189,525	222,235
TOTAL ASSETS		189,525	222,235
EQUITY AND LIABILITIES			
Equity:			
Share capital	7	200,000	200,000
Accumulated losses		(1,590,277)	(1,344,364)
Equity (deficit) attributable to owners of the company		(1,390,277)	(1,144,364)
Current liabilities:			
Other payables	8	1,579,802	1,366,599
Total current liabilities		1,579,802	1,366,599
TOTAL LIABILITIES		1,579,802	1,366,599
TOTAL EQUITY AND LIABILITIES		189,525	222,235

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

QUESS SELECTION & SERVICES PTE. LTD.
(FKA: Comtelpro Pte Limited)
(Co. Reg. No.: 201715683K)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 S$	2021 S$
Revenue	9	113,841	262,858
Cost of services		(6,697)	(200,004)
Gross Profit		107,144	62,854
Other income	10	9,245	27,274
Administrative expenses		(362,302)	(198,756)
Loss before tax	12	(245,913)	(108,628)
Income tax expense	13	-	-
Loss for the year, representing total comprehensive loss for the year		(245,913)	(108,628)

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

QUESS SELECTION & SERVICES PTE. LTD.
(FKA: Comtelpro Pte Limited)
(Co. Reg. No.: 201715683K)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Share capital S$	Accumulated losses S$	Total S$
At 1 April 2021	200,000	(1,344,364)	(1,144,364)
Loss for the year, representing total comprehensive loss for the year	-	(245,913)	(245,913)
At 31 March 2022	200,000	(1,590,277)	(1,390,277)
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)
At 31 March 2021	200,000	(1,344,364)	(1,144,364)

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

QUESS SELECTION & SERVICES PTE. LTD.
(FKA: Comtelpro Pte Limited)
(Co. Reg. No.: 201715683K)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 S$	2021 S$
Cash flows from operating activities			
Loss before tax		(245,913)	(108,628)
Adjustment for:			
Provision for expected credit losses		-	9,245
		(245,913)	(99,383)
Changes in working capital:			
Trade and other receivables		(9,760)	226,337
Contract assets		7,950	31,165
Trade and other payables		213,203	(18,734)
Net cash (used in) / generated from operating acivities		(34,520)	139,385
Net (decrease) / increase in cash and cash equivalents		(34,520)	139,385
Cash and cash equivalents at 1 April		173,945	34,560
Cash and cash equivalents at 31 March	6	139,425	173,945

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

Quess Selection & Services Pte. Ltd. (Formerly Known as 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, 1967 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 2021.

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 2022:

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 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.1 BASIS OF PREPARATION – CONTINUED

Impact of COVID-19 – continued

iii. 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 2022. 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 2023. 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 $1,390,277 and $1,144,364 as at 31 March 2022 and 31 March 2021 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 2021. 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 Lease: Covid-19-Related Rent Concession beyond 30 June 2021.	1 April 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 1 Presentation of Financial Statements and FRS Practise Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS - CONTINUED

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.

2.6 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.6 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 vâlue 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.7 IMPAIRMENT OF FINANCIAL ASSETS - CONTINUED

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.

2.8 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.

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 2022 was S$43,994 (2021: S$33,982).

4. TRADE AND OTHER RECEIVABLES

	2022 S$	2021 S$
Trade receivables		
- Related company	-	34,720
- Third parties	43,994	8,507
	43,994	43,227
Less: Allowance for expected credit losses	-	(9,245)
	43,994	33,982
Other receivables		
- Prepayments	106	358
- Deposits	6,000	6,000
	50,100	40,340

Trade receivables are non-interests bearing and are generally on 30 – 90 (2021: 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:

	2022 S$	2021 S$
At 1 April	9,245	3,274
Reversal of bad debts written off (Note 10)	(9,245)	(3,274)
Provision for expected credit losses	-	9,245
At 31 March	-	9,245

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:

	2022 S$	2021 S$
Contract assets	-	7,950

6. CASH AND CASH EQUIVALENTS

	2022 S$	2021 S$
Cash at bank	79,425	113,945
Banker's guarantee	60,000	60,000
	139,425	173,945

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

	2022		2021	
	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

	2022 S$	2021 S$
Other payables:		
- Salaries, CPF and FWL payables	26,929	2,231
- Accruals	7,642	8,879
- Amount due to related company (non-trade)	1,541,511	1,345,429
- GST payables	3,720	10,060
	1,579,802	1,366,599

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

	2022 S$	2021 S$
Service rendered	113,841	262,858

10. OTHER INCOME

	2022 S$	2021 S$
Reversal of bad debts written off (Note 4)	9,245	3,274
Reversal of sub-contractor fee	-	24,000
	9,245	27,274

11. EMPLOYEE BENEFITS

	2022 S$	2021 S$
Staff costs:		
Salaries and bonuses	320,511	309,917
CPF Contribution	30,555	44,855
Incentives	1,171	1,500
	352,237	356,272

12. LOSS BEFORE TAX

	2022 S$	2021 S$
Loss before tax has been arrived at after charging/ (crediting):		
Employee benefits (Note 11)	352,237	356,272
Legal & professional fees	2,908	8,478
Reversal of bad debts written off	(9,245)	(3,274)
Provision for expected credit loss	-	9,245

13. INCOME TAX EXPENSE

No income tax expense recognised in profit or loss for the financial period ended 31 March 2022 and 31 March 2021.

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:

13. INCOME TAX EXPENSE - CONTINUED

	2022 S$	2021 S$
Loss before tax	(245,913)	(108,628)
Tax at the statutory tax rate at 17% (2021: 17%)	(41,805)	(18,467)
Income not subject to tax	-	(15,218)
Tax effect on non-deductible expenses	-	1,020
Deferred tax asset not recognised	-	32,665
Loss transfered to holding company	41,805	-
	-	-

The Company has unutilised tax losses of approximately S$1,426,039 (2021:S$1,426,039) 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:

	2022 S$	2021 S$
Transactions with fellow subsidiaries:		
Consultancy income	28,803	254,554
(Reversal)/ Addition of sub-contractor fee	-	(24,000)
Advances from related party	196,082	-

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.

15. FINANCIAL RISK MANAGEMENT – CONTINUED

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.

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.

15. FINANCIAL RISK MANAGEMENT – CONTINUED

(a) Credit risk – continued

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 2022						
Trade receivables	4	Note 1	Lifetime ECL (simplified)	43,994	-	43,994
Other receivables [(a)]	4		12 - Month ECL	6,000	-	6,000
					-	
31 March 2021						
Trade receivables	4	Note 1	Lifetime ECL (simplified)	43,227	(9,245)	33,982
Other receivables[(a)]	4		12 - Month ECL	6,000	-	6,000
					(9,245)	

[(a)] Other receivables exclude prepayment.

15. 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$	Trade receivables days past due 1 to 90 days S$	91 to 180 days S$	181 to 270 days S$	Total S$
2022					
ECL rate	0%	0%	-	-	
Estimated total gross carrying amount at default	8,557	35,437	-	-	43,994
ECL	-	-	-	-	-
					43,994
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

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.

15. FINANCIAL RISK MANAGEMENT – CONTINUED

(a) Credit risk – continued

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.

(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$
2022			
Financial Assets			
Cash and cash equivalents	139,425	139,425	139,425
Trade and other receivables [a]	49,994	49,994	49,994
	189,419	189,419	189,419
Financial Liabilities			
Other payables [b]	1,576,082	1,576,082	1,576,082
	1,576,082	1,576,082	1,576,082
Total net undiscounted financial liabilities	(1,386,663)	(1,386,663)	(1,386,663)

[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$
2021			
Financial Assets			
Cash and cash equivalents	173,945	173,945	173,945
Trade and other receivables [a]	39,982	39,982	39,982
Contract assets	7,950	7,950	7,950
	221,877	221,877	221,877
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	(1,134,662)	(1,134,662)	(1,134,662)

[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.

15. FINANCIAL RISK MANAGEMENT – CONTINUED

(c) Market risk - Continued

(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:

	2022 S$	2021 S$
Financial assets measured at amortised cost		
Trade and other receivables [a] (Note 4)	139,425	39,982
Contract assets	-	7,950
Cash and cash equivalents (Note 6)	49,994	173,945
Total Financial assets measured at amortised cost	189,419	221,877
Financial liabilities measured at amortised cost		
Other payables [b] (Note 8)	1,576,082	1,356,539
Total financial liabilities measured at amortised cost	1,576,082	1,356,539

[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 2022 and 31 March 2021.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2021.

19. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 23 JUN 2022

QUESS SELECTION & SERVICES PTE. LTD.

(FORMERLY KNOWN AS COMTELPRO PTE. LIMITED)

(Co. Reg. No.: 201715683K)

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

QUESS SELECTION & SERVICES PTE. LTD.
(FKA: Comtelpro Pte Limited)
(Co. Reg. No.: 201715683K)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Appendix A

	2022 S$	2021 S$
Revenue		
Consultancy income	113,841	262,858
Less: Cost of services		
Consultants' salaries	(8,674)	165,947
CPF contribution	1,323	25,143
Insurance expenses	303	1,055
Recruitment expenses	13,745	7,859
	(6,697)	(200,004)
Gross profit	107,144	62,854
Other income		
Reversal of bad debts written off	9,245	3,274
Reversal of subcontractor fee	-	24,000
	9,245	27,274
Less:		
Administrative expenses **(Appendix B)**	(362,302)	(198,756)
Loss before tax	(245,913)	(108,628)

QUESS SELECTION & SERVICES PTE. LTD.
(FKA: Comtelpro Pte Limited)
(Co. Reg. No.: 201715683K)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Appendix B

	2022 S$	2021 S$
Administrative expenses		
Audit fees	6,400	6,400
Bank charges	721	3,451
Legal & Professional Fees	2,908	8,478
Office supplies	36	-
Penalty	-	6,000
Provision of expected credit losses	-	9,245
Salaries and related costs		
Incentives	1,171	1,500
Staff salaries	320,511	143,970
Staff CPF contribution	30,555	19,712
	(362,302)	(198,756)

QUESSCORP SINGAPORE PTE. LTD.

(Co. Reg. No.: 199801439D)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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QUESSCORP SINGAPORE PTE. LTD.
(Co. Reg. No.: 199801439D)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

The directors are pleased to present their statement to the members together with the audited financial statements of Quesscorp Singapore Pte. Ltd. (the "Company") for the financial year ended 31 March 2022.

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 2022 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

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 1967 (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 except as stated below:

Name of directors and company in which interests are held	Number of ordinary shares			
	Direct Interest		Indirect Interest	
Ordinary shares of the company	At 01.04.2021	At 31.03.2022	At 01.04.2021	At 31.03.2022
-Lohit Bhatia	-	-	36,195	44,783
-Guruprasad Srinivasan	-	-	115,557	100,533
-Sandeep Sharma	-	-	-	5,623

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.

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
Director

Singapore 25 MAY 2022

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

QUESSCORP SINGAPORE PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Quesscorp Singapore Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2022, 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 1967 (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 2022 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 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 **25 MAY 2022**

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QUESSCORP SINGAPORE PTE. LTD.
(Co. Reg. No.: 199801439D)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 S$	2021 S$
ASSETS			
Non-current assets:			
Investment in subsidiary	4	1	1
Plant and equipment	5	115,400	144,110
Right-of-use assets	6	770,324	1,020,159
Total non-current assets		885,725	1,164,270
Current assets:			
Trade and other receivables	7	14,041,175	10,701,191
Contract assets	8	9,994,369	7,474,305
Cash and cash equivalents	9	6,101,490	7,779,327
Deferred tax assets	17a	-	103,664
Total current assets		30,137,034	26,058,487
TOTAL ASSETS		31,022,759	27,222,757
EQUITY AND LIABILITIES			
Equity:			
Share capital	10	500,000	500,000
Retained earnings		15,697,038	15,305,066
Equity attributable to owners of the company		16,197,038	15,805,066
Non-current liability			
Lease liabilities	11	560,486	808,552
Total non-current liabilities		560,486	808,552
Current liabilities:			
Lease liabilities	11	248,065	235,404
Trade and other payables	12	11,273,589	7,639,286
Contract liabilities	8	1,675,620	1,343,243
Income tax payable		1,067,961	1,391,206
Total current liabilities		14,265,235	10,609,139
TOTAL LIABILITIES		14,825,721	11,417,691
TOTAL EQUITY AND LIABILITIES		31,022,759	27,222,757

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

QUESSCORP SINGAPORE PTE. LTD.
(Co. Reg. No.: 199801439D)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 S$	2021 S$
Revenue	13	100,932,057	96,448,665
Cost of services		(90,588,119)	(84,413,495)
Gross Profit		10,343,938	12,035,170
Other income	14	193,504	196,741
Administrative expenses		(3,702,672)	(3,180,912)
Finance costs	15	(49,197)	(55,667)
Profit before tax	16	6,785,573	8,995,332
Income tax expense	17b	(1,093,601)	(1,095,014)
Profit after tax, representing total comprehensive income for the year		5,691,972	7,900,318

QUESSCORP SINGAPORE PTE. LTD.
(Co. Reg. No.: 199801439D)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Share capital S$	Retained earnings S$	Total S$
Balance at 1 April 2021		500,000	15,305,066	15,805,066
Profit for the year, representing total comprehensive income for the year		-	5,691,972	5,691,972
Dividend paid	**19**	-	(5,300,000)	(5,300,000)
Balance at 31 March 2022		500,000	15,697,038	16,197,038
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

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

QUESSCORP SINGAPORE PTE. LTD.
(Co. Reg. No.: 199801439D)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 S$	2021 S$
Cash flows from operating activities			
Profit before tax		6,785,573	8,995,332
Adjustments for:			
Depreciation of plant and equipment	5	49,875	41,835
Depreciation of right-of-use assets	6	249,835	229,015
Rent concession		-	(4,900)
Interest expense on lease liabilities		49,197	55,667
Reversal for provision of expected credit losses	7	(10,795)	(169,360)
		7,123,685	9,147,589
Changes in working capital:			
Trade and other receivables		(3,335,489)	3,627,972
Trade and other payables		3,634,303	(270,582)
Contract assets		(2,520,064)	333,142
Contract liabilities		332,377	828,248
Cash generated from operations		5,234,812	13,666,369
Income tax paid		(1,313,182)	(490,863)
Net cash generated from operating acivities		3,921,630	13,175,506
Cash flows from investing activity			
Purchase of plant and equipment	5	(14,865)	(34,705)
Net cash used in investing activity		(14,865)	(34,705)
Cash flows from financing activities			
Interest expense on lease liability		(49,197)	(55,667)
Payment of principal portion of lease liabilities		(235,405)	(200,318)
Dividend paid	19	(5,300,000)	(10,550,000)
Net cash used in financing activities		(5,584,602)	(10,805,985)
Net (decrease)/increase in cash and cash equivalents		(1,677,837)	2,334,816
Cash and cash equivalents at 1 April		7,779,327	5,444,511
Cash and cash equivalents at 31 March	9	6,101,490	7,779,327

Note A: Reconciliation of liabilities arising from financing activities

	1 April	New lease liabilities	Principal and interest payment	Non-cash changes: Rent concession	Non-cash changes: Acceretion of interest	31 March
2021	S$	S$	S$	S$	S$	S$
Lease liabilities	1,249,174	-	(255,985)	(4,900)	55,667	1,043,956
2022						
Lease liabilities	1,043,956	-	(284,602)	-	49,197	808,551

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Quesscorp Singapore 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 Quesscorp Holdings Pte. Ltd., 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 information technology consultancy services. There are no significant changes in the nature of these activities during the financial period.

With effect from 12 August 2021, the name of the Company was changed from Comtel Solutions Pte Ltd to Quesscorp Singapore Pte. Ltd..

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 2021.

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 2022:

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. 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 2022. However, there is no significant impact to the financial statements of the Company.

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 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

This section is intentionally left blank.

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 beyond 30 June 2021	1 April 2021
Amendment to FRS 16 *Property, Plant and Equipment*: Proceeds before Intended Use	1 January 2022
Amendment 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
Amendment to FRS1 *Presentation of Financial Statements*: (Classification of Liabilities as Current or Non-current)	1 January 2023
Amendment to FRS1 *Presentation of Financial Statements* and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendment to FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
Amendment to FRS 12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendment to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investment 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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.

This section is intentionally left blank.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.4 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.

2.5 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.

2.8 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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	-	5 years

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.

2.11 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

This section is intentionally left blank.

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.

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.

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 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.

The Company is providing staffing services.

Revenue from services are recognised when consultancy services are rendered and all criteria for acceptance have been satisfied.

2.18 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

(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. 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 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.

2.21 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. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS - CONTINUED

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.

3.2 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 2022 was S$115,400 (2021: S$144,110).

3. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS – CONTINUED

3.2 Key sources of estimation uncertainty - Continued

(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).

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 2022 were S$11,942,252 (2021: S$8,504,707).

3. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS – CONTINUED

3.2 Key sources of estimation uncertainty – Continued

(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 2022 was S$1,067,961 (2021: S$1,391,206).

(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

	2022 S$	2021 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	
			2022 %	2021 %	2022 S$	2021 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 2022.

5. PLANT AND EQUIPMENT

	Office Equipment S$	Computers and Software S$	Renovation S$	Total S$
Cost:				
As at 01.04.2020	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
Additions	-	7,389	7,476	14,865
Disposals	-	-	(38,570)	(38,570)
As at 31.03.2022	16,664	153,228	165,276	335,168
Accumulated depreciation:				
As at 01.04.2020	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
Depreciation	4,518	13,777	31,580	49,875
Disposals	-	-	(44,870)	(44,870)
As at 31.03.2022	15,241	150,398	54,129	219,768
Net carrying value:				
As at 31.03.2021	5,941	9,218	128,951	144,110
As at 31.03.2022	1,423	2,830	111,147	115,400

6. RIGHT OF USE ASSETS

	Office premises S$	Total S$
Cost:		
As at 01.04.2020	1,249,174	1,249,174
Additions	-	-
As at 31.03.2021	1,249,174	1,249,174
Additions	-	-
As at 31.03.2022	1,249,174	1,249,174
Accumulated depreciation:		
As at 01.04.2020	-	-
Depreciation	229,015	229,015
As at 31.03.2021	229,015	229,015
Depreciation	249,835	249,835
As at 31.03.2022	478,850	478,850
Net carrying value:		
As at 31.03.2021	1,020,159	1,020,159
As at 31.03.2022	770,324	770,324

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.

7. TRADE AND OTHER RECEIVABLES

	2022 S$	2021 S$
Trade receivables:		
- Third parties	12,027,486	8,600,736
- *Less*: Allowance of expected credit loss	(85,234)	(96,029)
	11,942,252	8,504,707
Other receivables:		
- Advances to employees	21,832	165,622
- Amounts due from immediate holding company	316,550	306,583
- Amounts due from related parties	1,541,511	1,345,339
- Deposits	71,151	71,151
- Interest receivables from immediate holding company	6,393	6,393
- Other receivables	45,000	156,874
- Prepayments	96,486	144,522
	14,041,175	10,701,191

7. TRADE AND OTHER RECEIVABLES – CONTINUED

Note A

Trade receivables are unsecured, non-interest bearing and are generally settled on 30 to 90 (2021: 30 to 90) days' term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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:

	2022 **S$**	**2021** **S$**
At 1 April	96,029	265,389
Reversal of provision for expected credit losses	(10,795)	(169,360)
At 31 March	85,234	96,029

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:	**2022** **S$**	**2021** **S$**
Contract assets	9,994,369	7,474,305
Contract liabilities	(1,675,620)	(1,343,243)

9. CASH AND CASH EQUIVALENTS

	2022 S$	2021 S$
Cash in hand	4,011	1,188
Cash at banks	6,093,189	7,746,849
Banker's guarantee	4,290	31,290
	6,101,490	7,779,327

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	2022 S$	2021 S$
Cash in hand	4,011	1,188
Cash at banks	6,093,189	7,746,849
Banker's guarantee	4,290	31,290
	6,101,490	7,779,327
Less: banker's guarantee pledged	(4,290)	(31,290)
	6,097,200	7,748,037

The banker's guarantee has a maturity term of NIL months (2021: 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

	2022		2021	
	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

	2022 S$	2021 S$
Current:		
- Lease liabilities (secured) (Note 22)	248,065	235,404
Non-current:		
- Lease liabilities (secured) (Note 22)	560,486	808,552
	808,551	1,043,956

12. TRADE AND OTHER PAYABLES

	2022 S$	2021 S$
Trade payables:		
- Sub-Contractor payables	246,812	531,601
Other payables:		
- Salaries, CPF and FWL payables	8,256,664	5,221,799
- Accruals	332,582	386,740
- Amount due to immediate holding company	321,815	1
- Amount due to related parties	325,149	63,741
- Provision for incentives	45,000	-
- GST payables	1,745,567	1,435,404
	11,273,589	7,639,286

Trade payables are non-interest bearing and are generally settled on 30 to 90 (2021: 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

	2022 S$	2021 S$
Service rendered	100,932,057	96,448,665

14. OTHER INCOME

	Note	2022 S$	2021 S$
Dividend income		165,209	-
Rental income		-	21,000
Reversal of provision for expected credit losses	7	10,795	169,360
Other income		17,500	6,381
		193,504	196,741

15. FINANCE COSTS

	2022 S$	2021 S$
Interest expense on:		
- Lease liabilities (Note 22 (c))	49,197	55,667

16. PROFIT BEFORE TAX

	Note	2022 S$	2021 S$
Profit before taxation has been arrived at after charging/(crediting):			
Depreciation of plant and equipment	5	49,875	41,835
Depreciation of right of use assets	6	249,835	229,015
Employee benefits	18	3,177,789	2,469,075
Lease interest expense		49,197	55,667
Office rental	20	-	10,097
Reversal of provision for expected credit losses	7	(10,795)	(169,360)
Unrealised foreign exchange adjustment		15,990	13,628

17a. DEFERRED TAX ASSETS

Movements in deferred tax assets during the financial year were as follows:

Deferred tax assets	At 1 April 2021 S$	Recognised in profit or loss (Note 17b) S$	At 31 March 2022 S$
Differences in depreciation for tax purposes	103,664	(103,664)	-
	103,664	(103,664)	-

The balance at 31 March 2022 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 2022 and 31 March 2021 were:

	2022 S$	2021 S$
Current income tax		
-Current year	989,937	1,198,678
Deferred tax assets		
-Current year	103,664	(103,664)
Income tax expense recognised in profit or loss	1,093,601	1,095,014

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 2022 and 31 March 2021 were as follows:

	2022 S$	2021 S$
Profit before tax	6,785,573	8,995,332
Tax at the statutory tax rate at 17% (2021: 17%)	1,153,547	1,529,206
Tax effect on non-deductible expenses	10,932	1,488
Tax effect on non-taxable income	(28,086)	(354,930)
Statutory stepped income exemption	(17,425)	(17,425)
Group relief	(41,805)	(19,447)
Deferred tax assets not recognised	(658)	(1,780)
Others	17,096	(42,098)
	1,093,601	1,095,014

18. EMPLOYEE BENEFITS

	Note	2022 S$	2021 S$
Key management compensation:			
Director's remuneration	21	400,144	150,550
Staff costs:			
- Salaries and bonuses		2,620,294	2,225,376
- Staff amenities		26,809	33,997
- CPF contribution		130,542	59,152
		3,177,789	2,469,075

19. DIVIDEND

	2022 S$	2021 S$
Interim tax exempt (one-tier) dividend paid of S$10.60 (2021: S$ 21.10) per share on the issued and paid up ordinary shares in respect of the current financial year ended 31 March 2021.	5,300,000	10,550,000

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:

	2022 S$	2021 S$
Not later than one year	-	2,209

Minimum leases payments recognised as an expense in profit or loss for the financial year ended 31 March 2022 amounted to NIL (2021: S$10,097) (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:

	2022 S$	2021 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.

	2022 S$	2021 S$
Transactions with ultimate holding company:		
-Sub-contractor fee	-	98,043
Transactions with immediate holding company:		
-Expenses on behalf of	-	64,703
Transactions with fellow subsidiary:		
-Consultancy (losses)/ income	-	(24,000)
- Rental income	17,500	21,000
-Sub-contractor fee	28,803	315,443
-Amortisation of prepayment	42,815	-
-Expenses paid on behalf	-	69,433
Transactions with subsidiary		
-Consultancy income	-	27,096
Key management personnel compensation		
Director's remuneration & allowance (Note 18)	400,144	150,550

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 2020	1,249,174	1,249,174
Additions	-	-
Depreciation	(229,015)	(229,015)
At 31 March 2021	1,020,159	1,020,159
Addition	-	-
Depreciation	(249,835)	(249,835)
At 31 March 2022	770,324	770,324

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

	2022 S$	2021 S$
Depreciation of right-of-use assets (Note 16)	249,835	229,015
Interest expense on lease liabilities (Note 15)	49,197	55,667
Lease expense not capitalised in lease liabilities:		
- Expenses relating to short term leases	-	10,097
Total amount recognised in profit or loss	299,032	294,779

(d) Total cash outflow

The Company had total cash outflows for leases of S$ 284,602 (2021: $294,779).

(e) Extension options

The Company's lease contract for office premises 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 2022						
Trade receivables	7	Note 1	Lifetime ECL (simplified)	12,027,486	(85,234)	11,942,252
Other receivables (i)	7	Note 1	12-month ECL	1,980,605	-	1,980,605
					(85,234)	
31 March 2021						
Trade receivables	7	Note 1	Lifetime ECL (simplified)	8,600,736	(96,029)	8,504,707
Other receivables (i)	7	Note 1	12-month ECL	1,886,340	-	1,886,340
					(96,029)	

(i) This excludes advances to employees and prepayments.

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 2022							
ECL rate	0.03%	0.90%	3.56%	13.40%	42%	100%	
Estimated total gross carrying amount at default	4,626,212	7,091,077	243,107	64,305	21,891	(19,107)	12,027,486
ECL	(2,577)	(22,718)	(6,128)	(34,811)	(19,000)	-	(85,234)
							11,942,252
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

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$
2022				
Financial Assets				
Cash and cash equivalents	6,101,490	6,101,490	6,101,490	-
Contract assets	9,994,369	9,994,369	9,994,369	-
Trade and other receivables (i)	13,922,857	13,922,857	13,922,857	-
	30,018,716	30,018,716	30,018,716	-
Financial Liabilities				
Trade and other payables (ii)	9,483,022	9,483,022	9,483,022	-
Lease liabilities (Note 11)	808,551	877,522	284,602	592,920
	10,291,573	10,360,544	9,767,624	592,920
Total net undiscounted financial assets/ (liabilities)	19,727,143	19,658,172	20,251,092	(592,920)

	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	-
Contract assets	7,474,305	7,474,305	7,474,305	
Trade and other receivables (i)	10,391,047	10,391,047	10,391,047	-
	25,644,679	25,644,679	25,644,679	-
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)	18,396,841	18,278,674	19,156,195	(877,521)

(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) and Malaysian Ringgit (MYR).

The Company's currency exposures to the foreign currencies at the reporting date were as follows:

	PHP S$	MYR S$
2022		
Financial Assets:		
Trade and other receivables	3,826	-
Financial Liabilities:		
Trade and other payables	-	323,175
Foreign currency exposure	3,826	323,175
2021		
Financial Assets:		
Trade and other receivables	-	-
Financial Liabilities:		
Trade and other payables	-	-
Foreign currency exposure	-	-

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	
	2022	2021
	S$	S$
PHP	318	-
MYR	26,824	-

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 2022 and 31 March 2021. The Company's overall strategy remains unchanged during the financial period.

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	2022 S$	2021 S$
Financial assets measured at amortised cost			
Trade and other receivables (i)	7	13,922,857	10,391,047
Contract assets	8	9,994,369	7,474,305
Cash and cash equivalents	9	6,101,490	7,779,327
Total Financial assets measured at amortised cost		30,018,716	25,644,679
Financial liabilities measured at amortised cost			
Lease liabilities	11	808,551	1,043,956
Trade and other payables (ii)	12	9,483,022	6,203,882
Total financial liabilities measured at amortised cost		10,291,573	7,247,838

(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 2022 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 25 MAY 2022

QUESSCORP SINGAPORE PTE. LTD.

(Co. Reg. No.: 199801439D)

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

QUESSCORP SINGAPORE PTE. LTD.
(Co. Reg. No.: 199801439D)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Appendix A

	2022 S$	2021 S$
Revenue		
Consultancy income	100,932,057	96,448,665
	100,932,057	96,448,665
Less: Cost of services		
Consultants salaries	84,465,895	76,385,858
CPF contribution	2,426,491	2,507,070
FWL & SDL	425,087	295,262
Medical insurance	289,631	276,205
Recruitment expenses	529,302	340,563
Sub-contractor fee	2,405,961	4,575,735
Staff amenities - consultants	45,752	32,802
	(90,588,119)	(84,413,495)
Gross profit	10,343,938	12,035,170
Other income		
Dividend income	165,209	-
Other income	17,500	6,381
Rental income	-	21,000
Reversal of provision of expected credit losses	10,795	169,360
	193,504	196,741
Less:		
Administrative expenses **(Appendix B)**	(3,702,672)	(3,180,912)
Finance costs **(Appendix C)**	(49,197)	(55,667)
Profit before tax	6,785,573	8,995,332

QUESSCORP SINGAPORE PTE. LTD.
(Co. Reg. No.: 199801439D)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Appendix B

	2022 S$	2021 S$
Administrative expenses		
Audit fees	20,300	20,000
Accounting fees	-	300
Advertisement	-	152,000
Legal & Professional Fees	67,745	32,362
Permits & Licenses	420	-
Bank Charges	10,856	10,278
Depreciation Expense	49,875	41,835
Depreciation Expense - ROU assets	249,835	229,015
Cleaning charges	12,590	11,200
Equipment Rental	2,555	2,556
Gift to customer	-	2,608
Subscription	32,044	38,338
Maintenance & Repairs	150	2,006
Miscellaneous expenses	22,495	23,410
Office Supplies	3,417	4,508
Penalty	-	8,000
Postage & Delivery	671	2,777
Rate and tax	-	1,384
Refreshment	2,327	525
Reinstatement costs	-	8,000
Relocation expenses	-	45,152
Rent	-	10,097
Storage costs	3,972	7,355
Telephone	15,148	33,362
Travelling expenses - Internal	9,430	5,134
Training expenses	1,600	754
Utilities charges	3,463	5,253
Unrealised foreign exchange adjustments	15,990	13,628
Salaries and related costs		
Director remuneration & allowance	400,144	150,550
Staff salaries and bonuses	2,620,294	2,225,376
CPF contribution	87,758	59,152
Foreign Work Levy	42,784	-
Staff amenities - Internal	26,809	33,997
	(3,702,672)	(3,180,912)

QUESSCORP SINGAPORE PTE. LTD.
(Co. Reg. No.: 199801439D)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Appendix C

	2022 S$	2021 S$
Finance cost		
Interest expenses on leased assets	49,197	55,667
	(49,197)	(55,667)

QUESSCORP HOLDINGS PTE. LTD.

Company Reg. No.: 201526129N

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 2022

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QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 2022.

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 2022 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:

Keckeis Roman Werner	
Ravi Vishwanath Narayanaswamy	(Appointed on 26 November 2021)
Guruprasad Srinivasan	(Appointed on 10 February 2022)
Lang Sandro	

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		

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

....
Guruprasad Srinivasan
Director

....
Ravi Vishwanath Narayanaswamy
Director

Singapore
09 JUN 2022

Joe Tan & Associates PAC
Chartered Accountants

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 2022, 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 2022 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

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QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 S$	2021 S$
ASSETS			
Non-current assets			
Investment in subsidiaries	4	58,779,590	69,095,969
Investment in joint venture	5	15,868	15,868
Other investment	6	280,496	280,496
Plant and equipment	7	-	-
Total non-current assets		59,075,954	69,392,333
Current assets			
Trade and other receivables	8	7,121,716	9,001,308
Cash and cash equivalents	9	513,861	1,255,317
Total current assets		7,635,577	10,256,625
TOTAL ASSETS		66,711,531	79,648,958
EQUITY AND LIABILITIES			
Equity			
Share capital	10	45,269,610	45,269,610
Retained earnings		21,126,415	20,618,283
Capital reserve		86,327	86,327
Translation reserve		(4,227)	(6,800)
Total Equity attributable to owners of the Company		66,478,125	65,967,420
Non-current liabilities			
Other payables	11	19,061	32,851
Bank borrowings	12	-	3,333,335
Total non-current liabilities		19,061	3,366,186
Current liabilities			
Other payables	11	214,345	731,129
Bank borrowings	12	-	9,584,223
Total current liabilities		214,345	10,315,352
TOTAL LIABILITIES		233,406	13,681,538
TOTAL EQUITY AND LIABILITIES		66,711,531	79,648,958

The accompanying notes form an integral part of these financial statements

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 S$	2021 S$
Revenue	13	525,465	379,186
Cost of services		(367,319)	(363,162)
Gross Profit		158,146	16,024
Add:			
Other income	14	6,766,832	10,923,981
Less :			
Administrative costs		(822,180)	(504,499)
Finance costs	15	(94,666)	(293,587)
Profit before income tax	16	6,008,132	10,141,919
Income tax expense	17	-	(167,671)
Profit after income tax		6,008,132	9,974,248
Other comprehensive income/(loss)			
Item that will be recognised subsequently to profit/ (loss)			
- Currency translation differences		2,573	(4,955)
Other comprehensive income/(loss) for the year, net of tax		2,573	(4,955)
Total comprehensive income for the year		6,010,705	9,969,293

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 2022

	Note	Share Capital S$	Retained Earnings S$	Capital Reserve S$	Translation Reserve S$	Total S$
Balance as at 1 April 2020		45,269,610	10,644,035	86,327	(1,845)	55,998,127
Other comprehensive loss		-	-	-	(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
Other comprehensive income		-	-	-	2,573	2,573
Dividends	18	-	(5,500,000)	-	-	(5,500,000)
Profit for the year, representing		-	6,008,132	-	-	6,008,132
total comprehensive income for the year		-	508,132	-	2,573	510,705
Balance as at 31 March 2022		**45,269,610**	**21,126,415**	**86,327**	(4,227)	66,478,125

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 2022

	Note	2022 S$	2021 S$
Cash flows from operating activities			
Profit before income tax		6,008,132	10,141,919
Adjustments for :			
Foreign translation reserve		2,573	(4,955)
Gain of disposal on investment in subsidiaries		(197,621)	-
Interest expense		94,666	293,587
Interest income		(98,630)	(321,168)
Operating cash flows before working capital changes		5,809,120	10,109,383
Working capital changes:			
Trade and other receivables		1,879,592	5,861,900
Other payables		(530,574)	(23,101)
Cash generated from operations		7,158,138	15,948,182
Income tax paid		-	(177,920)
Net cash generated from operating activities		7,158,138	15,770,262
Cash flows from investing activities			
Acquisition of subsidiaries		-	(3,450,289)
Proceeds from disposal of investment in subsidiaries		10,514,000	-
Interest received		98,630	321,168
Net cash generated from investing activities		10,612,630	(3,129,121)
Cash flows from financing activities			
Loan interests paid		(94,666)	(293,587)
Dividends paid		(5,500,000)	
Repayment of bank borrowings	A	(12,917,558)	(12,500,087)
Net cash used in financing activities		(18,512,224)	(12,793,674)
Net decrease in cash and cash equivalents		(741,456)	(152,533)
Cash and cash equivalents at beginning of the year		1,255,317	1,407,850
Cash and cash equivalents at end of the year	9	513,861	1,255,317

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$	At end of year S$
2022			
Bank borrowings	12,917,558	(12,917,558)	-
	12,917,558	(12,917,558)	-
2021			
Bank borrowings	25,417,645	(12,500,087)	12,917,558
	25,417,645	(12,500,087)	12,917,558

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 2022:

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 2022.

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 2022. 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 2023. 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 2021. 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 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 2022 was S$55,772 (2021: S$214,029).

(ii) 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

	2022 S$	2021 S$
Unquoted equity shares, at cost	58,779,590	65,645,680
Add: Additional investment during the year	-	3,450,289
	58,779,590	69,095,969

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation/ Place of business	Percentage of equity held		Cost of investment		Principal activities
		2022 %	2021 %	2022 S$	2021 S$	
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	51	56	3,978,142	3,978,142	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		353,690	web-based career services agency
Monster. Com. Sg Pte Limited (7)	Singapore	-	100	-	7,493,092	web-based career services agency
Monster Malaysia Sdn. Bhd. (8)	Malaysia	-	49		2,469,597	web-based career services agency
				58,779,590	69,095,969	

(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

	2022 S$	2021 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
		2022 %	2021 %	2022 S$	2021 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

	2022 S$	2021 S$
Investment in sole establishments	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 01.04.2020 / 31.03.2021/ 31.03.2022	98,967	27,778	126,745
Accumulated depreciation:			
At 01.04.2020 / 31.03.2021/ 31.03.2022	98,967	27,778	126,745
Net carrying value:			
At 01.04.2020/ 31.03.2021/ 31.03.2022	-	-	-

8. TRADE AND OTHER RECEIVABLES

	2022 S$	2021 S$
Trade receivables		
- Third parties	52,772	-
- Contract assets - unbilled revenue	-	214,029
	52,772	214,029
Loan receivables from subsidiaries	1,673,004	3,001,834
Loan receivables from related companies	2,131,202	2,129,062
Loan receivables from third party	2,961,076	2,961,076
Amount due from joint venture	1,373	1,373
Interest receivables	7,100	7,100
Deposits	22,869	47,353
Prepayments	78,992	79,866
Other receivables	181,829	193,294
GST receivables	11,500	9,838
Advances to suppliers	-	356,483
	7,121,716	9,001,308

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables are non-interest bearing and are generally on 30 to 60 (2021: 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% (2021: 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.

The allowance for expected credit losses of trade receivables computed based on lifetime ECL was insignificant.

The carrying amounts of trade and other receivables approximate their fair values.

9. CASH AND CASH EQUIVALENTS

	2022 S$	2021 S$
Cash at banks	513,861	1,255,317

The carrying amounts of cash and cash equivalents approximate their fair values.

10. SHARE CAPITAL

	2022		2021	
	No. of shares	S$	No. of shares	S$
Issued and fully paid ordinary shares				
At beginning of financial year and at end of financial year	45,269,608	45,269,610	45,269,608	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. OTHER PAYABLES

	2022 S$	2021 S$
Current Liabilities		
Accruals	-	11,218
Bank interest payables	-	16,813
Loan payable to subsidiary	-	312,976
Loan payable to holding company	185,000	359,837
Other payables	29,345	30,285
	214,345	731,129
Non-Current Liabilities		
Other payables	19,061	32,851
	19,061	32,851
Total	233,406	763,980

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 other payables approximate their fair values.

12. BANK BORROWINGS

	2022 S$	2021 S$
Bank borrowings	-	12,917,558

The present value of bank loans is analysed as follows:

	2022 S$	2021 S$
Current liabilities		
- Repayable within one year	-	9,584,223
Non-current liabilities		
- Repayable more than one year	-	3,333,335
	-	12,917,558

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

	2022 S$	2021 S$
Rendering of services	525,465	379,186

14. OTHER INCOME

	2022 S$	2021 S$
Dividend income	6,424,804	10,550,000
Unrealised foreign exchange gain	38,277	52,813
Interest income from subsidiaries	-	180,165
Interest income from related companies	98,630	-
Interest income from third party	-	141,003
Miscellaneous income	7,500	-
Gain on sale of investments in subsidiaries	197,621	-
	6,766,832	10,923,981

15. FINANCE COSTS

	2022 S$	2021 S$
Bank loan interest	94,666	293,587

16. PROFIT BEFORE INCOME TAX

	2022 S$	2021 S$
Profit before taxation has been arrived after charging/(crediting) :		
Legal and professional fees	17,578	26,465
Loan interest charged by holding company (Note 18)	54,485	-
Loan processing fees	370,000	114,143
Unrealised foreign exchange loss	52,693	335,011
Exceptional Item	249,062	-
Gain on sale of investments in subsidiaries	(197,621)	-
Unrealised foreign exchange gain	(38,277)	(52,813)
Rental	6,112	6,231

There are no staff costs, directors' remuneration or key management personnel remuneration for the financial year ended 31 March 2022 and 31 March 2021.

17. INCOME TAX EXPENSE

The major components of income tax expense recognised in profit for the financial years ended 31 March 2022 and 31 March 2021 were:

	2022 S$	2021 S$
Current income tax		
- Under provision in respect of prior years	-	(167,671)

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 2022 and 31 March 2021 were as follows

	2022 S$	2021 S$
Profit before income tax	6,008,132	10,141,919
Income tax using the statutory tax rate of 17% (2021: 17%)	1,021,382	1,724,126
Adjustments:		
Non-deductible expenses	24,484	70,180
Non-taxable income	(1,047,940)	(1,797,972)
Deferred tax assets not recognised	2,074	3,666
Under provision in respect of prior years	-	167,671
	-	(167,671)

18. DIVIDENDS

During the financial year, the following dividends were paid.

	2022 S$	2021 S$
A final tax exempt dividend of S$0.12 per share on the issue and paid up 45,269,608 ordinary shares in respect of the financial year ended 31 March 2022 declared and approved	5,500,000	-

19. 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:

	2022 S$	2021 S$
With subsidiaries		
Interest income from loans to subsidiaries	-	180,165
With related companies		
Interest income from loans to related companies	98,630	-

There are no staff costs, directors' remuneration or key management personnel remuneration for the financial year ended 31 March 2022 and 31 March 2021.

20. 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.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - 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 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.

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.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - CONTINUED

a) Credit risk - continued

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

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - 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 March 2022						
Trade receivables [i]	8	Note 1	Lifetime ECL (simplified)	52,772	-	52,772
Other receivables	8	Note 1	12-month ECL	6,978,452	-	6,978,452
31 March 2021						
Trade receivables [i]	8	Note 1	Lifetime ECL (simplified)	214,029	-	214,029
Other receivables	8	Note 1	12-month ECL	8,341,092	-	8,341,092

[i] This excludes prepayment, GST receivables and advance to suppliers

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.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - CONTINUED

a) Credit risk - continued

	Not past due	181- 270 days	Total
	S$	S$	S$
31 March 2022			
ECL rate	0%	0%	
Estimated total gross carrying amount at default	-	52,772	52,772
ECL	-	-	-
			52,772
31 March 2021			
ECL rate	0%	0%	
Estimated total gross carrying amount at default	214,029	-	214,029
ECL	-	-	-
			214,029

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 lastest 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.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - CONTINUED

(b) Liquidity risk

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.

	2022			
	Carrying amount S$	**Contractual cash flows S$**	**One year or less S$**	**Two to five years S$**
Financial assets				
Trade and other receivables [a]	7,031,224	7,031,223	7,031,223	-
Cash and cash equivalents	513,861	513,861	513,861	-
Total undiscounted financial assets	7,545,085	7,545,084	7,545,084	-
Financial liabilities				
Other payables [b]	233,406	233,406	214,345	19,061
Total undiscounted financial liabilities	233,406	233,406	214,345	19,061
Total net undiscounted financial (liabilities)/asset	7,311,679	7,311,678	7,330,739	(19,061)

	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]	8,555,121	8,555,121	8,555,121	-
Cash and cash equivalents	1,255,317	1,255,317	1,255,317	-
Total undiscounted financial assets	9,810,438	9,810,438	9,810,438	-
Financial liabilities				
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	(3,871,100)	(3,951,261)	(585,077)	(3,366,184)

[a] This amount excludes prepayment, GST receivables and advance to suppliers.
[b] This amount excludes GST payable.

20. 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 (2021: 100) basis points higher/ lower with all other variables held constant, the Company's loss before tax would have been S$ NIL (2021: S$10,721,573) 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:

	2022 S$	2021 S$
Fixed rate instruments		
Financial assets		
Loan receivables from subsidiaries	1,673,004	3,001,834
Loan receivables from related parties	2,131,202	2,129,062
Loan receivables from third party	2,961,076	2,961,076
	6,765,281	8,091,972

	2022 S$	2021 S$
Variable rate instruments		
Financial liabilities		
Within one year		
Bank loan	-	9,584,223
Two to five years		
Bank loan	-	3,333,335
	-	12,917,558

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – CONTINUED

(c) Market risk - continued

(i) Interest rate risk - continued

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 (MYR), Arab Emirates Dirhams (AED) and Vietnamese Dong (DONG).

The Company's currency exposures to the USD, MYR, AED and DONG at the reporting date were as follows:

	2022			
	USD	**MYR**	**AED**	**DONG**
	S$	**S$**	**S$**	**S$**
Financial assets				
Trade and other receivables	2,961,076	1,289,311	230,053	22,869
Cash and cash equivalents	330,815	-	-	-
	3,291,891	1,289,311	230,053	22,869
Financial liabilities				
Other payables	197,011	-	-	-
	197,011	-	-	-
Foreign currency exposure	3,094,880	1,289,311	230,053	22,869

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – CONTINUED

(c) Market risk - continued

(ii) Foreign currency risk - continued

	2021			
	USD S$	MYR 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				
Other payables	700,843	-	63,137	-
	700,843	-	63,137	-
Foreign currency exposure	3,109,881	1,587,526	119,291	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	
	2022 S$	2021 S$
United States Dollar	256,875	258,120
Malaysia Ringgit	107,013	131,765
Arab Emirates Dirhams	19,094	9,901
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.

21. 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 (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.

22. 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:

	2022 S$	2021 S$
Financial assets measured at amortised cost		
Trade and other receivables (Note 8) [(a)]	7,031,224	8,555,121
Cash and cash equivalents (Note 9)	513,861	1,255,317
Total financial assets measured at amortised cost	7,545,085	10,166,921
Financial liabilities measured at amortised cost		
Other payables (Note 11) [(a)]	233,406	763,980
Bank borrowings (Note 12)	-	12,917,558
Total financial liabilities measured at amortised cost	233,406	13,681,538

[(a)] This amount excludes the prepayment, GST receivables and advance to suppliers.
[(b)] This amount excludes the GST payables.

23. 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 2022 and 31 March 2021.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2021.

24. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 09 JUN 2022

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 2022

	2022 S$	2021 S$
Revenue		
Service income	525,465	379,186
Less: Cost of services	(367,319)	(363,162)
Gross profit	158,146	16,024
Add:Other income		
Dividend income	6,424,804	10,550,000
Interest income from subsidiaries	-	180,165
Interest income from related companies	98,630	-
Interest income from third party	-	141,003
Miscellenous income	7,500	-
Gain on sale of investments in subsidiaries	197,621	-
Unrealised foreign exchange gain	38,277	52,813
	6,766,832	10,923,981
Less:		
Administrative costs		
Bank charges	19,936	18,729
Duties and taxes	43,976	200
Exceptional Item	249,062	-
Loan interest charged by holding company	54,485	-
Loan processing fees	370,000	114,143
Legal and professional fees	17,578	26,465
Postage and Courier	250	-
Registration and renewals	2,693	-
Rental	6,112	6,231
Sponsorship fees	5,395	3,720
Unrealised forex exchange loss	52,693	335,011
	822,180	504,499
Finance costs		
Bank loan interest	94,666	293,587
Total Expenses	(916,846)	(798,086)
Profit before income tax	6,008,132	10,141,919
Income tax expense	-	(167,671)
Profit after income tax	6,008,132	9,974,248

ALLSECTECH, INC.

FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

ALLSECTECH INC

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RAVI VENKATARAMAN, CPA LLC
CERTIFIED PUBLIC ACCOUNTANT
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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, 2022 and 2021 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.

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, 2022 and 2021, 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 25, 2022
Princeton, New Jersey

ALLSECTECH, INC.
BALANCE SHEETS
AS OF MARCH 31

		2022		2021
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$	484,987	$	588,650
Accounts Receivable		1,344,815		787,196
Restricted Cash		6,274		6,274
Security Deposit		14,382		28,319
Prepaid expenses		84,421		46,526
Other Asset		75,123		18,409
Total Current Assets		**2,010,002**		**1,475,374**
PROPERTY AND EQUIPMENT				
Property and Equipment		1,536		-
Accumulated Depreciation		-		-
Net Property and Equipment		**1,536**		**-**
Total Assets	**$**	**2,011,538**	**$**	**1,475,374**
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts Payable	$	14,542	$	8,946
Accounts Payable - Affiliate		1,297,027		704,274
Accrued Expenses		205,575		204,695
Total Current Liabilities		**1,517,144**		**917,915**
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		(1,815,606)		(1,752,541)
Total Stockholders' Equity		**494,394**		**557,459**
Total Liabilities and Equity	**$**	**2,011,538**	**$**	**1,475,374**

See Independent Auditor's Report and notes to financial statements

ALLSECTECH, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED MARCH 31

		2022		2021
Operating Revenues	$	12,063,697	$	6,431,464
Cost of Revenues		(11,316,404)		(6,184,558)
Gross Profit		747,293		246,906
Operating Expenses (Schedule 1)		(801,510)		(892,193)
Income from operations		(54,217)		(645,287)
Interest Income and other income		2,350		52
Income before provision for income taxes		(51,867)		(645,235)
Provision for Income Taxes-State		(11,198)		(139,564)
Net Income/ (Loss)	**$**	**(63,065)**	**$**	**(784,799)**

See Independent Auditor's Report and notes to financial statements

ALLSECTECH, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED MARCH 31

	Common Stock	Retained Earnings	2022	2021
Balance at April 1, 2021	$ 2,310,000	$ (1,752,541)	$ 557,459	$ 1,342,257
Capital Contributions during the year				
Prior Period Adjustment		-	-	(180)
Balance at March 31, 2021	**2,310,000**	**(1,752,541)**	**557,459**	**1,342,077**
Capital Contributions during the year				
Earnings/(Loss)-FY2022		(63,065)	(63,065)	(784,799)
Prior year adjustment	-	-	-	-
Balance at March 31, 2022	**$ 2,310,000**	**$ (1,815,606)**	**$ 494,394**	**$ 557,278**

See Independent Auditor's Report and notes to financial statements

ALLSECTECH, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31

		2022		2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income	$	(63,065)	$	(784,799)
Depreciation		-		4,263
Adjustments to reconcile Net Income to net cash provided by operating activities:				
Restricted Cash		-		(1)
Accounts Receivable		(557,619)		(524,410)
Prepaid Expenses		(37,895)		23,107
Security Deposit-Rental		13,937		(19,721)
Other Asset		(56,714)		8,549
Accounts Payable		5,596		(18,749)
Accounts Payable-Affiliate		592,753		291,396
Accrued Expenses		880		105,871
Other Payable		-		(74,347)
Net Cash provided by Operating Activities		(102,127)		(988,841)
CASH FLOW FROM FINANCING ACTIVITIES				
Addition to Property and Equipment		(1,536)		-
Loan from parent		-		-
Net Cash used by Financing Activities		(1,536)		-
Net Cash increase for the Year		(103,663)		(988,841)
Cash And Cash Equivalents At Beginning Of Year		588,650		1,577,491
Cash And Cash Equivalents At End Of Year	**$**	**484,987**	**$**	**588,650**
Supplemental disclosure of cash flow information				
Cash paid during the years				
Interest	$	-	$	-
Income taxes	$	14,564	$	139,564

See Independent Auditor's Report and notes to financial statements

ALLSECTECH, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

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 2021 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 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

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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, 2022.

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, 2022 and 2021, there were $6,274 and $6,274 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	**2022**	**2021**
Computers & Accessories	1,536	$ 67,671
Furniture & Fixtures	-	9,521
Vehicles	-	3,617
Software Licenses	-	14,234
Network Equipments	-	259,759
Original Cost	**1,536**	**3,54,802**
Less: Accumulated Depreciation	**(0)**	**(354,802)**
Net Property & Equipment	$1,536	$0

The useful lives of property and equipment for the purpose of computing depreciation are three to seven years. Depreciation expense amounted to $ 1536 and $ 0 for the years ended March 31, 2022 and 2021 respectively.

See Independent Auditor's Report

Note 4. Income Taxes

For the year ended March 31, 2022 the company has created an adhoc provision of $100,000 towards tax purpose.

Note 5. Going Concern

The Company has reported a loss of $ 63,065 and $ 784,799 for the years ended March 31, 2022 and 2021 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, 2022 consists of the following:

Prepaid Licenses and Permits	$ 8,586
Prepaid Rent	13,911
Prepaid Insurance	206
Other Prepaid Expenses	61,718
Total Prepaid Expenses	$ 84,421

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, 2022 and 2021, rent expense amounted to $ 158,950 and $224,985 respectively.

Further, the lease was extended to the term of the lease through February 28, 2023 with the following terms.

Rent Payable from 03-01-21 through 02-28-22	$ 6,300 per month
Rent Payable from 03-01-22 through 02-28-23	$ 6,575 per month

See Independent Auditor's Report

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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 25, 2022. 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 2022, 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

Schedule 1

ALLSECTECH, INC.
SCHEDULE OF OPERATING EXPENSES
FOR YEARS ENDED MARCH 31

Operating expenses	2022	2021
Automobile Expense	$ -	$ -
Bank Service Charges	122	2,699
Business Promotion Exp	130,212	19,086
Connectivity Charges	3,824	5,412
Depreciation Expense	-	4,263
Security Charges	40,665	54,111
Insurance	46,378	19,900
Licenses and Permits	71,607	82,385
Office Supplies & Expense	(1,385)	1,060
Payroll Processing Fees	-	1,903
Office Pantry Expenses	-	(14)
Postage and Delivery	-	3,725
Office Equipment	-	91
Professional Fees	283,873	284,478
Rent	158,950	301,726
Seminars and Meetings		(3,000)
Utilities	9,128	13,073
Repairs	17,110	41,580
Telephone	2,573	31,200
Recruitment Fee	34,000	26,000
Travel & Ent	4,453	2,515
Total	**$ 801,510**	**$ 892,193**

See Independent Auditor's Report and notes to financial statements

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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 2022

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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 2022.

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	(142,321)

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	(Resigned on 1.9.2021)
Muhunthan a/l Krishnan	
Vijay Sivaram	
Mok Mei Shien	(Appointed on 1.9.2021)

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 1.4.2021	**Bought**	**Sold**	**As at 31.3.2022**
Kogilavani a/p Periyasamy	62,500	-	(62,500)	-
Muhunthan a/l Krishnan	65,000	-	-	65,000
Mok Mei Shien	-	31,250	-	31,250

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.

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 31 MAY 2022

Signed on behalf of the Board of Directors

VIJAY SIVARAM	)	Directors
MUHUNTHAN A/L KRISHNAN	)	

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2022

	Note	2022 RM	2021 RM
ASSETS			
CURRENT ASSETS			
Trade receivables		53,942	76,684
Deposit		250,000	250,000
Cash and cash equivalents	7	334,877	181,271
Total current assets		638,819	507,955
TOTAL ASSETS		638,819	507,955
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	250,000	250,000
Accumulated losses		(367,103)	(224,782)
Total equity		(117,103)	25,218
CURRENT LIABILITIES			
Other payables and accruals		144,453	70,174
Amount due to a related party	9	611,469	412,563
Total current liabilities		755,922	482,737
TOTAL LIABILITIES		755,922	482,737
TOTAL EQUITY AND LIABILITIES		638,819	507,955

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 2022

	Note	2022 RM	2021 RM
REVENUE	10	308,989	256,124
Less : COST OF SERVICE		(267,113)	(228,956)
GROSS PROFIT		41,876	27,168
Administrative expenses		(184,197)	(134,969)
Loss before taxation	11	(142,321)	(107,801)
Taxation	12	-	-
Loss for the year		(142,321)	(107,801)

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 2022

	Share Capital RM	Accumulated Losses RM	Total Equity RM
Balance at 1st April 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
Non-owner changes in equity			
Loss for the year	-	(142,321)	(142,321)
Total comprehensive loss for the year	-	(142,321)	(142,321)
Balance at 31st March 2022	250,000	(367,103)	(117,103)

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 CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2022

	Note	2022 RM	2021 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(142,321)	(107,801)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES		(142,321)	(107,801)
Decrease/(Increase) in receivables		22,742	(76,684)
Increase in payables		273,185	363,821
NET CASH GENERATED FROM OPERATING ACTIVITIES		153,606	179,336
Net increase in cash and cash equivalents		153,606	179,336
Cash and cash equivalents at beginning of the year		181,271	1,935
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	7	334,877	181,271

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)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2022

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....31 MAY 2022....

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

	2022 RM	2021 RM
Cash at bank	334,877	181,271

8. SHARE CAPITAL

	2022 RM	2021 RM
Issued and fully paid:		
250,000 Ordinary shares	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

	2022 RM	2021 RM
Loss from operations before taxation is stated after charging:-		
Audit fee		
- current year's provision	3,960	4,000
- overprovision in prior year	(449)	-
Employee benefits		
- salary cost and others	158,907	112,248
- defined contribution plan ("EPF")	17,766	15,608

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:-

	2022 RM	2021 RM
Loss before taxation	(142,321)	(107,801)
Taxation at Malaysian Statutory tax rate of 24%	(34,157)	(25,872)
Deferred tax assets not recognised	34,157	25,872
Tax expense for the year	-	-

The Company has available unabsorbed tax losses of RM219,000 (2021: RM76,700) 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 RM76,700 will expire in year of assessment 2027.

The unabsorbed tax losses amounting to RM142,300 will expire in year of assessment 2028.

As at 31st March 2022, the Company had potential deferred tax benefits arising from temporary differences as follows:-

	2022 RM	2021 RM
Unabsorbed tax losses	52,600	18,400

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").

2022 **Financial assets**	Carrying Amount RM	AC RM
Trade receivables	53,942	53,942
Deposit	250,000	250,000
Cash and cash equivalents	334,877	334,877
	638,819	638,819
Financial liabilities		
Other payables and accruals	144,453	144,453
Amount due to a related party	611,469	611,469
	755,922	755,922

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

14. **EMPLOYEES**

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

	2022 No.	2021 No.
Employees	2	3

15. **GOING CONCERN**

At the year end, the Company has accumulated losses of RM367,103 and its current liabilities exceeded its current assets by RM117,103 as at that date. The Company has incurred a net loss of RM142,321 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.

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, VIJAY SIVARAM and MUHUNTHAN A/L KRISHNAN, being two of 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 2022 and financial performance of the Company for the financial year ended 31st March 2022 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

3 1 MAY 2022

VIJAY SIVARAM

MUHUNTHAN A/L KRISHNAN

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

I, MUHUNTHAN A/L KRISHNAN, I/C No. 751206-01-5759, 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 Statutory Declarations Act, 1960.

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

3 1 MAY 2022

Before me,

PESURUHJAYA SUMPAH
W737
MUHAMMAD FAIZ DHARMENDRA BIN ABDULLAH
01 JAN 2021 - 31 DEC 2023
MALAYSIA

MUHUNTHAN A/L KRISHNAN

COMMISSIONER FOR OATHS

No. 30, Tingkat Bawah, Blok B,
Flat PKNS, Jalan Raja Muda Musa,
50300 Kg. Baru, Kuala Lumpur.

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 2022 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 2022 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 RM142,321 during the year ended 31st March 2022 and as at that date, the Company's current liabilities exceeded its current assets by RM117,103. 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.

Suite 1602, 16th Floor, Wisma Lim Foo Yong, 86 Jalan Raja Chulan, 50200 Kuala Lumpur
Tel :03-21105545/27320322(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 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: 3 1 MAY 2022

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 2022

	2022 RM	2021 RM
REVENUE	308,989	256,124
Less : COST OF SERVICES	(267,113)	(228,956)
GROSS PROFIT	41,876	27,168
Less: ADMINISTRATIVE EXPENSES		
Audit fee		
- current year's provision	3,960	4,000
- overprovision in prior year	(449)	-
Bank charges	183	196
EPF, Socso and EIS	20,051	17,801
Filing and secretarial fee	-	766
Professional fee	1,545	-
Printing and stationery	-	491
Travelling	-	579
Tax fee	-	1,081
Salary and allowance	158,907	110,055
	184,197	134,969
LOSS BEFORE TAXATION	(142,321)	(107,801)

Allsectech Manila, Inc.
Trial Balance
As at March 31, 2022 and 2021
(Amounts in PHP)

Particulars	March 31, 2022	March 31, 2021
1101 · Petty Cash Fund	12,500	12,500
1102 · Cash In Bank:1102-5 · BDO - Peso Account	30,720,744	20,861,368
1102 · Cash In Bank:1102-6 · BDO Dollar Account	246,356,615	683,396,052
1102 · Cash In Bank:1102-7 · BDO-BIR-CBC-Hinge Account	3,925,064	3,677,290
1103 · Account Receivables:1103-2 · A/R from Customers	54,633,263	22,846,625
1103 · Account Receivables:1103-4 · A/R from Affiliates	32,863,661	22,948,651
1103 · Account Receivables:1103-5 · Unbilled Charges	7,102,231	10,691,603
1103 · Account Receivables:1103-6 · Accounts Receivable - Others	0	-
1103-3 A/R Others:Provision for Bad Debts	(117,428)	(52,350)
1103-7 A/R Others:Foreign Currency Receivable	61,982,000	-
1103-7-1 A/R Others:Foreign Currency Receivable:Premium on Forward Contract	(292,465)	-
1104 · Advances:1104-1 · Advances to Employees	286,064	317,860
1104 · Advances:1104-2 · Advances to Officers	5,293	18,843
1104 · Advances:1104-4 · Advances to Affiliates	84,451	60,160
1104 · Advances:1104-6 · Advances to Customers	-	-
1104 · Advances:1104-7 · Advances for Liquidation	380,141	349,772
1300 · Property, Plant & Equipment:1304 · CITE	113,195,424	106,805,152
1300 · Property, Plant & Equipment:1304 · CITE:1304-D · Accum Dep - CITE	(101,726,578)	(92,318,246)
1300 · Property, Plant & Equipment:1305 · OFFE	18,977,999	17,847,823
1300 · Property, Plant & Equipment:1305 · OFFE:1305-D · Accum Dep - OFFE	(17,733,771)	(17,537,704)
1300 · Property, Plant & Equipment:1306 · LHI	44,368,953	44,163,953
1300 · Property, Plant & Equipment:1306 · LHI:1306-D · Accum Dep - LHI	(44,198,120)	(44,163,953)
1307 Property, Plant & Equipment:Right of Use Asset	77,064,451	19,498,869
1308 Property, Plant & Equipment:Computer Software & Licenses	2,593,036	-
1308-D Property, Plant & Equipment:Computer Software & Licenses:Accum Amort - Computer Software & Licenses	(1,418,355)	-
1400 Refundable Deposits - Current	105,499	9,845,631
1401 · Prepaid Expenses:1401-1 · Prepaid Rent	197,502	207,386
1401 · Prepaid Expenses:1401-2 · Prepaid Insurance	86,220	131,234
1401 · Prepaid Expenses:1401-4 · Prepaid Others	5,260,511	397,368
1401 · Prepaid Expenses:1401-4 · Prepaid Others:1401-4A · Prepaid Others- Medical	247,655	290,015
1402 · Refundable Deposits	-	-
1402 · Refundable Deposits:1402-1 · Security Deposit - SSECC	8,280,228	-
1402 · Refundable Deposits:1402-3 · Security Deposit - Helius	95,075	95,075
1405 · Input Tax	-	62,358
2000 · Vouchers Payable	(1,929,861)	(1,660,386)
2102 · Accrued Expenses	(4,407,939)	(3,679,341)
2103 · SSS EC Payable	(1,442,520)	(1,358,515)
2104 · SSS Loan Payable	(251,881)	(300,055)
2105 · HDMF Payable	(108,600)	(105,450)
2106 · HDMF Loan Payable	(110,826)	(103,620)
2107 · PHIC Payable	(297,862)	(276,189)
2108 · W/Tax Payable - Expanded	(320,381)	(187,863)
2109 · W/Tax Payable - Compensation	(976,325)	(805,699)
2110 · Income Tax Payable	(6,260,313)	(4,223,621)
2111 · Output Tax	(1,390,675)	(253,873)
2113 Lease Liability - Current	-	(21,727,374)
2121 · Unearned Income	(427,010)	(332,505)
2124 · Withholding Tax - Final	(2,440,791)	(447,555)
2300 · 13th Month Payable	(4,005,461)	(3,747,863)
2301 · Sick Leave Encashment Payable	(1,902,758)	(1,787,030)
2302 · Due to AllsecTechnologies India	(0)	(0)
2303 Foreign Currency Payable	(62,352,000)	-
2401 Lease Liability	(76,437,266)	-
2402 Retirement Liability	(8,282,060)	(7,438,799)
3107 · Subscribed Common Shares	(81,250,000)	(81,250,000)
3201 · Retained Earnings	(681,016,447)	(521,046,014)
3204-1 Other comprehensive income:Remeasurement Loss	(722,842)	248,851
3203 Dividends	601,950,000	-
4202 · Service Income - Call Center	(394,660,358)	(416,049,850)
4203 · Service Income - Payroll	(49,701,158)	(36,847,177)
4207 · Service Income - Fin. Services	(134,274,349)	(96,708,696)
5101-2 · Salaries & Wages - Call Center	101,182,001	107,615,186
5101-5 · Salaries & Wages - Payroll	13,416,162	8,478,884
5101-6 · Salaries & Wages- Fin. Services	13,146,566	6,863,616
5102-2 · EIBA - Call Center	39,188,970	39,593,703
5102-5 · EIBA - Payroll	1,006,363	1,124,674
5102-6 · EIBA-Fin. Services	17,573,444	4,915,886
5103-2 · SSS Contributions - Call Center	8,936,310	9,005,228
5103-5 · SSS Contributions - Payroll	549,390	344,403
5103-6 · SSS Contributions-Fin Services	841,758	421,340
5104-2 · HDMF Contributions - Call Ctr.	474,800	551,900
5104-5 · HDMF Contributions - Payroll	23,600	19,900
5104-6 · HDMF Contributions-Fin.Services	38,500	21,900
5105-2 · PHIC Contributions - Call Ctr.	1,263,980	1,417,327
5105-5 · PHIC Contributions - Payroll	127,980	94,355
5105-6 · PHIC Contributions-Fin.Services	159,979	92,765
5107 · Telephone and Communication	6,480,211	4,425,463
5109 Amortization Expense - ROUA	25,249,947	23,398,643
5110 · Depreciation Expense - CITE	9,408,332	10,813,116
5111 · Rent Expense - COS	26,358,715	(468,857)
5112 · Power, Light and Water - COS	10,598,037	10,672,399
5113 IFRS 16 - Rent Reversal	(28,325,476)	-
5114 IFRS 16 - Finance Cost	1,781,968	-
5116 · Management and Professional Fee	18,164,308	16,127,593
5117 Redundancy Expense	522,385	-
5118 Amortization Expense - CSL	1,418,355	-
5300-2 · 13th Month Expense - CCA	7,018,776	7,880,589
5300-7 · 13th Month Expense - Payroll	938,883	673,011
5300-8 · 13th Month Expense-Fin Services	1,049,761	524,999
5301-2 · Sick Leave Encashment - CC	2,839,213	3,101,318
5301-7 · Sick Leave Encashment - Payroll	415,980	294,246
5301-8 · Sick Leave Encashment-Fin Serv.	307,798	173,791
5302-1 Retirement Expense - DBS	1,467,940	2,906,640
5302-2 Retirement Expense - HRO	(159,482)	179,823

Particulars	March 31, 2022	March 31, 2021
5201-1 · Salaries & Wages - Admin	2,691,920	2,356,514
5201-2 · Salaries & Wages - Staff	8,564,995	7,639,383
5202-1 · EIBA - Admin	30,000	30,000
5202-2 · EBIA - Staff	737,231	706,904
5203-1 · SSS Contributions - Admin	25,860	21,135
5203-2 · SSS Contributions - Staff	553,605	443,935
5204-2 · HDMF Contributions - Staff	27,600	26,600
5205-1 · PHIC Contributions - Admin	10,800	10,800
5205-2 · PHIC Contributions - Staff	109,581	99,045
5206-2 · Trainings - Staff	32,200	4,120
5206-3 Hazard Pay	-	3,477,298
5207 · Medical Expenses	6,712,729	7,138,975
5208 · Telephone Expense	2,914,064	3,811,792
5209 · Rent Expense	4,405,078	7,622,692
5210 · Depreciation Expense	230,233	488,690
5212 · Taxes and Licenses	2,344,906	1,464,781
5213 · Power, Light and Water	62,231	80,368
5214 · Repairs and Maintenance	2,197,694	2,160,025
5216 · Transportation and Travel	15,567,524	8,631,175
5217 · Office Supplies	759,305	460,236
5219 · Insurance Expense	340,308	323,102
5220 · Representation & Entertainment	892,292	563,995
5221 · Common Area Charges	6,019,164	6,019,164
5224 · Recruitment Expenses	2,634,501	1,553,872
5228 · Miscellaneous Expense	5	15,867
5229 · Bank Charges	49,430	52,331
5234 · Security Services	2,859,112	3,410,374
5235 · Janitorial Services	2,481,768	2,250,240
5236 · Holidays Expense	298,884	291,714
5238 · Meal Expenses	829,896	1,431,349
5239 · Professional Fees - External	2,816,286	10,286,009
5241 Postage and courier	77,632	42,297
5242 Retirement Expense	-	-
5242-3 Retirement Expense – Support	506,496	203,485
5243 Bad debts Expense	129,380	52,352
5240 · Interest Expense	-	2,143,755
5300-3 · 13th Month Expense - Admin	157,029	137,463
5300-4 · 13th Month Expense - Staff	679,689	607,792
5301-3 · Sick Leave Encashment - Admin	92,825	80,262
5301-4 · Sick Leave Encashment - Staff	353,957	316,869
5401 · Books & Periodicals	-	(282)
5403 · Utilities and Consumables	580,148	701,698
4301 · Interest Income - Peso Account	(19,635)	(52,603)
4302 · Interest Income - US Dollar A/C	(90,113)	(401,590)
4303 Interest Income from FV of Deposits	(102,225)	-
4401 · Realized Forex Gain (Loss)	573,998	4,116,539
4402 · Unrealized Forex Gain (Loss)	(9,101,953)	26,576,558
4501 · Miscellaneous Income	(1)	(2)
4403 P/L on FC Restatement	826,000	-
4404 Premium Amortisation	(163,535)	-
4405 P/L on FC Delivery	720,400	-
5407 · Income Tax Expense	23,797,072	20,974,372

As per our Report of even date

Melissa S. Delgado

Melissa S. Delgado
Partner, Navarro Amper & Co.
CPA Certificate No. 0091257

Place: Manila, Phillipines
Date: May 02, 2022

DENNIS T. ESTAVILLO
AGM - Finance
Allsectech Manila, Inc.

Allsectech Manila Inc.
Balance Sheet
(All amounts are in PHP, unless otherwise stated)

	Schedules	As at March 31, 2022	As at March 31, 2021
Equity and liabilities			
Shareholders' funds			
Share capital	1	81,250,000	81,250,000
Reserves and surplus	2	288,743,332	680,767,596
		369,993,332	**762,017,596**
Non-current liabilities			
Lease Liability	3	76,437,266	-
Retirement Liability	3	8,282,060	7,438,799
		84,719,326	**7,438,799**
Current liabilities			
Sundry creditors - others	4	8,667,568	7,459,262
Sundry creditors - non Trade	4	362,707	403,676
Accrued salaries and benefits	4	4,005,461	3,747,863
Lease liability	4	-	21,727,374
Provision for taxation	4	6,260,313	4,223,621
Other liabilities	4	7,639,618	3,435,145
		26,935,668	**40,996,939**
Total		**481,648,326**	**810,453,333**
Assets			
Non-current assets			
Fixed assets	5	91,123,039	34,295,894
Other non-current assets	6	8,375,303	95,075
		99,498,342	**34,390,969**
Current assets			
Cash and bank balances	8	281,014,923	707,947,210
Trade receivables	7	94,481,726	56,434,528
Short-term loans and advances	9	755,948	808,993
Prepayments and other current assets	10	5,897,387	10,871,634
		382,149,984	**776,062,365**
Total		**481,648,326**	**810,453,333**

As per our Report of even date

Melissa S. Delgado

Melissa S. Delgado
Partner, Navarro Amper & Co.
CPA Certificate No. 0091257

Place: Manila, Phillipines
Date: May 02, 2022

For Allsectech Manila Inc.

Dennis T. Estavillo
AGM - Finance
Allsectech Manila, Inc.

Allsectech Manila Inc.
Schedules to the Financial Statements
(Amounts in PHP)

		As at March 31, 2022	As at March 31, 2021
1	**Share Capital**		
	Capital Stocks - Common	81,250,000	81,250,000
		81,250,000	**81,250,000**
2	**Reserves and Surplus**		
	Reserves and surplus	681,016,447	521,046,014
	Profit for the period	208,954,044	159,970,433
	Dividends	(601,950,000)	-
	Remeasurement loss on retirement liability - OCI	722,842	(248,851)
	Net reserves and surplus in the statement of profit and loss	**288,743,332**	**680,767,596**
3	**Other Long-Term Liabilities**		
	Lease Liability	76,437,266	-
	Retirement liability	8,282,060	7,438,799
		84,719,326	**7,438,799**
4	**Current liabilities**		
	Sundry creditors - non trade	362,707	403,676
	Sundry creditors - others	8,667,568	7,459,262
	Accrued salaries and benefits	4,005,461	3,747,863
	Lease liability	-	21,727,374
	Provision for taxation	6,260,313	4,223,621
	Forward Contract Liabilities - net	662,465	-
	Other liabilities	6,977,153	3,435,145
		26,935,668	**40,996,939**
5	**Fixed Assets**		
	Property and equipment	176,542,375	168,816,928
	Right-of-use asset	77,064,451	19,498,869
	Intangible asset	2,593,036	-
	Accumulated depreciation	(165,076,823)	(154,019,903)
		91,123,039	**34,295,894**
6	**Other Non-current Assets**		
	Other financial assets - non current	8,375,303	95,075

Allsectech Manila Inc.
Schedules to the Financial Statements
(Amounts in PHP)

		As at March 31, 2022	As at March 31, 2021
7	**Current trade receivable (unsecured)**		
	Considered good	94,599,155	56,486,878
	Allowance for expected credit losses	(117,428)	(52,350)
		94,481,726	**56,434,528**
8	**Cash and bank balances**		
	Cash on hand	12,500	12,500
	Balance with banks		
	- in current accounts	281,002,423	707,934,710
		281,014,923	**707,947,210**
9	**Short-term loans and advances (Unsecured, considered good unless stated otherwise)**		
	Advances recoverable in cash or in kind or for value to be received	671,497	748,833
	Loan to subsidiary [including accrued interest of Rs. 990 (previous year - Rs. 120)]	84,451	60,160
		755,948	**808,993**
10	**Prepayments and other current assets**		
	Prepayments and other current assets	5,897,387	10,871,634
		5,897,387	**10,871,634**

Melissa A. Delgado

Melissa S. Delgado
Partner, Navarro Amper & Co.
CPA Certificate No. 0091257

Place: Manila, Phillipines
Date: May 02, 2022

Dennis T. Estavillo
AGM - Finance
Allsectech Manila, Inc.

Allsectech Manila Inc.
Statement of Comprehensive Income
(All amounts are PHP, unless otherwise stated)

	Schedules	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations(net)		578,635,865	549,605,723
Other loss - net	11	7,357,063	(30,238,903)
Total revenue (I)		**585,992,927**	**519,366,820**
Expenses			
Employee cost and benefits	12	237,380,854	222,872,998
Other expenses	13	77,722,694	78,652,482
Total (II)		**315,103,548**	**301,525,481**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		**270,889,380**	**217,841,339**
Finance costs	14	1,831,398	2,196,086
Depreciation and amortization expense		36,306,866	34,700,448
Profit before tax		**232,751,115**	**180,944,804**
Provision for taxation			
Current tax		23,797,072	20,974,372
Profit for the year		**208,954,044**	**159,970,433**
Item that will not be Reclassified Subsequently to Profit or Loss			
Remeasurement loss on defined benefit obligati	2	722,842	(248,851)
Total Comprehensive Income for the Year		**209,676,886**	**159,721,582**

As per our Report of even date

Melissa S. Delgado

Melissa S. Delgado
Partner, Navarro Amper & Co.
CPA Certificate No. 0091257

Place: Manila, Phillipines
Date: May 02, 2022

For Allsectech Manila Inc.

Dennis T. Estavillo
AGM - Finance
Allsectech Manila, Inc.

Allsectech Manila Inc.
Schedules to the Financial Statements
(Amounts in PHP)

		For the year ended March 31, 2022	For the year ended March 31, 2021
11	**Other loss - net**		
	Interest	211,972	454,193
	Others (loss)	7,145,091	(30,693,096)
		7,357,063	**(30,238,903)**
12	**Employee costs and benefits**		
	Salaries, wages and allowances	225,356,573	205,977,438
	Recruitment and training	2,666,701	1,557,992
	Staff welfare	9,357,579	15,337,569
		237,380,854	**222,872,998**
13	**Other expenses**		
	Management and professional fee	18,164,308	16,127,593
	Rent and amenities	8,457,480	13,172,999
	Electricity	10,660,269	10,752,767
	Professional and consultancy charges	2,816,286	10,286,009
	Travel and conveyance	15,645,156	8,673,472
	Telephone	9,394,275	8,237,255
	Repairs and maintenance		
	- Plant and machinery	2,197,694	2,160,025
	- Others	5,340,880	5,660,614
	Rates and taxes	2,344,906	1,464,781
	Miscellaneous expenses	1,339,458	1,177,520
	Other selling expenses	1,021,673	616,346
	Insurance	340,308	323,102
		77,722,694	**78,652,482**
14	**Finance costs**		
	Bank charges	49,430	52,331
	Interest - others	1,781,968	2,143,755
		1,831,398	**2,196,086**

Melissa S. Delgado

Melissa S. Delgado
Partner, Navarro Amper & Co.
CPA Certificate No. 0091257

Dennis T. Estavillo
AGM - Finance
Allsectech Manila, Inc.

Place: Manila, Phillipines
Date: May 02, 2022

HIMMER INDUSTRIAL SERVICES (M) SDN. BHD.
Registration No : 201601014831 (1185762-T)
(Incorporated in Malaysia)

ANNUAL REPORT

31 DECEMBER 2022

S.Y.LOW & CO.
Chartered Accountants

HIMMER INDUSTRIAL SERVICES (M)SDN.BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company was dormant during the financial year.

RESULTS OF OPERATIONS

Profit / (Loss) after taxation for the financial year was RM(8,508.62).

In the opinion of the directors, the results of the Company's operations during the financial yearwere not substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

No material transfers to or from reserves or provisions were made.

DIVIDENDS

The directors do not recommend payment of a dividend and no dividend has been paid or declared since the end of the previous financial year.

SHARE ISSUES AND OPTIONS

No shares or debentures were issued, and no options to take up unissued shares were granted during the financial year and at the end of the financial year, no options over unissued shares of the Company were outstanding.

DIRECTORS

The directors in office since the date of last report are :-

VIJAY SIVARAM

JEYASUBRAMANIAM A/L N.NARAYANAN (Appointed on 1-3-2023)

NORAFIZA BINTI HASHIM (Resigned on 1-3-2023)

ABANG ISKANDAR BIN ABANG MU'AS (Resigned on 1-3-2023)

The directors holding office at the end of the financial year had interests in shares of the Company and its related corporations as follows:-

	Number of Ordinary Shares			
	at 01-01-2022	Bought	Sold	at 31-12-2022
The Company	Nil	Nil	Nil	Nil
Related Corporations	Nil	Nil	Nil	Nil

None of the directors holding office at the end of the financial year had interest in shares of the Company and its related corporations.

DIRECTORS' BENEFITS

Neither at the end of, nor at any time during the financial year did there subsist any arrangements, to which the Company is a party, whereby directors might 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 directors of the Company has received or has become entitled to receive a benefit, 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.

AUDITORS' REMUNERATION

Auditors' remuneration of the Company for the financial year ended 31 December 2022 amounted to RM 2,000.

OTHER STATUTORY INFORMATION

Before the Statement of Comprehensive Income and the Statement of Financial Position were made out, the directors took reasonable steps :-

(a) to ascertain that proper action has 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 had been written off and that adequate allowance had been made for doubtful debts;

(b) to ensure that any current assets which were unlikely to realise their book value in the ordinary course of business were written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render :-

(a) the amount written off for bad debts or the allowance for doubtful debts inadequate to any substantial extent;

(b) the values attributed to current assets in the financial statements misleading;

(c) adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in the report or the financial statements which would render any amounts stated in the financial statements misleading.

At the date of this report :-

(a) no charges on the assets of the Company have arisen since the end of thefinancial yearto secure the liabilities of any other person;

(b) no contingent liabilities have arisen since the end of the financial year.

In the opinion of the directors :-

(a) no contingent or other liability have become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due;

(b) in the interval between the end of the financial year and the date of thisreport, no item, transaction or event of a material and unusual nature likely to affect substantially the results of the Company's operations for the financial year in which this report is made, have arisen.

Registration No : 201601014831 (1185762 - T)

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 (JEYASUBRAMANIAM A/L N.NARAYANAN)	DIRECTOR (VIJAY SIVARAM)

Kuala Lumpur,

Dated : 26 JUL 2023

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 2022 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 (JEYASUBRAMANIAM A/L N.NARAYANAN)

....
DIRECTOR (VIJAY SIVARAM)

Dated : 26 JUL 2023

STATUTORY DECLARATION
(Pursuant to Section 251(1) of the Companies Act, 2016)

I, JEYASUBRAMANIAM A/L N.NARAYANAN (NRIC NO : 540522-08-5409)
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 26 JUL 2023)

....
JEYASUBRAMANIAM A/L N.NARAYANAN

Before me,

PESURUHJAYA SUMPAH
W 905
CHEONG MUN HOW
01.12.2022-31.12.2024
MALAYSIA

NO. 31-1A, JALAN PANDAN 3/10,
PANDAN JAYA
55100 KUALA LUMPUR

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HIMMER INDUSTRIAL SERVICES (M)SDN.BHD.
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of HIMMER INDUSTRIAL SERVICES (M)SDN. BHD., which comprise the statement of financial position as at 31 December 2022, 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 and other explanatory information, as set out on pages 9 to 19.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, 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' 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 11 in the financial statements, which indicatesthat the Company's statement of financial position shows a deficiency of working capital of RM(284,622.98) and an accumulated losses of RM(384,622.98) as compared with the paid-up share capital of RM100,000.00. As stated in Note 11, these events or conditions, 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 has 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 :-

i) 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;

ii) 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;

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

iv) Conclude on the appropriateness of the Director'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 uncertaintyexists, 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;

v) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company 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.

S.Y. LOW & CO.
Firm No. AF 1093
CHARTERED ACCOUNTANTS
87-1, JalanPuduUlu,
56100 Kuala Lumpur.

LOW SOOK YEE
C.A.(M)
Approval No.1691/8/23 (J)

Dated : 26 JUL 2023

HIMMER INDUSTRIAL SERVICES (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	2022 RM	2021 RM
NON CURRENT ASSETS			
Property, plant and equipment	5	0.00	1,412.72
		0.00	1,412.72
CURRENT ASSETS			
Cash and bank balances		30,435.91	40,538.21
		30,435.91	40,538.21
TOTAL ASSETS		30,435.91	41,950.93
EQUITY			
Share capital	6	100,000.00	100,000.00
Accumulated losses		(384,622.98)	(376,114.36)
		(284,622.98)	(276,114.36)
CURRENT LIABILITIES			
Other payables and accruals	7	301,753.89	304,760.29
Amount owing to directors	8	13,305.00	13,305.00
		315,058.89	318,065.29
TOTAL LIABILITIES		315,058.89	318,065.29
TOTAL EQUITY AND LIABILITIES		30,435.91	41,950.93

The accompanying notes form part of these financial statements.

HIMMER INDUSTRIAL SERVICES (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM	2021 RM
REVENUE		0.00	0.00
ADMINISTRATIVE EXPENSES		(4,916.70)	(14,498.10)
OTHER OPERATING EXPENSES		(3,591.92)	(3,912.22)
PROFIT / (LOSS) before taxation	9	(8,508.62)	(18,410.32)
TAXATION	10	0.00	0.00
TOTAL COMPREHENSIVE INCOME/ (LOSS) after taxation		(8,508.62)	(18,410.32)

The accompanying notes form part of these financial statements.

HIMMER INDUSTRIAL SERVICES (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	SHARE CAPITAL RM	ACCUMULATED LOSSES RM	TOTAL RM
Balance as at 31-12-2020	100,000.00	(357,704.04)	(257,704.04)
Profit / (Loss) for the year	0.00	(18,410.32)	(18,410.32)
Balance as at 31-12-2021	100,000.00	(376,114.36)	(276,114.36)
Profit / (Loss) for the year	0.00	(8,508.62)	(8,508.62)
Balance as at 31-12-2022	100,000.00	(384,622.98)	(284,622.98)

HIMMER INDUSTRIAL SERVICES (M) SDN. BHD.
(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(8,508.62)	(18,410.32)
Adjustment for :-		
Depreciation	1,412.72	1,412.72
Operating profit / (loss) before working capital charges	(7,095.90)	(16,997.60)
Other payables and accruals	(3,006.40)	638.60
Amount owing to directors	0.00	6,675.00
Net cash flows from operating activities	(10,102.30)	(9,684.00)
Net increase / (decrease) in cash and cash equivalents	(10,102.30)	(9,684.00)
Cash and cash equivalents at beginning of year	40,538.21	50,222.21
Cash and cash equivalents at end of year	30,435.91	40,538.21

HIMMER INDUSTRIAL SERVICES (M)SDN.BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was dormant during the financial year.

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is at D-2-5, Megan Avenue 1,189 Jalan Tun Razak, 50400 Kuala Lumpur.

The principal place of business of the Company is at Unit 25-13A, Level 25, Q Sentral, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

The financial statements were approved and authorised for issue by the Board of Directors on 26 JUL 2023

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared on the historical cost basis and in compliance with the Malaysian Private Entities Reporting Standard (MPERS) and the provisions of the Companies Act, 2016.

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

Management has used estimates and assumptions in measuring the reported amount of assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reported period. Judgements and assumptions are applied in the measurement and hence, the actual results may not coincide with the reported amounts.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 FINANCIAL INSTRUMENTS

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

Financial instruments are recognised on the statement of financial position when the Company has become a party to the contractual provisions of the instrument. At initial recognition, a financial instruments is recognised at transaction price, including transaction costs if the financial instruments is not measured at fair value through profit or loss, except a financing transaction. Financing transactions are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Basic financial instruments include cash, debt instruments (receivables and payables), commitments to receive loans that cannot be settled net in cash, investments in non-convertible preference shares and non-puttable ordinary or preference shares.

FINANCIAL INSTRUMENTS THAT ARE DEBT INSTRUMENTS MEASURED AT AMORTISED COST

At the end of each reporting period, an entity shall measure financial instruments as follows, without any deduction for transaction costs the entity may incur on sale or other disposal.

Subsequent to initial recognition, debts instruments are measured at amortised cost using the effective interest method, whilst commitments to receive a loan are measured at cost less impairment.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the carrying amount of the financial assets.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired or settled.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets are classified as at fair value through profit or loss when the financial assets are within the scope of Section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

A financial liability is derecognised only when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires. An exchange between an existing borrower and lender of financial instruments with substantially different terms are 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 is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.2 PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are initially measured at cost. For purchased asset, cost comprises purchase price plus directly attributed costs incurred in bringing the asset to its present location and condition for management's intended use.

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives. The useful lives of the respective classes of property, plant and equipment are as follows :-

	Useful life (years)
Computer	5

At the end of each reporting period, the residual values, useful lives and depreciation methods 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.

Gain or loss arising from the disposal of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the statement of comprehensive income.

3.3 SHARE CAPITAL

Share capital issued by the Company is recognised at the proceeds received. Dividends on ordinary shares will be recognized as liabilities when the shareholders' rights to receive the dividends are established.

3.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash balances, deposits and other short term, highly liquid investments that are readily convertible to cash and are subject to insignificant risk of changes in value.

3.5 IMPAIRMENT OF ASSETS

The carrying amounts of the non financial assets are reviewed at each reporting date to determine whether there is any indication of impairment.

Where there is an indication of impairment, the carrying value of such assets are written down immediately to the respective recoverable amounts. The impairment loss is recognized in the statement of comprehensive income immediately.

Reversal of impairment losses recognized in prior years is recorded when here is an indication that the impairment losses recognized for the asset no longer exist or have decreased. Reversals of impairment loss are recognized as an income immediately in the statement of comprehensive income.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements 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 recognised in the period in which the estimate is revised and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following :-

i.) Depreciation of property, plant and equipment

The cost of a 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 depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to gain or loss on an eventual disposal of an item of property, plant and equipment.

5. PROPERTY, PLANT AND EQUIPMENT

COST

	Balance at 01-01-2022 RM	Balance at 31-12-2022 RM
Computer	7,063.60	7,063.60

ACCUMULATED DEPRECIATION

	Balance at 01-01-2022 RM	Charge for the year RM	Balance at 31-12-2022 RM
Computer	5,650.88	1,412.72	7,063.60

COST

	Balance at 01-01-2021 RM	Balance at 31-12-2021 RM
Computer	7,063.60	7,063.60

ACCUMULATED DEPRECIATION

	Balance at 01-01-2021 RM	Charge for the year RM	Balance at 31-12-2021 RM
Computer	4,238.16	1,412.72	5,650.88

CARRYING AMOUNT

	Balance at 31-12-2022 RM	Balance at 31-12-2021 RM
Computer	0.00	1,412.72

6. SHARE CAPITAL

	2022 RM	2021 RM
Issued and fully paid 100,000 ordinary shares	100,000.00	100,000.00

7. OTHER PAYABLES AND ACCRUALS

	2022 RM	2021 RM
Other payables	298,853.89	294,671.89
Accrual of expenses	2,900.00	10,088.40
	301,753.89	304,760.29

8. AMOUNT OWING TO DIRECTORS

No fixed terms of repayment have been arranged for these unsecured, interest free balances.

9. PROFIT / (LOSS) BEFORE TAXATION

This is arrived at after charging / (crediting) :-	2022 RM	2021 RM
Auditor's remuneration	2,000.00	3,000.00
Depreciation	1,412.72	1,412.72
Director's emoluments	0.00	18,000.00

10. TAXATION

Subject to agreement with the Inland Revenue Board, unabsorbed losses carried forward amounted to RM 202,163 (2021 : RM 203,575)

11. GOING CONCERN ASSUMPTION

The statement of financial position shows a deficiency of working capital of RM(284,622.98) and an accumulated losses of RM(384,622.98) as compared with the paid-up share capital of RM100,000.00. However, the account are prepared on a going concern basis. The ability of the Company to continue as a going concern is dependent upon the continued availability of adequate finance.

12. FINANCIAL INSTRUMENTS

	2022 RM	2021 RM
FINANCIAL ASSETS		
Financial assets measured at amortised cost		
Cash and bank balances	30,435.91	40,538.21
	30,435.91	40,538.21
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost		
Other payables and accruals	301,753.89	304,760.29
Amount owing to directors	13,305.00	13,305.00
	315,058.89	318,065.29

INDEPENDENT AUDITOR'S REPORT

To the Shareholders' of QUESS SERVICES LIMITED

Opinion

We have audited the financial statements of **QUESS SERVICES LIMITED**, which comprise the statement of financial position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 31 March, 2022 and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Organization as at 31 March, 2022, in all material respects of the financial position and its financial performance for the period then ended in accordance with **International Financial Reporting Standards (IFRSs).**

Basis for 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 entity in accordance with the international Ethics Standards Board for Accountants, Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 your attention to the Statement of profit or loss and other comprehensive income, which indicate that the company incurred a net loss during the year ended March 31, 2022.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 Organization'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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 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 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. This risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, international omissions, misrepresentations, or the override of internal control.

ARTISAN Dhaka

- 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure 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 Organization'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 repot to the related disclosure in the financial statements or, if such disclosure 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 Organization's 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 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.

Limitations of our procedures

Our tests were limited to document reviews and interviews with office employees. Within the scope of work covered by this report, we have not participated in any activities with external stakeholders and have only conducted limited testing aimed at verifying the validity of information provided by the entity.

Report on other legal and regulatory requirements

We also report that:

(a) We have obtained all the information and explanation which to best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof.

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

(c) The Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of accounts.

Dr. ASM Hossain Tayiab FCA
Partner
Enrol. No.: 0977
ARTISAN
Chartered Accountants

Dated: 15.12.2022
Place: Dhaka

Quess Services Limited
Statement of Financial Position
As at 31 March 2022

	Notes	31-Mar-22 Taka	31-Mar-21 Taka
Assets			
Non-current assets			
Property, plant & equipment	4	-	120,800
		-	**120,800**
Current Assets			
Cash & cash equivalents	5	3,087,009	203,341
Trade and other receivables	6	-	4,717,102
Advance, deposit & prepayment	7	700,405	938,459
		3,787,414	**5,858,902**
Total Assets		**3,787,414**	**5,979,702**
Equity & Liabilities			
Equity			
Share capital	8	4,200,000	4,200,000
Retained earnings		(4,796,002)	(4,530,947)
		(596,002)	**(330,947)**
Non-current Liabilities			
Intercompany Loan	9	3,350,741	3,350,741
		3,350,741	**3,350,741**
Current Liabilities			
Trade and other payables	10	-	1,917,442
Other current liabilities	11	1,032,676	1,042,466
		4,383,416	**6,310,649**
Total Equity & Liabilities		**3,787,414**	**5,979,702**

These financial statements should be read in conjunction with the annexed notes.

Mr. Lohit Bhatia
Chairman

Mr. Kundan Kumar Lal
Director

Dr. ASM Hossain Tayiab FCA
Partner
Enrol. No. 977
ARTISAN
Chartered Accountants

Place: Dhaka
Date: 15.12.2022

ARTISAN Dhaka Chartered Accountants

Quess Services Limited
Statement of profit or loss and other comprehensive income
For the Period ended 31 March 2022

	Notes	31-Mar-22 Taka	31-Mar-21 Taka
Revenue	12	17,921,079	32,508,772
Operating expenses	13	(15,027,659)	(29,134,244)
Gross profit		**2,893,420**	**3,374,528**
Administrative expenses	14	(3,083,475)	(5,033,773)
Other Income /(expenses)	15	32,723	(113,712)
Profit before tax		**(157,332)**	**(1,772,957)**
Income tax expenses	11.4	(107,723)	(195,091)
Profit/(loss) for the year		**(265,055)**	**(1,968,048)**
Other comprehensive income		-	-
Total comprehensive income for the year		**(265,055)**	**(1,968,048)**

These financial statements should be read in conjunction with the annexed notes.

Mr. Lohit Bhatia
Chairman

Mr. Kundan Kumar Lal
Director

Dr. ASM Hossain Tayiab FCA
Partner
Enrol. No. 977
ARTISAN
Chartered Accountants

ARTISAN Dhaka Chartered Accountants

Place: Dhaka
Date: 15.12.2022

Quess Services Limited
Statement of Changes in equity
For the period ended 31 March 2022

Particulars	Share Capital	Retained Earnings	Total
Opening balance as at 1 April 2021	4,200,000	(4,530,947)	(330,947)
Profit/(loss) for the period	-	(265,055)	(265,055)
Balance as at 31 March 2022	**4,200,000**	**(4,796,002)**	**(596,002)**

Statement of Changes in equity
For the period ended 31 March 2021

Particulars	Share Capital	Retained Earnings	Total
Opening balance as at 1 April 2020	4,200,000	(2,562,899)	1,637,101
Profit/(loss) for the period	-	(1,968,048)	(1,968,048)
Balance as at 31 March 2021	**4,200,000**	**(4,530,947)**	**(330,947)**

These financial statements should be read in conjunction with the annexed notes.

Mr. Lohit Bhatia
Chairman

Mr. Kundan Kumar Lal
Director

ARTISAN
Dhaka
Chartered Accountants

Quess Services Limited
Statement of Cash Flows
For the period ended 31 March 2022

	31-Mar-22 Taka	31-Mar-21 Taka
A. Cash flows from operating activities		
Net profit/(loss) for the year	(265,055)	(1,968,048)
Add: Depreciation	55,040	94,353
Less: Profit/(loss) on disposal	(35,240)	-
Adjusted profit/(loss)	(245,255)	(1,873,695)
Changes in working capital:		
(Increase)/decrease in trade and other receivables	4,717,101	(3,122,129)
(Increase)/decrease in advance deposit & prepayment	238,054	(50,209)
Increase/(decrease) in trade and other payable	(1,917,442)	1,177,143
Increase/(decrease) in other current liabilities	(9,790)	655,745
Net cash used in operating activities	**2,782,669**	**(3,213,145)**
B. Cash flows from investing activities		
Disposal of property, plant and equipment	101,000	-
Net cash used in investing activities	**101,000**	-
C. Cash flows from financing activities		
Inter company loan	-	-
Proceeds from share capital	-	-
Net cash from financing activities	-	-
D. Net change in cash and cash equivalents (A+B+C)	**2,883,669**	**(3,587,145)**
E. Opening cash and cash equivalents	**203,341**	**3,790,486**
F. Cash and cash equivalents as at 31 March 2022 (D+E)	**3,087,009**	**203,341**

These financial statements should be read in conjunction with the annexed notes.

Mr. Lohit Bhatia
Chairman

Mr. Kundan Kumar Lal
Director

ARTISAN Dhaka Chartered Accountants

Quess Services Limited
Notes to the Financial statements
As at and for the period from 01 April 2021 to 31 March 2022

1.0 Reporting entity

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 Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).
Details of the company's accounting policies, including changes during the period, if any, are included in Notes-03.

2.1 Authorization for issue

These financial statements were authorized for issue by the Board of Directors of the company on ....

2.2 Other regulatory compliances

The Company is required to comply with following major laws and regulations along with the Companies Act 1994:

The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax and Supplementary Duty Act, 2012
The Value Added Rules Tax and Supplementary Duty Rules, 2016
The Customs Act, 1969

2.3 Reporting period

The financial year of the company covers the period from 01 April 2021 to 31 March 2022. As this is the first year of operation of the company comparative statements and balances are not available.

2.4 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk./BDT), which is the company's functional currency. All financial information presented in Taka has been rounded to the nearest integer.

2.5 Use of judgements and estimates

In preparing these financial statements, management has made 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. Revision to estimates are recognized prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

ARTISAN Dhaka Chartered Accountants

(b) Assumptions and estimation uncertainties

Information about assumptions, estimation and uncertainties that have a significant risk of resulting in a material adjustment in the period ending 31 March 2020 is included in the following notes:

3.0 Significant accounting policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements. Comparative information has been rearranged wherever considered necessary to conform to the current period's presentation. Rearranged wherever considered necessary to conform to the current period's presentation.
Details of the significant accounting policies of the company are set out below.

3.1 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.1.1 Financial assets

The company classifies non-derivative financial assets into financial assets 'at amortized cost, 'held-to-maturity' financial assets, 'loans and receivables' or 'available-for-sale' financial assets. Financial assets includes cash and cash equivalents, trade and other receivables, investment and advance, deposits and prepayments.

The company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the company is recognized as a separate financial asset or liability.

i. Financial assets measured at amortised cost

Financial assets are classified as "financial assets at amortized cost" if both of the following conditions are met:
• the financial assets are held within a business model for which the objective is to hold financial 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 amount outstanding.
Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost using the effective interest method, less any impairment. Interest income based on the effective interest rate is recognized in profit or loss.

ARTISAN Dhaka Chartered Accountants

ii. Debt financial assets at fair value through other comprehensive income

Financial assets are classified as "debt financial assets at FVTOCI" if both of the following

- the financial assets are held within a business model for which the objective is achieved by both collecting contractual cash flows and selling financial assets; 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 amount outstanding.

Subsequent to initial recognition, debt financial assets at FVTOCI are measured at fair value, and gains or losses arising from changes in fair value are recognized in other comprehensive income. Any cumulative amounts recognized in other comprehensive income are reclassified to profit or loss upon derecognition. Foreign exchange gains and losses arising on monetary financial assets classified as debt financial assets at FVTOCI and interest income calculated using the effective interest method relating to debt financial assets at FVTOCI are recognized in profit or loss.

iii. Equity financial assets at fair value through other comprehensive income (FVT(

At initial recognition, the Company has made an irrevocable election for equity financial assets that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income and classifies such investments as "equity financial assets at FVTOCI." Subsequent to initial recognition, equity financial assets at FVTOCI are measured at fair value, and gains or losses arising from changes in fair value are recognized in other comprehensive income.

As at the balance sheet date the company had no financial assets at fair value through other comprehensive income.

iv. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as "financial assets at FVTPL," if they are classified as neither "financial assets at amortized cost," "debt financial assets at FVTOCI," nor "equity financial assets at FVTOCI."

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value and gains or losses arising from changes in fair value, dividend income and interest income are recognized in profit or loss.

v. Impairment of financial assets

A loss allowance is recognized for expected credit losses on financial assets at amortized cost, debt financial assets at FVTOCI, and contract assets under IFRS 15 "Revenue from Contracts with Customers." At each fiscal period-end, the Company assesses whether the credit risk on financial assets has increased significantly since initial recognition. If the credit risk on financial assets has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to the 12-month expected credit losses. If the credit risk on financial assets has increased significantly since initial recognition or for credit impaired financial assets, the Company measures the allowance account for the financial assets at an amount equal to the lifetime expected credit losses. However, the Company always measures the loss allowance at an amount equal to the lifetime expected credit losses for trade receivables and contract assets.

The carrying amount of financial assets is directly reduced against the loss allowance when the Company has no reasonable expectations of recovering financial assets in their entirety, or a portion thereof.

ARTISAN Dhaka Chartered Accountants

3.1.2 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'financial liabilities measured at amortized cost' and the classification is determined at initial recognition. Company's financial liabilities mainly include trade and other payables and loans and borrowings.

i. Financial liabilities at fair value through profit or loss (FVTPL)

Non-derivative financial liabilities are classified into "financial liabilities at FVTPL" when the entire hybrid contract, including more than one embedded derivative, is designated and accounted for as a financial liability at FVTPL. Subsequent to initial recognition, liabilities at FVTPL are measured at fair value and gains or losses arising from changes in fair value and interest costs are recognized in profit or loss.

ii. Financial liabilities measured at amortized cost

Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method (EIR). Gains and losses are recognized in profit or 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. Other financial liabilities include loans and borrowings, trade and other payables.

Financial assets and financial liabilities are offset, and the net amounts are presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.2 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. provisions ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provisions presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.3 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Foreign currency differences are generally recognized in profit or loss. For this period Net Foreign exchange loss are recognised as Tk. 2,517.

ARTISAN Dhaka Chartered Accountants

3.4 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue based on the obligations performed under the contract. The entity recognises revenue when it transfers control over a product or service to a customer. Revenue from the rendering of services recognized by the reference to the stage of completion of the transaction, when the following conditions are met.

Contract balances

Contract asset: An entity's right to consideration in exchange for goods or services that the entity has transferred to a customer.

Contract liability: An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer.

Receivable: An entity's right to consideration that is unconditional (only the passage of time is required before payment of that consideration is due).

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

	31 March 2022
Receivables	-
Contract assets	-
Contract liabilities	-

Tk. 17,921,079 of revenue is recognized from performance obligations satisfied (or partially satisfied) for the period from 01 April 2021 to 31 March 2022.

At the reporting date no goods or services were completed for which invoice was not issued, as a result no contract assets is recognized. The contract assets are transferred to receivables when the rights become unconditional. Advances received from the contract with customers during the reporting period are recognized in the financial statement as liability.

Cost relating to obtaining the contract has not been capitalized as it is already been expensed in prior periods.

3.5 Current Tax

Provision for the Income Tax has been made as per The Income Tax Ordinance, 1984 as amended up to Finance Act 2021.

3.6 Events after reporting period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.7 Going concern

The financial statements of the company are prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon company's ability to continue as a going concern.

ARTISAN Dhaka Chartered Accountants

Quess Services Limited
Notes to the Financial statements
As at and for the period from 01 April 2021 to 31 March 2022

			31-Mar-22	31-Mar-21
			Taka	Taka
4.0	**Property, plant & equipment**			
	Opening balance		285,918	285,918
	Add: Addition during the year		-	-
			285,918	**285,918**
	Less: Accumulated depreciation	(Note 4.1)	(220,158)	(165,118)
	Less: Disposal during the year		(65,760)	-
	Written down value		-	**120,800**
4.1	**Accumulated depreciation**			
	Opening balance		165,118	70,765
	Add: Charged for the year		55,040	94,353
			220,158	**165,118**
	Less: Disposal during the year		(220,158)	-
			-	**165,118**
5.0	**Cash & cash equivalents**			
	Cash in hand		6	405
	Cash at bank	(Note: 5.1)	3,087,003	203,057
			3,087,009	**203,462**
5.1	**Cash at bank**			
	BRAC Bank		44,684	72,897
	Standard Chartered Bank		3,042,319	130,160
			3,087,003	**203,057**
6.0	**Trade and other receivables**			
	Opening balance		4,717,101	878,339
	Add: Addition during the year		(2,801,916)	1,923,577
	Add: Accrued Revenue	(Note: 6.1)	(1,915,185)	1,915,185
			-	**4,717,101**
6.1	**Accrued Revenue**			
	Opening balance		1,915,185	718,125
	Add: Addition during the year		-	1,915,185
	Adjustment during the year		(1,915,185)	(718,125)
			0	**1,915,185**
7.0	**Advance, deposit & prepayment**			
	Rent security advance	(Note: 7.1)	-	561,000
	Advance income tax	(Note: 7.2)	700,405	317,991
	Insurance premium		-	59,467
			700,405	**938,459**

ARTISAN Dhaka Chartered Accountants

Quess Services Limited
Notes to the Financial statements
As at and for the period from 01 April 2021 to 31 March 2022

			31-Mar-22 Taka	31-Mar-21 Taka
7.1	**Rent security advance**			
	Opening balance		561,000	888,250
	Less: Adjustment during this year		(561,000)	327,250
			-	**561,000**
			44,651	**44,286**
7.2	**Advance income tax**		**Taka**	**Taka**
	Opening balance		317,991	-
	Less: Adjustment during this year		382,414	317,991
			700,405	**317,991**
8.0	**Share capital**			
	Authorized:			
	500,000 ordinary share of Tk 100 each		50,000,000	50,000,000
	Issued, subscribed and paid up:			
	42,000 ordinary share of Tk 100 each		**4,200,000**	**4,200,000**

Number and percentage of shareholdings as at 31 March 2022

Shareholders	Weight	No. of Share	Each share value	Share price
Quess Corp Limited, India Represented By: Mr. Lohit Bhatia	90%	41,990	100	4,199,000
Mr. Kundan Kumar Lal	10%	10	100	1,000
Total		**42,000**		**4,200,000**

			31-Mar-22	31-Mar-21
9.0	**Intercompany Loan**			
	Quess Corp. Limited, India		**3,350,741**	**3,350,741**
10.0	**Trade and other payables**			
	Salary payable-core	(Note:10.1)	-	121,072
	Salary payable-associates	(Note:10.2)	-	1,174,907
	Nokia payable		-	71,463
	Office rent payable		-	550,000
			-	**1,917,442**
10.1	**Salary payable-core**			
	Opening balance		121,072	146,072
	Less: Adjustment during the year		(121,072)	(25,000)
			-	**121,072**
10.2	**Salary payable-associates**			
	Opening balance		1,174,907	594,228
	Add: Adjustment during the year		(1,174,907)	580,679
			-	**1,174,907**

ARTISAN Dhaka Chartered Accountants

Quess Services Limited
Notes to the Financial statements
As at and for the period from 01 April 2021 to 31 March 2022

			31-Mar-22	31-Mar-21
			Taka	Taka
11.0	**Other current liabilities**			
	Withholding Tax payable		-	-
	TDS payable	(Note: 11.1)	1,247	57,551
	VAT payable	(Note: 11.2)	448,615	353,183
	VDS payable	(Note: 11.3)	-	105,163
	Utility payable		-	53,190
	Service benefit		-	138,572
	Audit fees		35,000	35,000
	Acnabin payable		245,000	85,000
	Internet bill payable		-	9,524
	Water bill payable		-	1,180
	Income tax payable	(Note: 11.4)	302,814	204,103
			1,032,676	**1,042,466**

11.1	**TDS payable**		
	TDS due on current year	-	10,010
	TDS payable-Salary	1,247	47,541
		1,247	**57,551**
11.2	**VAT payable**		
	Opening balance	353,183	310,916
	Add: Addition during this year	536,883	238,617
	Less: Adjusted during the year	(441,451)	(196,350)
		448,615	**353,183**
11.3	**VDS payable**		
	Opening balance	105,163	196,350
	Less: Adjustment during this year	(105,163)	91,187
		-	105,163

11.4 Provision for taxation

In accordance to Income Tax Ordinance 1984 under section 82C Minimum Tax, Company required to pay Corporation tax based on their gross receipt which is irrespective of its profit or Loss

Gross receipt during the period		**Rate**	**Taka**	**Taka**
Revenue	17,921,079	0.60%	107,526	195,053
Other Income	32,723	0.60%	196	38
	17,953,802		**107,723**	**195,091**
Prior year adjustment			-	9,012
Add: Provision of previous year			204,103	-
Less: Paid during the year			(9,012)	-
Total			**302,814**	**204,103**

			44,651	44,286
12.0	**Revenue**		**Taka**	**Taka**
	Sales of service		**17,921,079**	**32,508,772**

ARTISAN Dhaka Chartered Accountants

Quess Services Limited
Notes to the Financial statements
As at and for the period from 01 April 2021 to 31 March 2022

	31-Mar-22 Taka	31-Mar-21 Taka
13.0 Cost of sales		
Associates salary	15,027,659	29,134,244

	31-Mar-22	31-Mar-21
14.0 Administrative expenses		
Stationery	5,430	21,851
Mobile bill	5,158	14,220
Internet bill	33,334	72,857
Courier	60	7,755
Conveyance	28,642	23,315
Legal fees	9,878	9,883
Core Employee Salary	1,433,782	1,931,920
Core salary-TDS	-	15,088
Cleaner salary	16,000	22,000
Office Rent & Bills	770,000	1,705,000
VDS on office rent	115,500	255,750
Miscellaneous	5,776	1,149
Utility Expense	76,282	158,294
Entertainment	2,012	16,653
Consultancy fee	491,111	466,244
Water bill	2,763	6,983
Fine & penalty	9,914	98,895
Decoration	-	25,555
Advertisement	-	4,900
Depreciation	55,040	94,353
Bank Charges	18,340	22,605
ID print expense	4,453	26,299
IT Maintenance	-	32,204
	(3,083,475)	(5,033,773)

	31-Mar-22	31-Mar-21
15.0 Other Income/Expense		
Other income	35,240	6,374
Exchange loss/gain	(2,517)	(120,086)
	32,723	(113,712)

16.0 Related parties

During the year the company carried out a number of transactions with related parties in the normal course of business and "on an arms length basis", the name of the related parties, nature of the transaction and their balances at the year end set out below:

Transaction with the parent and related entities

Nature of transaction	Quess Corp. Limited, India Parent Company	Quess Corp. Limited, India Parent Company
Opening balance	3,350,742	3,350,742
Reimbursable expenses	-	-
Settlement	-	-
Balance as at 31 March 2022	3,350,742	3,350,742

ARTISAN Dhaka Chartered Accountants

Quess Services Limited
Notes to the Financial statements
As at and for the period from 01 April 2021 to 31 March 2022

17.0 Other disclosures

There are 1 permanent employees appointed by Quess Services Limited as on 31 March 2022.

No material events had occurred after the reporting period to the date of issue of these financial statements which could affect the values stated in the financial statements.

17.1 Reporting period

These financial statements cover from 01 April 2021 to 31 March 2022.

ARTISAN
Dhaka
Chartered Accountants

Quess Services Limited
Schedule of Property, Plant & Equipment
As at 31 March 2022

Amounts in BDT

SN.	Particulars	Cost				Rate %	Depreciation				Written down value
		Opening balance	Addition/transfer during the period	Adjustment/ disposal during the period	Closing balance		Opening balance	Charged during the period	Adjustment/ disposal during the period	Closing balance	
1	IT Equipments	285,918		285,918	-	33%	165,118	55,040	220,158	-	-
	Balance as at 31 March 2022	-	-	**285,918**	-		**165,118**	**55,040**	**220,158**	-	-
	Balance as at 1 April 2021	**285,918**	-	-	**285,918**		**70,765**	**94,353**		**165,118**	**120,800**

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 2022

BHMJ

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QUESSCORP MANAGEMENT CONSULTANCIES
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For the Year Ended 31 March 2022

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GENERAL INFORMATION

Entity's Name	:-	**QUESSCORP MANAGEMENT CONSULTANCIES**
Legal Status	:-	Sole Establishment
Owner	:-	Mr. Lohit Bhatia Om Parkash Bhatia
Registered Office Address	:-	P O Box-32936 Dubai United Arab Emirates
Bank	:-	Abu Dhabi Commercial Bank
Auditors	:-	Bin Hamad Mathew Joseph & Associates Chartered Accountants Est. Dubai United Arab Emirates

QUESSCORP MANAGEMENT CONSULTANCIES
DUBAI, UNITED ARAB EMIRATES

OWNER'S REPORT

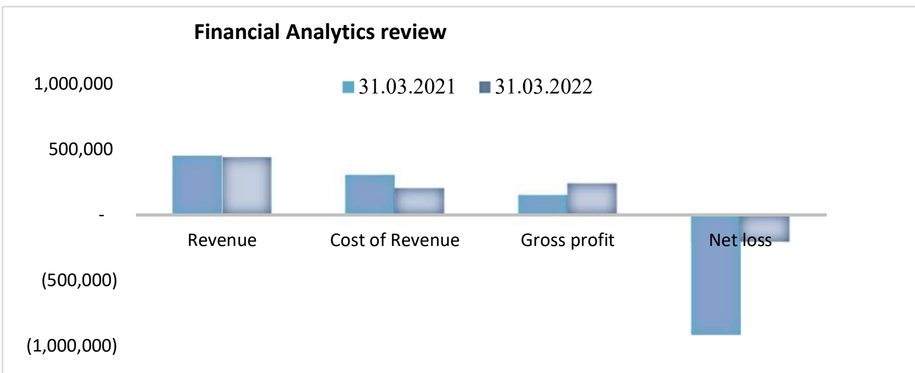
The owner has pleasure in presenting this report and the audited financial statements for the year ended 31.03.2022

Principal activities of the Entity :

The main business activities of the establishment are facilities resources planning consultancy, marketing research & consultancies, management consultancies.

Financial Overview:

	31.03.2022	31.03.2021
	(AED)	(AED)
Revenue	442,007	453,248
Cost of Revenue	202,791	303,180
Gross profit	**239,216**	**150,068**
Net loss	**(200,631)**	**(910,776)**
Gross profit margin	**54%**	**33%**



Role of the owner:

The Owner 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 owner 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.

QUESSCORP MANAGEMENT CONSULTANCIES
DUBAI, UNITED ARAB EMIRATES

OWNER'S REPORT

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 owner to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the company 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 owner 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 company and enables them to ensure that the financial statements comply with the requirements of applicable statute. The owner 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 company'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
25th April, 2022

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 2022 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 2022 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

25th April, 2022

QUESSCORP MANAGEMENT CONSULTANCIES

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Notes	31.03.2022	31.03.2021
ASSETS		(AED)	(AED)
Current assets			
Cash and Bank Balances	5	47,670	183,016
Accounts and Other Receivables	6	283,021	161,540
Total Current Assets		**330,691**	**344,556**
Non Current assets			
Property, plant and equipment	7	-	1,492
Total Non Current Assets		**-**	**1,492**
TOTAL ASSETS		**330,691**	**346,048**
EQUITY AND LIABILITIES			
Current Liabilities			
Accounts & Other Payables	8	428,550	4,090,571
Total Current Liability		**510,166**	**4,090,571**
Non Current Liabilities			
Provision for employee's end of service benefits	9	289,581	252,198
UnsecuredLoan	10	3,728,296	-
Total Non Current Liability		**4,017,877**	**252,198**
Total Liability		**4,528,043**	**4,342,769**
EQUITY			
Capital	11	200,000	200,000
Retained Earnings		(4,576,380)	(4,375,749)
Owner's Current Account		179,028	179,028
Total Equity		**(4,197,352)**	**(3,996,721)**
TOTAL EQUITY & LIABILITIES		**330,691**	**346,048**

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 25th April, 2022 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 2022

	Notes	31.03.2022 (AED)	31.03.2021 (AED)
Revenue	12	442,007	453,248
Cost of Revenue	13	(202,791)	(303,180)
GROSS PROFIT		**239,216**	**150,068**
Operating Expenses			
General and Administrative Expenses	14	(185,458)	(516,262)
Depreciation	7	(1,492)	(3,000)
Other Income/(Expenses)			
Finance Cost	15	(252,897)	(541,582)
PROFIT/(LOSS) FOR THE YEAR		**(200,631)**	**(910,776)**
Other Comprehensive Income/Loss		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(200,631)**	**(910,776)**

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 25th April, 2022 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 2022

	Capital	Retained Earnings	Owner's Current Account	Total
	(AED)	**(AED)**	**(AED)**	**(AED)**
As at 01.04.2020	**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)**
Profit/(Loss) for the year	-	(200,631)	-	(200,631)
Movements during the year	-	-	-	-
Transfer during the year	-	-	-	-
As at 31.03.2022	**200,000**	**(4,576,380)**	**179,028**	**(4,197,352)**

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 25th April, 2022 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 2022

	31.03.2022 (AED)	31.03.2021 (AED)
Operating Activities		
Net Profit/(Loss) for the year	(200,631)	(910,776)
Adjustments for :-		
Depreciation	1,492	3,000
Provision for employees' end of service benefits	37,383	52,613
Operating profit before changes in working capital	**(161,756)**	**(855,163)**
Changes in Working Capital		
Decrease/(Increase) in Accounts & Other Recievables	(121,481)	4,249,259
Increase/(Decrease) in Accounts & Other Payables	(3,662,021)	(3,315,091)
Net Changes in Working Capital	**(3,701,886)**	**934,168**
Cash (used in) generated from operating activities	**(3,863,642)**	**79,005**
Net Cash (used in) generated from operating activities	**(3,863,642)**	**79,005**
Net Changes in Borrowings	3,728,296	-
Net Cash (used in) generated from Financing Activities	**3,728,296**	**-**
Net Increase/(Decrease) in Cash & Cash Equivalents	(135,346)	79,005
Cash & Cash Equivalents at the beginning of the year	183,016	104,011
Cash & Cash Equivalents at the end of the year	**47,670**	**183,016**

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 25th April, 2022 on behalf of the management by :-

AUTHORISED SIGNATORY **AUDITOR'S REPORT ATTACHED**

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

1.1 QUESSCORP MANAGEMENT CONSULTANCIES (the entity) is a sole 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 Parkash Bhatia** a citizen of India.

1.3 Service Agent

Service Agent of this establishment is Mr. Khadim Obaid Khadim Mohammed a citizen of UAE

1.4 Business Activities

The main business activities of the establishment are facilities resources planning consultancy, marketing research & consultancies, management consultancies.

1.5 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 2022 [Current Year]
The previous year figures relate to the year ended 31 March 2021 [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.

CHARTERED ACCOUNTANTS EST. MATHEW JOSEPH & ASSOCIATES

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 CASH EQUIVALENTS

	31.03.2022	31.03.2021
	(AED)	(AED)
Balance with Banks	47,670	183,016
	47,670	**183,016**

6 ACCOUNTS AND OTHER RECEIVABLES

	31.03.2022 (AED)	31.03.2021 (AED)
Accounts Receivables	33,377	31,698
Refundable Deposit	122,138	7,000
Prepaid Expenses	4,639	4,969
Advance to Staff	25,798	10,000
Loans and Advances	1,000	86,069
Other Receivables	96,069	21,804
	283,021	**161,540**

7 RELATED PARTY BALANCES

The Establishment, in the normal course of business carries out transactions with other business enterprises that fall within the definition of a related party. The Establishment believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties. Related parties include companies and establishments under common ownership and common management and control their partners and key management personnel.

	31.03.2022 (AED)	31.03.2021 (AED)
Due to Related Parties		
Quesscorp Holdings PTE LTD (Dubai Branch)	81,616	-
	81,616	**-**

7 PROPERTY, PLANT AND EQUIPMENTS

Movements in property, plant and equipment are shown in page no.25

8 ACCOUNTS AND OTHER PAYABLES

	31.03.2022 (AED)	31.03.2021 (AED)
Accounts Payables	214,197	382,708
Loans & Advances	-	2,663,388
Accrued Expenses	214,353	236,216
Other Payable	-	808,259
	428,550	**4,090,571**

9 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	31.03.2022 (AED)	31.03.2021 (AED)
Balance as at 1 st April	252,198	199,585
Adjusted		
Charge for the Year	37,383	52,613
Paid during the Year	-	-
Balance as at 31st March	**289,581**	**252,198**

10 UNSECURED LOAN

	31.03.2022 (AED)	31.03.2021 (AED)
Unsecured loan	3,728,296	
	3,728,296	**-**

11 CAPITAL

The capital of the Sole Establishment :- **AED 200,000** (Refer Note 1.2)

12 REVENUE

	31.03.2022 (AED)	31.03.2021 (AED)
Revenue	442,007	453,248
	442,007	**453,248**

13 COST OF REVENUE

	31.03.2022 (AED)	31.03.2021 (AED)
Direct Expenses	202,791	303,180
	202,791	**303,180**

14 GENERAL AND ADMINISTRATIVE EXPENSES

	31.03.2022 (AED)	31.03.2021 (AED)
Salaries & Allowances	86,071	380,378
Rent	12,980	16,692
Legal & Professional Charges	10,913	66,182
Communication Expense	38,943	34,925
Bank Charges	36,551	16,253
Other Expenses	-	1,832
	185,458	**516,262**

15 FINANCE COST

	31.03.2022 (AED)	31.03.2021 (AED)
Finance Charges	252,897	541,582
	252,897	**541,582**

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

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.

	31.03.2022	**31.03.2021**
	(AED)	**(AED)**
Financial Assets		
Accounts & Other Receivables (*Less:-Prepayments*)	278,382	156,571
Cash and Bank Balances	47,670	183,016
	326,052	**339,587**
Financial Liabilities		
Accounts & Other Payables	428,550	4,090,571
Related Party	81,616	-
Employees end of service benefits	289,581	252,198
	799,747	**4,342,769**

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

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 01.04.2020	**161,495**	**58,808**	**220,303**
Additions	-	-	-
Disposals	-	-	-
As at 31.03.2021	**161,495**	**58,808**	**220,303**
Additions	-	-	-
Disposals	-	-	-
As at 31.03.2022	**161,495**	**58,808**	**220,303**
Accumulated Depreciation			
As at 01.04.2020	**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**
Charge during the Year	-	*1,492*	***1,492***
Disposal	-	-	-
As at 31.03.2022	**161,495**	**58,808**	**220,303**
Net Book Value			
As at 31.03.2022	-	-	-
As at 31.03.2021	-	**1,492**	**1,492**