Purpose. People. Performance.

Subsidiary Annual Report
2021-22
Volume - I, II, III

Tech Mahindra

INDEX

VOLUME - I

INDEX

VOLUME - II

INDEX

VOLUME - III

TECH MAHINDRA (AMERICAS), INC.

Board of Directors
Mr. Manish Vyas
Mr. Lakshmanan Chidambaram
Mr. T N Manoharan
Mr. Guruprasad R Iyengar

Business Office
5700, Democracy Drive
Suite # 2000, Plano
TX 75024 USA

Bankers
HSBC Bank
JPMorgan Chase Bank
Citi Bank
DBS

Auditors
Catrakilis Kraitzick Hrabova, CPAs and Advisors, LLC

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Corporation for the year ended March 31, 2022.

Financial Results:

For the year ended March 31	2022 USD	2022 INR	2021 USD	2021 INR
Income	**1,100,056,945**	**81,932,241,264**	992,012,421	72,526,028,385
Profit/(Loss) before tax	**75,064,312**	**5,590,789,958**	83,608,349	6,112,606,419
Profit/(Loss)after tax	**59,458,264**	**4,428,451,503**	63,278,329	4,626,278,651

Review of operations:

During the fiscal year under review, the Corporation achieved an income of USD 1,100 Million (equivalent to INR 81.93 billion). The Corporation continues to invest in strengthening its business in the USA which is the largest IT market in the World. The increase in business and the focus on right sizing the USA operations while preparing for the next level of growth has helped the Corporation to earn healthy level of profits in the last few years.

Acquisitions / Incorporations / Mergers / Investments:

On May 7, 2021, Corporation has acquired 100% stake in Digital OnUs, Inc. for the total purchase consideration of USD 120 Million with an upfront consideration of USD 90 Million (adjusted for working capital and net debt), USD 10 mn linked to retention of key employees and the balance USD 20 mn will be paid at the end of FY22, FY23 and FY24 linked to performance based on capability expansion and penetration in Tech Mahindra accounts.

On June 18, 2021, Corporation has acquired 100% stake in Eventus Solutions Group, LLC for the total purchase consideration of USD 44 Million with an upfront consideration of USD 32 Million (adjusted for Net Debt and Working Capital) and balance will be paid at the end of FY22 and FY23 linked to financial performance and downstream revenue targets.

On October 25, 2021, Corporation has acquired 100% stake in Infostar LLC for the total purchase consideration of USD 105 Million with an upfront consideration of USD 55 Million. Membership Interest Purchase Agreement (MIPA) provides for the aggregate payment by the Corporation at the closing of the transactions contemplated therein (the "Closing") of approximately USD 55 million (excluding adjustment for net working capital and the bank balance), subject to certain adjustments as set forth in the MIPA, as well as earn-outs and other deferred payments after Closing not to exceed USD 43 million.

On November 17, 2021, Corporation has acquired 100% stake in Brainscale Inc. for the total purchase consideration of USD 26.7 million with an upfront consideration of USD 9.9 million and balance will be paid on capability expansion and penetration in Tech Mahindra accounts.

On December 3, 2021, Corporation has acquired 100% stake in Activus Connect LLC for the total purchase consideration of USD 62 Million with an upfront consideration of USD 40 Million and balance will be paid based on certain revenue and EBITDA targets as defined in the Equity Interest Purchase Agreement (EIPA).

On December 31, 2021, Corporation has acquired 100% stake in Green Investments LLC for the total purchase consideration of USD 122.4 Million with an upfront consideration of USD 92.4 Million and balance will be paid over 3 years linked to performance based on revenue growth and EBITDA.

On February 28, 2022, Corporation has acquired 100% stake in Citisoft Inc., for the total purchase consideration of GBP 9,650,000 (USD 12.6 million) as defined in the purchase agreement.

Incorporations:

Incorporated a wholly owned subsidiary under the laws of State of Delaware, United States of America in the name of "Healthnxt Inc." on April 27, 2021.

Mergers:

- Tech Mahindra Healthcare Systems Holdings LLC & Tech Mahindra Healthcare LLC are merged with The CJS Solutions Group, LLC w.e.f 22-June-2021.
- In February 2022 Tech Talenta Inc., Inc was merged with Tech Mahindra (Americas) Inc.

Board:

Mr. Manish Vyas, Mr. Lakshmanan Chidambaram, Mr. T N Manoharan, Mr. Guruprasad R Iyengar are the members of the Board of Directors.

Outlook for the current year:

The Corporation believes that the investments made over the last few years in cultivating long term relationships with existing & prospective customers will result in further increase in business.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Corporation. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder(s) for the co-operation and assistance received from them.

Manish Vyas
Director & President

Place: Texas
Date: June 9, 2022

TECH MAHINDRA (AMERICAS), INC.

INDEPENDENT AUDITOR'S REPORT

To: Board of Directors

Tech Mahindra (Americas), Inc. a New Jersey Corporation,

a wholly owned subsidiary of Tech Mahindra Limited, an India Corporation

Plano, Texas

Qualified Opinion

We have audited the accompanying financial statements of Tech Mahindra (Americas), Inc., incorporated in New Jersey ("the Corporation"), which comprise the balance sheets as of March 31, 2022 and 2021, and the related statements of operations and comprehensive income, cash flows and changes in stockholder's equity, for the years then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report the financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra (Americas), Inc. as of March 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("US GAAP"). 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 required to be independent of Tech Mahindra (Americas), Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The group's accounting policies require the company to consolidate its subsidiaries with controlling interest. For the purposes of these Ind AS Financial Statements, the Balance Sheet and Statement of Profit and Loss of its subsidiaries, Lightbridge Communications Corporation, Objectwise Consulting Group, Zen3 Infosolutions (America) Inc., Digital OnUS Inc., Eventus Solutions Group, LLC, The CJS Solutions Group, LLC, Tech Mahindra Credit Solutions Inc., HealthNxt Inc. and Mad*Pow Media Solutions, LLC, Austin GIS Inc., Brainscale Inc., Infostar LLC (Lodestone), Activus Connect LLC and Activus Connect PR, Green Investments LLC (Allyis) and Citisoft Inc. have not been consolidated. The non-consolidation of the abovementioned controlling interest subsidiaries is not in accordance with the group's accounting policies. The effects of this departure from the group's accounting policies on the Balance Sheet and Statement of Operations and Comprehensive Income, have not been determined.

The accounting treatment for the Corporation's investments in Zen3 Infosolutions (America) Inc., Brainscale Inc., Citisoft Inc., Infostar LLC (Lodestone) and Lightbridge Communications Corporation was provided by group management and therefore out of scope for the purpose of this report. The potential effect of this departure from accounting standards on the Balance Sheet and Statement of Operations and Comprehensive Income, have not been determined.

Other matters

As discussed in various notes to the financial statements, the Corporation has had numerous transactions with the parent (Tech Mahindra Limited) and affiliated companies.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules of Revenue and Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been

subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tech Mahindra (Americas), Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Tech Mahindra (Americas), Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tech Mahindra (Americas), Inc.'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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CKH CPA's and Advisors, LLC
Atlanta, Georgia
May 24, 2022

TECH MAHINDRA (AMERICAS), INC.

BALANCE SHEETS AS OF MARCH 31,

(All amounts are in USD)

	Notes	2022	2021
Current assets			
Cash and cash equivalents	3	8,168,697	6,671,655
Accounts receivable, net	4	3,326,050	5,349,112
Employee advances		273,953	59,098
Due from parent company	23	28,919,453	111,497,948
Due from affiliated companies	5	4,053,480	1,307,128
Prepaid expenses and other current assets		74,519,121	46,992,561
Income tax receivable		9,504,317	8,360,203
Notes receivable from affiliated companies	5	26,438,932	7,000,000
Equity securities	11	637,638	10,000,000
		155,841,641	197,237,705
Non-current assets			
Goodwill, net		65,596	65,596
Property and equipment, net	7	18,114,164	13,052,380
Intangible assets, net	8	6,730,363	8,637,100
Operating lease right-of-use assets	19	6,041,252	9,556,097
Investment in subsidiaries	9	795,755,611	345,253,494
Equity securities	11	1,250,000	3,000,001
Deferred tax asset	6	25,041,288	29,247,564
Security deposits		483,419	456,481
Other assets	12	43,231,535	93,674,248
		896,713,228	502,942,961
Total assets		**1,052,554,869**	700,180,666
Current liabilities			
Accounts payable		36,456,558	11,670,311
Accrued expenses and other current financial liabilities	16	165,077,638	139,665,861
Deferred revenue		302,500	427,200
Due to parent company	23	30,211,801	27,669,486
Due to affiliated companies	15	4,462,747	5,308,900
Note payable to affiliated company	14	13,221,409	5,000,000
Short-term debt	13	124,499,946	132,000,000
Operating lease liabilities - short-term	19	3,050,583	4,256,480
Deferred compensation		1,904,976	-
		379,188,158	325,998,238
Non current liabilities			
Operating lease liabilities - long-term	19	3,941,755	5,695,523
Other non - current financial liabilities	16	124,279,248	89,418,390
		128,221,003	95,113,913
Total liabilities		**507,409,161**	421,112,151
Stockholder's equity			
Equity attributable to stockholder of the Corporation		545,145,708	279,068,515
Total liabilities and stockholder's equity		**1,052,554,869**	700,180,666
Commitments and contingencies (Note 20)			

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021

(All amounts are in USD)

	Notes/ Schedules	2022	2021
Revenue	I	**1,100,056,945**	**992,012,421**
Operating expenses			
Personnel	II	(555,957,265)	(581,813,739)
Subcontracting expenses	III	(307,430,018)	(221,010,117)
Software, hardware and project specific expenses		(103,646,838)	(77,163,276)
General and administrative and other expenses	IV	(48,198,799)	(39,798,368)
Movement in doubtful provision		(889,990)	65,621
Allowance for accounts receivables due from affiliated companies		-	4,669,999
Amortization	8	(1,906,737)	(2,512,117)
Depreciation	7	(11,532,823)	(10,801,326)
Total operating expenses		**(1,029,562,470)**	**(928,363,323)**
Operating income		**70,494,475**	**63,649,098**
Non-operating income/(expenses):			
Other income		423,468	698,198
Impairment of notes and other receivables issued to affiliated companies	5	4,078,808	(4,078,808)
Interest income		170,637	1,055,803
Interest expenses		(3,713,415)	(2,067,440)
Finance costs		(1,082,342)	(1,490,072)
Change in fair value of contingent consideration		4,692,681	(4,158,429)
Equity in income of equity method investees	1(a)	-	29,999,999
Income before income tax expense		**75,064,312**	**83,608,349**
Income tax expense	6	(15,606,048)	(20,330,020)
Net income		**59,458,264**	**63,278,329**
Other comprehensive loss:			
Profit (loss) on hedge activity		2,292,069	375,166
Comprehensive income		**61,750,333**	**63,653,495**

All revenue and profit for the year is generated from continuing operations.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021

(All amounts are in USD)

	2022	2021
Cash flows from operating activities		
Net income	59,458,264	63,278,329
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	1,906,737	2,512,117
Depreciation	11,532,823	10,801,326
Deferred income tax expense	4,206,276	(1,639,900)
Provision for losses on accounts receivables	889,990	(65,621)
Provision for losses on accounts receivables due from affiliated company	-	(4,669,999)
Impairment of notes issued to affiliated companies	(4,078,808)	4,078,808
Equity in losses of equity method investee	-	(29,999,999)
Change in fair value of contingent consideration	(4,692,681)	4,158,429
Finance cost	1,082,342	1,490,072
Deferred contract costs - amortization of other asset	40,084,145	29,725,525
Amortization of deferred employees costs	-	1,361,445
Lease expense	4,286,525	4,549,751
Merger transaction with related entity by common control	3,431,250	-
(Increase) decrease in operating assets		
Accounts receivable, net	1,133,072	2,801,759
Employee advances	(214,855)	882,199
Due from parent company	82,578,495	(30,549,026)
Due from affiliated companies	(2,746,352)	9,857,497
Prepaid expenses and other current assets	(27,526,560)	(37,865,127)
Income tax receivable	(1,144,114)	(1,333,467)
Security deposits and other assets	(26,938)	38,680
Increase (decrease) in operating liabilities		
Accounts payable	24,786,247	(17,697,611)
Accrued expenses and other current liabilities	30,104,458	(1,025,007)
Deferred revenue	(124,700)	427,200
Due to parent company	2,542,315	(2,868,683)
Due to affiliated companies	(846,153)	(30,596,756)
Operating lease payments	(3,731,345)	(4,756,068)
Other non – current financial liabilities	46,429,153	8,060,220
Net cash provided by (utilized in) operating activities	**271,224,562**	**(19,043,907)**

	2022	2021
Cash flows from investing activities		
Capital expenditures	(16,594,607)	(9,759,210)
Investment in subsidiaries, associates and financial asset	(449,389,754)	(16,672,590)
Advances on notes receivable from affiliated companies	(15,360,124)	(8,188,907)
Proceeds from liquidation of shares in equity securities	10,000,000	-
Proceeds from merger transaction with related entity by common control	895,610	-
Net cash used in investing activities	**(470,448,875)**	**(34,620,707)**
Cash flows from financing activities		
Net borrowings from short-term debt	(7,500,054)	25,250,000
Note payable to affiliated company	8,221,409	(32,500,000)
Common stock issued	200,000,000	-
Net cash used in financing activities	**200,721,355**	**(7,250,000)**
Increase (decrease) in cash and cash equivalents	1,497,042	(60,914,614)
Cash and cash equivalents at beginning of year	6,671,655	67,586,269
Cash and cash equivalents at end of year	**8,168,697**	**6,671,655**
Supplemental disclosure of cash flow information:		
Cash paid for interest	(640,077)	(344,891)
Cash paid for income taxes	(14,943,886)	(23,303,435)

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021

(All amounts are in USD)

	Notes	Common stock	Additional paid in capital	Accumulated other comprehensive income / (loss)	Accumulated retained earnings	Total stockholder's equity
Balance at April 1, 2020		**170,521,745**	**(4,050,493)**	**(1,631,335)**	**50,575,103**	**215,415,020**
Net income		-	-	-	63,278,329	63,278,329
Other comprehensive loss		-	-	375,166	-	375,166
Balance at March 31, 2021		**170,521,745**	**(4,050,493)**	**(1,256,169)**	**113,853,432**	**279,068,515**
Net income		-	-	-	59,458,264	59,458,264
Other comprehensive income		-	-	2,292,069	-	2,292,069
Merger transaction with related entity by common control		-	4,326,860	-	-	4,326,860
Common stock issued		129,870,129	70,129,871	-	-	200,000,000
Balance at March 31, 2022		**300,391,874**	**70,406,238**	**1,035,900**	**173,311,696**	**545,145,708**

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) NATURE OF OPERATIONS

Tech Mahindra (Americas) Inc. ("TMA" or "the Corporation"), is a wholly owned subsidiary of Tech Mahindra Limited ("TML"), which is incorporated in the Republic of India. TMA was incorporated in the State of New Jersey on November 29, 1993, and provides computer consulting and programming support services.

On March 6, 2012, TMA formed Tech Talenta, Inc. (TechT). TechT is a Texas corporation, which is 100% owned (500,000 shares of $1.00 par value) by TMA and is accounted for on the cost method. TechT is engaged in the business of recruitment, fulfillment and ongoing management of local temporary contractor resources in the areas of IT Development, Product Engineering, IT System Support and Operations for clients across North America. On February 28, 2022, TMA merged with TechT ("Parent-Sub-Merger") where TMA shall be the corporation surviving the Parent-Sub-Merger and have received all of the property, rights, privileges, franchises, patents, trademarks, trade name, licenses and other assets of TechT. The balance of the investment is reported at $ nil, refer to Note 21 for further details.

The Corporation acquired a 100% investment in Lightbridge Communications Corporation (LCC), a Delaware Corporation on February 6, 2015, which is accounted for on the cost method. LCC provides integrated end-to-end solutions for wireless voice and data communications networks with offerings ranging from high level technical consulting to system design and optimization services, ongoing operations and maintenance services, and deployment services.

On March 3, 2015, TMA purchased 600,000 shares of Series A preferred stock of $0.001 par value per share of Avion Networks, Inc. ("Avion"), a Delaware corporation. Avion is in the business of providing engineering and technology services to customers in the telecommunication industry. TMA owns 30% of Avion and accounts for this investment under the equity method. The carrying value of investment was $ nil for both March 31, 2022 and 2021 after management carried out an impairment test which resulted in the impairment of the carrying value in Avion amounting to $3 million. Consequently, the Corporation recognized $ nil and $ nil of after-tax income from Avion during both years ended March 31, 2022 and 2021.

On May 4, 2017 the Corporation acquired CJS through Tech Mahindra Healthcare Systems Holding LLC., a Delaware Limited Liability Company. CJS is a consulting firm that specializes in providing resources to plan, manage, build, optimize and generally assist in the implementation of electronic medical records system ("EMR") in hospitals and health care systems.

On July 31, 2019, TMA acquired 65% membership interests of Mad*Pow Media Solutions, LLC. ("Mad*Pow"), at a cost of $16.7 million. TMA is bound to obtain the remaining interest over a period of three years subsequent to the initial acquisition date. The fair value of the embedded forward contract at the date of purchase was determined to be $11.6 million which represents the mandatorily obligation of TMA to acquire the remaining shareholding. During November 2020 and September 2021, the Corporation acquired an additional 23.34%, increasing the holding to 88.34%.

In October 2019 TMA's newly formed Canadian subsidiary, Tech Mahindra Canada, Inc. acquired 100% interest in Objectwise Consulting Group Inc.("Objectwise"). Subsequent to the acquisition Tech Mahindra Canada, Inc. amalgamated with Objectwise as the surviving entity.

On April 8, 2020 an amended purchase agreement was executed between the Corporation and the sellers of Zen3 Infosolutions America Inc. (incl. subsidiaries)("Zen 3"). The board of directors approved a total purchase consideration of $64 million. This agreement stipulated that ZenIndia shares would be acquired by Tech Mahindra Limited and a minority holder (holding 1 ZenIndia share). The transaction costs linked to the purchase agreement represents a prepayment towards contingent liabilities resulting from the acquisition. A total of $34.6 million has been paid to the seller. An additional amount of $4 million will be paid out equally over the next 2 years (at the end of each fiscal year). TMA paid $10.6 million linked to the earn-out during the current financial year. The remaining balance will be available as an earn-out payment potential and is currently totaling and estimated $11.6 million. The balance of the investment as at Match 31, 2022 was reported at $51.34 million.

On October 21, 2020, the Corporation acquired a 6% stake in Vitaltech Holdings ("Vitaltech") to the value of $3 million. The Corporation has not exercised the option to acquire an additional 8% shareholding in Vitaltech. The Warrants issued to the Corporation at the time of the initial investment is contingent on performance measures and the 36 month vesting period. TMA transferred the investment in Vitaltech to the newly formed subsidiary, HealthNxt Inc. (HealthNxt). HealthNxt was incorporated on April 27, 2021. The Corporation also made a capital contribution amounting to $2.4 million during the year. This has resulted in an investment being recognized in TMA of $5.4 million as at March 31, 2022.

During December 2020, TMA contributed capital of $100,000 towards a newly formed subsidiary, Tech Mahindra Credit Solutions Inc. ("TMCS").

The Corporation acquired 100% of the equity shareholding in Digital Onus, Inc. along with its subsidiaries in Canada and Mexico on May 7, 2021. The total purchase consideration is $120 million out of which $90 million, adjusted for net debt and working capital, was payable upfront. The balance of the investment was reported at $117.99 million at March 31, 2022. The remaining amount is linked to future performance and the retention of key employees and deferred consideration payable over the next three years. Digital Onus is focused on Cloud Native Development and Hybrid Cloud Automation services.

The Corporation acquired 100% of the equity shareholding in Eventus Solutions Group, LLC on June 18, 2021. The total purchase consideration is $44 million, adjusted for net debt and working capital, out of which $32 million was payable upfront. The balance of the investment was reported at $46.49 million at March 31, 2022. The remaining amount is linked to the retention and performance of key employees, financial performance and downstream revenue targets which will be paid out over the next two years. Eventus offers end-to-end customer engagement solutions, such as consulting, cloud based tools and automation services, and managed services.

The Corporation acquired 13.8% of the equity shareholding in Austin GIS, the Board of Directors approved the acquisition on August 26, 2021. The investment value amounts to $1.25 million. Austin GIS is a IoT/5G services provider that specializes in providing a wholistic Infrastructure as a Service (IaaS) solution offering. The entity was incorporated in 2021.

The Corporation acquired 100% of the equity shareholding in Brainscale Inc. on November 17, 2021 for a purchase consideration of $26.7 million, adjusted for net debt and working capital, out of which $9.9 million was payable upfront. The remaining amount is linked to the retention and performance of key employees, financial performance and downstream revenue targets which will be paid over the next three years. The balance of the investment was reported at $22.35 million at March 31, 2022. Brainscale is a Cloud focused business with expertise in Cloud Consulting, Enablement, Application Development and Data Analytic, headquartered in Princeton, New Jersey.

The Corporation acquired 100% of the equity shareholding in Infostar LLC on October 25, 2021 for a purchase consideration including earn-outs and other deferred payments after closing not to exceed $105 million, adjusted for net debt and working capital, out of which $58 million was payable upfront. The remaining amount is linked to the retention and performance of key employees, financial performance and downstream revenue targets which will be paid over the next four years. The balance of the investment was reported at $91.17 million at March 31, 2022. Infostar (d.b.a Lodestone) is a leading digital engineering quality assurance provider for new age digital companies. The entity is headquartered in Pleasanton, California.

The Corporation acquired 100% of the equity shareholding in Activus Connect LLC and Activus Connect PR LLC on December 3, 2021 for a purchase consideration of $62 million, adjusted for net debt and working capital, out of which $40 million was payable upfront. The balance will be paid based on certain revenue and EBITDA targets as defined in the equity interest purchase agreement . The balance of the investment was reported at $44.8 million at March 31, 2022. Activus Connect is a leading provider of work at home customer experience management solutions and is headquartered in Orlando, Florida.

The Corporation acquired 100% of the equity shareholding in Green Investments LLC (incl. subsidiaries) (“Allyis”) on December 31, 2021 at an enterprise value of $122.4 million, adjusted for net debt and working capital, out of which $92.4 million was payable upfront. This agreement stipulated that Allyis India would be acquired by Tech Mahindra Limited. The remaining amount is payable over the next three years and is linked to performance revenue growth and EBITDA. The balance of the investment was reported at $110 million at March 31, 2022. Allyis offers technology consulting and managed services that helps organizations reduce costs, improve performance, and meet their unique objectives and is headquartered in Seattle.

The Corporation acquired 100% of the equity shareholding in Citisoft Inc. on February 28, 2022 for a purchase consideration of GBP 9.65 million ($12.6 million) as defined in the purchase agreement. Prior to the TMA acquisition the structure was as follows Citisoft Plc, UK is 100% subsidiary of TML and Citisoft Inc, USA was step down subsidiary of Citisoft Plc.

(B) BASIS OF PRESENTATION

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) with the exception as stated below.

TMA have investments in subsidiaries which are listed in Note 9. U.S. generally accepted accounting principles (GAAP) require that all subsidiaries should be consolidated, and consolidated financial statements should be presented. Consolidated financial statements are the general-purpose financial statements of a parent company that has one or more subsidiaries. In certain circumstances, parent company-only financial statements may be required in addition to consolidated financial statements. ASC 810-10-45-11 permits presentation of parent company financial statements as a supplement to the consolidated financial statements when such a presentation is the most effective means of presenting pertinent information. The parent company-only financial statements are being presented without accompanying consolidated financial statements which is not accordance with US GAAP. Accordingly, these financial statements are not the general-purpose financial statements of the reporting entity, TMA.

The Corporation did not present the parent company only financial statements according to the proportionate share of the subsidiaries’ net assets as required in the rare instances in which parent company financials are presented without accompanying consolidated financial statements.

(C) USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions made by management include the determination of recognition of revenue, valuations of privately held equity securities and amortization of assets recognized. The Corporation bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the result of which forms the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates.

(D) CASH AND CASH EQUIVALENTS

Cash represents current accounts and demand deposits held at financial institutions. The Corporation considers all highly liquid investments with a maturity, when purchased, of three months or less to be cash equivalents. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value. Cash equivalents are held to meet short-term liquidity requirements, rather than for investment purposes. Cash and cash equivalents are held at major financial institutions and are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation (FDIC) limitations.

(E) ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts due from customers on revenue contracts contracted directly by TMA and is recorded on the balance sheet as “Accounts receivables, net”. As of March 31, 2022 and 2021 the allowance for doubtful accounts was $1,629,154 and $660,076, respectively. Accounts receivables for services rendered to the parent company under the service contract are recorded separately on balance sheet as “Due from parent company”. TML assumes the business and entrepreneurial risks relating to all customer transactions.

(F) EQUITY METHOD INVESTMENTS

The Corporation accounts for investments in which it has significant influence but not a controlling financial interest using the equity method of accounting. Equity method investments are classified as “Equity Method Investments” in the balance sheet.

(G) EQUITY SECURITIES

The Corporation holds strategic investments in privately held equity securities in which the Corporation does not have a controlling interest or significant influence. Privately held equity securities without a readily determinable fair value are recorded at fair value as described. If, based on the terms of these privately held securities, the Corporation determines that the Corporation exercises significant influence on the entity to which these securities relate, the Corporation will apply the equity method of accounting for such investments.

Privately held equity securities are valued using significant unobservable inputs or data in an inactive market and the valuation requires the Corporation’s judgment due to the absence of market prices and inherent lack of liquidity. The carrying value is not adjusted for the Corporation’s privately held equity securities if there are no observable price changes in a same or similar security from the same issuer or if there are no identified events or changes in circumstances that may indicate impairment, as discussed below. In determining the estimated fair value of its strategic investments in privately held companies, the Corporation utilizes the most recent data available to the Corporation. Valuations of privately held companies are inherently complex due to the lack of readily available market data. In addition, the determination of whether an orderly transaction is for a same or similar investment requires significant management judgment including the nature of rights and obligations of the investments, the extent to which differences in those rights and obligations would affect the fair values of those investments, and the impact of any differences based on the stage of operational development of the investee.

The Corporation regularly assesses its privately held equity securities strategic investment portfolio for impairment. The Corporation’s impairment analysis encompasses an assessment of the severity and duration of the impairment and qualitative and quantitative analysis of other key factors including the investee’s financial metrics, the investee’s products and technologies meeting or exceeding predefined milestones, market acceptance of the product or technology, other competitive products or technology in the market, general market conditions, management and governance structure of the investee, the investee’s liquidity, debt ratios and the rate at which the investee is using its cash.

(H) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciated using the straight-line method over an estimated useful life of three to five years.

(I) DEFERRED CONTRACT COST

Deferred contract cost is amortized at cost and depreciated using the straight-line method over an estimated useful life of three to five years.

(J) REVENUE AND EXPENSES

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which requires a corporation to recognize revenue when the corporation transfers control of promised goods and services to the customer. Revenue is recognized in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. A corporation also is required to disclose sufficient quantitative and qualitative information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Corporation adopted the provisions described in ASU 2014-09, Revenue from Contracts with Customers, also referred to as Topic 606. The Corporation adopted the standard using the full retrospective method. The impact of Topic 606 on reported revenue results was not material.

The Corporation determines the amount of revenue to be recognized through application of the following steps:- Identification of the contract, or contracts with a customer;

- Identification of the performance obligations in the contract;

- Determination of the transaction price;

- Allocation of the transaction price to the performance obligations in the contract; and-

Recognition of revenue when or as the Corporation satisfies the performance obligations.

TMA have entered in agreement with TML according to which TML have appointed TMA as a contract service provider for providing onsite software development services (“contract service provider agreement” or “agreement”). According to the terms of the agreement:

- TML will be securing contracts from customers for software development/modification of software and other related services to customers based in the USA.
- TMA in certain cases may enter into contracts with customers based in the USA in its own name and will render the agreed onsite services to TML.
- In respect of all contracts entered with customers, the entire underlying risk and rewards of such contracts shall be with TML alone.
- Costs which are not in relation to provision of service but emanate out of or due to the contracts, will also be reimbursed by TML.

TML pays remuneration to TMA for its services as contract service provider, on a cost-plus basis. This remuneration represents revenue for TMA.

In those cases when TMA may enter into contracts with customers in its own name, TMA recognizes respective revenue and accounts receivables from contract with customers in its books, however since according to the contract service provider agreement the entire underlying risk and rewards of such contracts is with TML alone and this revenue is fully repaid to TML, this revenue is fully netted and presented on net basis in these financial statements.

Amounts of remuneration for provision of services in accordance with the contract service provider agreement are recorded as revenue in the statement of operations. Accounts receivables due from TML in accordance with this agreement are recorded as “Due from parent company”.

TMA fully repays revenue contracted directly by TMA to TML. Accounts payable due to TML for revenue contracted directly by TMA are recorded in “Due to parent company” on the balance sheet.

Expenses are recorded when incurred.

(K) UNBILLED REVENUE

Unbilled revenue include revenue recognized in relation to efforts incurred on time and material contracts not billed as of the end of the reporting period and where services have been performed in accordance with the terms of respective contracts with customers.

(L) INCOME TAXES

TMA accounts for income taxes using Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under SB ASC 740 the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. TMA records valuation allowances against deferred tax assets as deemed necessary.

Per FASB ASC 740-10-20, the Corporation follows the recognition requirements for uncertain tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken on expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Corporation has analyzed tax positions taken for filing with the Internal Revenue Service (IRS) and all state jurisdictions where it operates.

In accordance with guidance in ASC 740-10-30-27, the Corporation uses a “separate return” method to allocate current and deferred taxes or benefits to members of the consolidated return group (“TMA and subsidiaries”) by applying ASC 740 to each member as if they were separate tax payers. Under the “separate return” method, the subsidiary is assumed to file a separate return with the taxing authority, thereby reporting its taxable income or loss and paying the applicable tax to or receiving the appropriate refund from the parent. Management concluded that no provision for income tax is required in the Corporation’s financial statements as a result of uncertain tax positions.

(M) RELATED PARTIES

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

(N) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets and 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.

Derivative financial instruments

The Corporation, when deemed appropriate, uses derivatives as a risk management tool to mitigate the potential impact of certain market risks. The primary market risks managed by the Corporation through the use of derivative instruments is interest rate risk. All derivatives are carried at fair value in our balance sheet in the following line items, derivative financial liabilities as applicable. The cash flow impact of the Corporation’s derivative instruments is primarily included in the statement of cash flows in net cash provided by operating activities.

(O) FAIR VALUE - DEFINITION AND HIERARCHY

Fair value is defined as 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.

In determining fair value, the Corporation uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Corporation to determine fair value are consistent with the income approaches. The Corporation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access

- Level 2 – Valuations based on inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly

- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when observable inputs are not readily available, the Corporation's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Corporation in determining fair value is greatest for investments categorized in Level 3. In some cases, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In such cases, the fair value measurement is generally categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

(P) LEASES

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), which requires lessees to record most leases on their balance sheets but recognize the expenses on their statements of operations in a manner similar to current accounting rules. ASU 2016-02 states that a lessee would recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. The new standard is effective for interim and annual periods beginning after December 15, 2020 (i.e. calendar periods beginning on January 1, 2021) on a modified retrospective basis. The Corporation performed early adoption of the ASU 2016-02 on a modified retrospective basis as of April 1, 2019.

The Corporation is a lessee in several non-cancellable operating leases, primarily for office space. The Corporation accounts for leases in accordance with ASC Topic 842, Leases. The Corporation determines if an arrangement is or contains a lease at contract inception. The Corporation recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date.

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases and is subsequently measured at amortized cost using the effective-interest method. Key estimates and judgments include how the Corporation determines the discount rate it uses to discount the unpaid lease payments to present value, lease term and lease payments.

ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. Generally, the Corporation cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, the Corporation generally uses its incremental borrowing rate as the discount rate for the lease. The Corporation's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Because the Corporation does not generally borrow on a collateralized basis, it uses the interest rate it pays on its non-collateralized borrowings as an input to deriving an appropriate incremental borrowing rate, adjusted for the amount of the lease payments, the lease term and the effect on that rate of designating specific collateral with a value equal to the unpaid lease payments for that lease. The lease term for all of the Corporation's leases includes the non - cancellable period of the lease plus any additional periods covered by either a Corporation option to extend (or not to terminate) the lease that the Corporation is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments, owed over the lease term (which includes termination penalties the Corporation would owe if the lease term assumes Corporation exercise of a termination option);
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the lease commencement date;
- Amounts expected to be payable under a Corporation-provided residual value guarantee; and
- The exercise price of a Corporation option to purchase the underlying asset if the Corporation is reasonably certain to exercise the option.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received.

Lease expense for lease payments is recognized on a straight-line basis over the lease term.

ROU assets for operating and finance leases are periodically reduced by impairment losses. The Corporation uses the long-lived assets impairment guidance in ASC Subtopic 360-10, Property, Plant, and Equipment – Overall, to determine whether a ROU asset is impaired, and if so, the amount of the impairment loss to recognize.

The Corporation monitors for events or changes in circumstances that require a reassessment of one of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in profit or loss.

Operating lease ROU assets are presented as operating lease right of use assets on the balance sheet. The current and the long-term portion of operating lease liabilities are presented separately as operating lease liabilities on the balance sheet.

(Q) COMMITMENTS AND CONTINGENCIES

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(R) RECLASSIFICATIONS

The Corporation has reclassified certain amounts relating to its prior period results to conform to its current period presentation. These changes were mainly made from Prepaid expenses which was reclassified between current and non-current. These changes have not impacted the results of operations of prior periods.

2 SIGNIFICANT RISKS AND UNCERTAINTIES INCLUDING BUSINESS AND CREDIT CONCENTRATIONS

The Corporation is subject to credit risk to the extent any financial institution or customer with which it conducts business is unable to fulfil contracted obligations on its behalf. Management monitors the financial condition of those financial institutions and counterparties.

The Corporation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, amounts due from the parent company and equity securities.

As described in Note 1 (j), TMA entered in agreement with TML according to which TML have appointed TMA as a contract service provider for providing onsite software development services. Accordingly, all revenue of TMA comes from TML, the parent company of TMA. For the summary of all transactions of TMA with TML, refer to Note 23.

Total amount of revenue recorded for the year ended March 31, 2022 and 2021 was $1,100,057 and $992,012,421, respectively. Total amount due from the parent company as of March 31, 2022 and 2021 was $27,261,276 and $111,497,948, respectively. Total amount of revenue, which was directly contracted by TMA and remitted to the Parent company for the year ended March 31, 2022 and 2021 amounted to $14,977,856 and $22,211,946, respectively.

For information about revenue and accounts receivables concentration, on revenue contracted directly by TMA, refer to Note 4.

3 CASH AND CASH EQUIVALENTS

As of March 31, cash and cash equivalents consisted of the following:	2022	2021
Current accounts with banks	5,168,697	6,671,655
Money market mutual funds	3,000,000	-
	8,168,697	6,671,655

The Corporation places its cash on deposit with financial institution in the United States of America. Cash and cash equivalents are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation limitations. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts.

4 ACCOUNTS RECEIVABLE, NET

TMA in certain cases may enter into contracts with customers based in the USA in its own name and will render the agreed onsite services to TML. Revenue contracted directly by TMA and subsequently transferred back to TML has been treated as agency transactions for the purpose of these financial statements and accordingly presented on net basis.

As of March 31, accounts receivable consisted of the following:	2022	2021
Amounts due for services rendered and billed	3,903,871	5,488,320
Allowance for doubtful accounts	(1,629,154)	(660,076)
Amounts due for services rendered and billed, net	2,274,717	4,828,244
Amounts due for services rendered, not billed	1,051,333	520,868
	3,326,050	5,349,112

Bad debt write-off was $51,654 and $321,352 for the year ended March 31, 2022 and March 31, 2021, respectively.

(A) - TRADE RECEIVABLES: CREDIT RISK

The credit periods offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the entity's markets. The contractual terms on invoices issued to customers vary and are payable upon receipt or immediate to within 120 days.

Aging analysis of trade receivables, is as follows:

	Less than 30 days	Between 30 to 60 days	More than 60 days	Total
Accounts receivable, gross as of March 31, 2022	1,083,110	873,330	1,947,431	3,903,871
Accounts receivable, gross as of March 31, 2021	3,963,590	544,112	980,618	5,488,320

(B) - REVENUE CONTRACTED DIRECTLY BY TMA AND ACCOUNTS RECEIVABLES CONCENTRATION

The Corporation provides services to customers in diversified customer base and geographic regions and, therefore, has low concentration of credit risk. The Corporation continuously evaluates the credit worthiness of its customers and generally does not require collateral.

Billed accounts receivable concentrations:

Two customers had accounts receivables balances that accounted for more than 10% of gross accounts receivables balance as of March 31, 2022. Total amount of accounts receivables balances of these customers amounted to $1,239,765, or 33% of gross accounts receivables balance as of March 31, 2022.

Accounts receivable concentration as of March 31, 2022

	Amount	Concentration, %
Customer 2	$793,765	21%
Customer 3	$446,000	12%
Customer 4	$302,500	8%

Three customers had accounts receivables balances that each individually accounted for more than 10% of gross accounts receivables balance as of March 31, 2022. Total amount of accounts receivables balances of these customers amounted to $2,866,397, or 52% of gross accounts receivables balance as of March 31, 2022.

Accounts receivable concentration as of March 31, 2021

	Amount	Concentration, %
Customer 1	$1,784,852	31%
Customer 2	$679,993	12%
Customer 3	$401,552	7%

Revenue from 2 customers, which individually accounted for 10% or more of total revenue contracted directly by TMA amounted to $5,867,487 for the year ended March 31, 2022, or 41% from total revenue contracted directly by TMA.

Concentration of revenue contracted directly by TMA for the year ended March 31, 2022

	Amount	Concentration, %
Customer 1	$3,623,487	25%
Customer 4	$2,244,000	16%
Customer 5	$1,245,695	9%

Revenue from 3 customers, which individually accounted for 10% or more of total revenue contracted directly by TMA amounted to $8,451,282 for the year ended March 31, 2022, or 38% from total revenue contracted directly by TMA.

Concentration of revenue contracted directly by TMA for the year ended March 31, 2021

	Amount	Concentration, %
Customer 1	$3,737,070	17%
Customer 2	$2,443,734	11%
Customer 3	$2,270,478	10%

5 NOTES RECEIVABLE/ DUE FROM AFFILIATED COMPANIES

(a) - Notes Receivable from Affiliated Companies

Notes receivable from affiliated companies consist of the following as of March 31, 2022:

Affiliated company	Note amount	Accrued interest	2022	2021
Lightbridge Communications Corporation	32,000,000	211,781	3,150,713	5,150,105
Lightbridge Communications Corporation	2,000,000	25,267	2,025,267	2,000,651
Lightbridge Communications Corporation	1,500,000	14,283	1,514,283	-
Comviva Technologies Americas Inc.	20,000,000	30,655	20,030,655	-
Tech Mahindra Servicos de Informatica LTDA*	3,000,000	328,810	-	-
Notes receivable from Affiliated Companies			26,438,932	7,000,000
Accrued interest			281,986	479,566
Total			**26,720,918**	**7,479,566**

All notes receivable from affiliated companies are unsecured, with maturity less than one year and carry interest at market rates ranging between Libor + 1% and Libor +2%. Accrued interest income from notes receivable from affiliated companies is included in prepaid expenses and other current assets.

* The note was overdue and an impairment provision was raised in the prior year for the carrying amount of $3,328,810. During the current year the note was settled by the affiliate and the provision was reversed.

(b) - Due from affiliated companies

The balance due from affiliates includes a balance of $ 4 million (2021: $1.3 million) which is net of provision.

6 INCOME TAXES

TMA accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes, as described in Note 1 above.

Current income tax expense consists of the following:

Current income tax expense consists of the following:	**2022**	2021
Federal	10,524,448	13,449,565
State	4,119,752	4,586,178
	14,644,200	**18,035,743**
Deferred income tax expense benefit consists of the following:	2022	2021
Federal	2,467,478	(4,640,009)
State	894,370	(1,765,714)
Total	**3,361,848**	**(6,405,723)**
Total current and deferred income tax expense	**18,006,048**	**11,630,020**

Deferred tax asset consists of the following:	**2022**	**2021**
Federal	21,081,166	24,393,072
State	3,960,122	4,854,492
	25,041,288	**29,247,564**

As of March 31, 2022, and 2021, TMA had utilized all federal net operating losses (NOLs) available to be utilized for the respective years which were carried forward from prior years. TMA had utilized all state net operating losses (NOLs) available to be utilized for the respective years which were carried forward from prior years. TMA expects to be able to utilize the entire deferred tax benefit, therefore, no valuation allowance has been recorded to reduce the asset.

In accordance with the tax sharing arrangement between the Corporation and its wholly owned subsidiary, LCC, the Corporation recorded an amount payable to LCC as of March 31, 2022 and 2021, of $2.8 million and $2.7 million for LCC's NOL that the Corporation is able to utilize as part of filing a consolidated Federal income tax return. The amount payable to LCC was during the 2021 financial year. The closing amount of the deferred tax asset consists primarily of LCC's NOL.

In the ordinary course of business there are many transactions with affiliated companies that affect the calculation and estimation of the Corporation's tax liability. Although management believes that the Corporation's tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Corporation's historical income tax provisions and accruals. As of March 31, 2022, the Corporation's tax years from 2016 to 2022 are open for examination by Federal and state tax authorities.

7 PROPERTY AND EQUIPMENT

Property and equipment, net, consisted of the following as of March 31,

	2022	2021
Plant and machinery	26,764,034	26,764,034
Computer and software	71,895,004	55,391,707
Furniture and equipment	1,747,236	1,747,039
Leasehold improvements	1,404,822	1,404,822
Office equipment	1,378,289	1,359,252
Accumulated depreciation	(85,075,221)	(73,614,474)
	18,114,164	**13,052,380**

Reconciliation of carrying value of property and equipment for the year ended March 31, was as follows:

	2022	2021
Carrying value at the beginning of the year	**13,052,380**	14,107,219
Additions	**16,594,607**	9,802,392
Disposals	**-**	(2,217,826)
Accumulated depreciation on disposals	**-**	2,161,921
Depreciation	**(11,532,823)**	(10,801,326)
Carrying value at the end of the year	**18,114,164**	**13,052,380**

8 INTANGIBLE ASSETS ACQUIRED THROUGH BUSINESS COMBINATIONS

At March 31, intangible assets are summarized as follows:

	2022	2021
Customer lists	**23,424,422**	23,424,422
Accumulated amortization	**(16,694,059)**	(14,787,322)
	6,730,363	8,637,100

9 INVESTMENTS IN SUBSIDIARIES

	2022	2021
Tech Talenta, Inc.	**-**	500,000
Lightbridge Communication Corporation	**159,021,946**	159,021,946
Tech Mahindra Healthcare Systems Holdings LLC	**104,162,140**	104,162,140
Madpow Media Solutions	**28,324,430**	28,324,430
Objectwise Consulting Group	**1,805,691**	1,805,691
Zen3 Infosolutions (America) Inc.	**51,339,287**	51,339,287
Tech Mahindra Credit Solutions Inc.	**100,000**	100,000
HealthNxt Inc	**5,400,001**	-
Digital Onus Inc	**117,986,260**	-
Eventus Solutions Group, LLC	**46,490,998**	-
Brainscale Inc	**22,353,322**	-
Infostar LLC ("Lodestone")	**91,166,210**	-
Activus Connect LLC	**44,861,504**	-
Green Investments LLC, Allyis Inc	**110,179,522**	-
Citisoft Inc	**12,564,300**	-
	795,755,611	**345,253,494**

Refer to footnote 1(a) for a description of the listed investments.

Avion Systems, Inc.	2022	2021
Investment cost	**3,000,000**	3,000,000
Profit receivable from associate	**33,676**	33,676
Provision	**(3,033,676)**	(3,033,676)
Carrying value	**-**	-

Refer to footnote 1(a) for a description of the listed investments.

11 EQUITY SECURITIES

As of March 31, 2022, equity securities consisted of the following:

	2022	2021
VitalTech Holdings Inc.	**-**	3,000,001
Austin GIS	**1,250,000**	-
	1,250,000	**3,000,001**

As of March 31, 2022, current equity securities consisted of the following:

	2022	2021
Sierra Private Investments LP (**)	**-**	10,000,000
Corporate owned Investments	**637,638**	-
	637,638	**10,000,000**

** The Corporation had the right to sell its T units at the original value plus compounded interest subject to terms and conditions tied to certain rights of the counterparty.

12 OTHER ASSETS

As of March 31, other assets consisted of the following:

	2022	2021
Deferred contract cost, net	**43,231,535**	123,399,773
Total	**43,231,535**	**123,399,773**

Deferred contract cost comprises of technology license agreements and capitalized as other assets.

13 SHORT-TERM DEBT

Short-term debt comprises of unsecured revolving credit facilities of $232.75 million as of March 31, 2022 and $180 million as of March 31, 2021 attracting interest at variable rates and renewed within a period of 1 year. Accrued interest payable on borrowing facilities as of March 31, 2022 and March 31, 2021 was included within accrued expenses and other current financial liabilities.

14 NOTE PAYABLE TO AFFILIATED COMPANY

On June 29, 2021 the Corporation entered into an intercompany loan agreement with Zen3 Infosolutions America Inc. with a total credit limit of $10 million at an % rate of USD Libor + 0.99% with an expiration date of 27th June 2022. On April 26, 2021 the Corporation acquired Eventus Solutions Group and as a result of the payments made to the owners the excess cash within the entity was used as part of the funding resulting in TMA recognizing a intercompany loan payable to Eventus of $4.2 million.

15 DUE TO AFFILIATED COMPANIES

Due to affiliated companies consisted of the following at March 31:

	2022	2021
Payable to Lightbridge Communication Corporation under tax sharing arrangement	**2,825,874**	2,696,671
Other accrued expenses due to other affiliated companies	**1,636,873**	2,612,229
	4,462,747	**5,308,900**

16 ACCRUED EXPENSES AND OTHER FINANCIAL LIABILITIES AND OTHER NON-CURRENT FINANCIAL LIABILITIES

	2022	2021
Accrued expenses	**7,226,644**	23,058,762
Financial liability under license agreements - current portion	**27,928,750**	34,578,750
Accrued expenses - subcontracted associates	**44,751,922**	22,224,578
Accrued payroll compensation	**15,540,733**	13,223,388
Other payroll related liabilities	**17,948,176**	21,727,666
Contingent consideration - current portion	**34,291,258**	11,286,371
Accrued payroll related taxes (*)	**12,397,125**	11,429,614
Accrued interest expenses on notes payable	**1,238,374**	228,196
Derivative financial liabilities	**94,110**	598,335
Other current liabilities	**3,660,546**	1,310,201
Total	**165,077,638**	**139,665,861**

16 ACCRUED EXPENSES AND OTHER FINANCIAL LIABILITIES AND OTHER NON-CURRENT FINANCIAL LIABILITIES (CONTINUED)

Other non-current financial liabilities consisted of the following at March 31:

	2022	2021
Financial liability under license agreements – long-term portion	**33,840,275**	60,310,635
Contingent consideration – long-term portion	**85,426,939**	14,729,305
Other payroll related liabilities – long-term portion	**5,012,034**	3,973,390
Accrued payroll related taxes - long-term portion (*)	**-**	10,405,060
Total	**124,279,248**	**89,418,390**

* Due to the impact of the Covid-19 pandemic the Corporation was allowed a deferral of the employer portion of social security tax deposits for the period between April and December 2020, TMA paid $9,761,556 of the deferral amount during December 2021. TMA entered into a tax credit and deferral agreement.

The following table shows the remaining undiscounted cash flows for the financial liability under the license agreements:

	2022
Future obligation commitment	
Year one	**27,928,750**
Year two to four	**37,007,908**
Total undiscounted liability	**64,936,658**
Imputed interest	**3,167,633**
Total amortized cost under contractual obligation	**61,769,025**

17 COMMON STOCK

Ordinary shares of $1 each	**2022 Number of shares**	**2021 Number of shares**
Issued and fully paid	**300,391,874**	170,521,745

The Corporation is authorized to issue 450,000,000 shares of common stock, par value $1 per share, of which 300,391,874 and 170,521,745 shares were issued and outstanding on March 31, 2022 and 2021 respectively.

The sole shareholder, TML; being the sole owner of common stock is entitled to one vote per share, and to receive dividends and, upon liquidation or dissolution, is entitled to receive all assets available for distribution to stockholders. There are no preemptive or other subscription rights and there are no redemption or sinking fund provisions with respect to such shares.

18 EMPLOYEE BENEFITS

TMA's medical benefits are provided under a partially self-insured plan and a contract with an insurance company for major stop-loss coverage. Under the insurance contract, TMA is liable for all expenses under an aggregate annual maximum based on the number of persons covered. Management has included in accrued expenses claims payable and an estimate of incurred but not paid claims as of the year end.

Employees of TMA may be allotted/granted shares in TML in terms of several Employee Stock Option plans. The allotment of options to eligible employees is decided by the Compensation Committee which is comprised of certain directors of TML. However, it is the opinion of management that the options granted to the employees relate to the services rendered to the parent company and therefore need not be accounted for by TMA under FASB ASC 718, Compensation - Stock Compensation as these options relate to shares of TML.

The Corporation maintains a nonqualified deferred compensation plan established under Section 457(b) of the Internal Revenue Code for eligible staff.

19 LEASES

Information as of and for the year ended March 31, 2022:

The Corporation has several non-cancellable operating leases, primarily for office space that expire over the next five years. These leases generally contain renewal options for periods ranging from two to five years. Because the Corporation is not reasonably certain to exercise these renewal options, the options are not considered in determining the lease term and associated potential option payments are excluded from lease payments. The Corporation's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include mainly fixed payments.

Total lease cost for the year ended March 31, 2022 amounted to $4,286,525.

Amounts reported in the balance sheet as of March 31, 2021 were as follows:

	2022	2021
Operating lease ROU assets	**6,041,252**	10,409,733
Operating lease liabilities – short-term	**3,050,583**	4,256,480
Operating lease liabilities – long-term	**3,941,755**	5,695,523
Total operating lease liabilities	**6,992,338**	9,952,003

Maturities of operating lease liabilities under non-cancellable leases as of March 31, 2022 are as follows:

	Operating leases
In 1 year	3,171,150
In 2 to 5 years	4,044,304
Thereafter	-
Total undiscounted lease payments	7,215,454
Less: imputed interest	(223,116)
Total lease liabilities	6,992,338

Other information related to leases as of March 31, 2022 was as follows:

	2022	2021
Supplemental cash flow information		
Cash paid for amounts included in the measurement of lease liabilities:	**(4,903,139)**	(4,507,056)
ROU assets obtained in exchange for lease obligations	**938,723**	1,796,674
Reductions to ROU assets resulting from reductions to lease obligations	**(5,307,204)**	(1,672,332)
Weighted average remaining lease term	**2 years**	2 years
Weighted-average discount rate	**2%**	2%

20 COMMITMENTS AND CONTINGENCIES

The Corporation is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Corporation's financial position, results of operations, or liquidity.

21 MERGER WITH COMPANIES UNDER COMMON CONTROL

Tech Talenta, Inc.

On February 28, 2022 the Board of Directors approved the transfer of the entire issued and outstanding capital of Tech Talenta Inc. ("TechT") to TMA. The separate existence of TechT ceased on March 1, 2022, which management considered as the effective date of the merger. The results of operations for March 1, 2022 to March 31, 2022 in the amount of $55,284 was included in TMA's results as though the transfer of net assets had occurred at March 1, 2022. From that date to the end of the period and all future periods the results of TechT will be those of the combined operations. The substance of the TechT transaction did not result in a change of reporting entity for TMA and was prospectively accounted for as described above.

	Net value acquired $
Assets	
Cash	895,610
Accounts receivable, net	3,457,068
Tax receivable	813,739
Deferred taxes	165,171
	5,331,588
Liabilities	
Trade payables	(5,600)
Tax payable	(108,040)
Accrued expenses	(391,088)
	(504,728)
Net value acquired	**4,826,860**
Retained earnings	(4,326,860)
Return of contributed capital	(500,000)
Merger gain	3,826,860

22 FINANCIAL INSTRUMENTS

Interest rate swap - designated as a hedge

Derivative financial instruments are used by the Corporation principally in the management of its interest rate exposures. The Corporation does not hold or issue derivative financial instruments for trading purposes. For derivative instruments that are designated and qualify as cash flow hedges, the gain or loss on the effective portion of the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

Interest Rate Swaps. The Corporation uses interest rate swaps to manage its interest rate risk. The swaps are designated as cash flow hedges with the changes in fair value recorded in AOCI and as a derivative asset or liability, as applicable. The swaps settle periodically in arrears with the related amounts for the current settlement period payable to, or receivable from, the counter-parties included in accrued liabilities or receivables, respectively, and recognized in earnings as an adjustment to Interest Expense from the underlying debt to which the swap is designated. As of March 31,2022 and 2021, the Corporation had a series of U.S. dollar denominated interest rate swaps outstanding with effectively fixing the interest on variable rate debt, exclusive of lender spreads, on a floating leg for a specified notional principal amount.

The Corporation's interest rate swap derivative financial instruments at March 31, 2022 are as follows:

	Average Contracted Fixed Interest Rate		Notional Principal Value		Fair Value assets (liabilities)	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
	%	**%**				
Cash Flow Hedges						
Outstanding receive floating pay fixed contracts						
Less than 1 year	**1.10%**	1.26%	**65,000,000**	43,000,000	**(94,110)**	(598,336)
1 to 2 years	**0%**	0.79%	**-**	22,000,000	**2,385,793**	118,185

	2022	2021
	Fair value	Fair value
Derivative Assets	**2,385,793**	118,184
Derivative Liabilities	**(94,110)**	(598,335)
	2,291,683	(480,151)

23 TRANSACTION WITH PARENT COMPANY

As stated in Note 1 and Note 2 above, TMA has entered into revenue sharing agreement with TML, its parent company. The transactions with TML are summarized below:

	Year ended March 31,	
	2022	**2021**
Beginning balance, due from parent company	**83,828,462**	50,410,753
External contract revenue recharge to parent company	**(14,977,856)**	(22,211,946)
Cost of services	**-**	-
Income from parent company	**1,099,810,416**	995,133,265
Payments to parent company	**15,443,712**	30,638,218
Collections from parent company	**(1,189,784,246)**	(979,249,908)
Expense reimbursement - debit/credit notes	**2,728,987**	9,108,080
Proceeds from merger transaction with related entity by common control	**1,658,177**	-
Ending balance, due from parent company	**(1,292,348)**	**83,828,462**

	2022	**2021**
Due (to) from parent consists of:		
Amounts due to parent company	**(30,211,801)**	(27,669,486)
Amounts due from parent company	**28,919,453**	111,497,948
	(1,292,348)	83,828,462

24 FAIR VALUE HIERARCHY

The following tables summarize those assets and liabilities measured at fair value on a recurring basis:

The fair values of the Corporation's financial assets and liabilities by category as at March 31, 2022 were as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Equity securities	1,887,638	-	-	1,887,638
Liabilities				
Derivative financial liabilities	2,291,683	-	-	2,291,683
Total	4,179,321	-	-	4,179,321

The fair values of the Corporation's financial assets and liabilities by category as at March 31, 2021 were as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Equity securities	13,000,001	-	-	13,000,001
Liabilities				
Derivative financial liabilities	(481,151)	-	-	(481,151)
Total	12,518,850	-	-	12,518,850

Liabilities related to contingent consideration that are measured at fair value in connection with certain acquisitions have not been categorized in the fair value hierarchy but are included in Note 16.

25 SUBSEQUENT EVENTS

On May 12, 2022 the board resolved to incorporate a wholly owned subsidiary in Texas, USA to enter into a new line of business activity as part of Mahindra & Entertainment - TV Animation, Gaming and VFX by setting up a studio that will create extra ordinary content & experience powered by technology, developers and artists. It is proposed to incorporate a new company with an authorized share capital of 1000 shares of USD 1 each.

The Corporation has evaluated subsequent events through May 24, 2022, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to May 24, 2022, that would have a material impact on the financial statements.

TECH MAHINDRA (AMERICAS), INC.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021

(All amounts are in USD)

Schedule I	2022	2021
Revenue		
External contracted revenue	**14,303,765**	22,111,946
Transfers to parent and affiliated companies	**(14,303,765)**	(22,111,946)
	-	-
Revenue from parent	**1,100,056,945**	992,012,421
Total	**1,100,056,945**	992,012,421

Schedule II		
Personnel expenses		
Payroll expenses	**(447,854,119)**	(475,871,900)
Other employee compensation	**(37,738,932)**	(39,470,140)
Payroll taxes	**(36,910,123)**	(37,377,036)
Employee benefits - health insurance	**(33,454,091)**	(29,094,663)
Total	**(555,957,265)**	(581,813,739)

Schedule III		
Subcontracting expenses		
Subcontracting expenses - associates	**(261,168,436)**	(157,911,088)
Subcontracting expenses - project specific expenses	**(44,383,998)**	(60,279,414)
Subcontracting expenses - intercompany	**(1,877,584)**	(2,819,615)
Total	**(307,430,018)**	(221,010,117)

Schedule IV		
General administrative and other expenses		
Professional fees	**(8,928,289)**	(3,669,664)
Visa fees	**(8,058,273)**	(7,410,089)
Communications	**(6,886,475)**	(7,810,624)
Legal expenses	**(5,568,491)**	(3,878,825)
Lease expense	**(4,286,525)**	(4,549,791)
Travel	**(4,590,826)**	(2,579,408)
Office expenses	**(3,882,048)**	(4,078,046)
Miscellaneous	**(2,441,010)**	(2,487,752)
Amortization of prepaid employee costs related to business combinations	**(1,089,156)**	(1,361,445)
Sales and other indirect taxes refund / (expense)	**(864,223)**	(608,065)
Sales and marketing	**(611,545)**	(601,380)
Entertainment	**(512,076)**	(160,621)
Insurance	**(273,127)**	(602,658)
Short tenure office leases	**(206,735)**	-
Total	**(48,198,799)**	(39,798,368)

TECH MAHINDRA TECHNOLOGIES INC.

Board of Directors

Mr. Krishna Bala (Director & President & CEO)

Mr. Manish Vyas

Mr. Lakshmanan Chidambaram

Registered Office

1220 N., Market Street,

806, Wilmington,

Delaware, USA 19801

India Branch Office

TMTC SEZ building, C/o. Tech Mahindra Limited

Bahadurpally, Medchal District

Hyderabad, INDIA - 500043

Bankers

HSBC Bank, USA and India

HO Auditors

Chugh CPA's LLP,

California, USA

India Branch Auditors

M. Bhaskara Rao & Co.,

Chartered Accountants

Somajiguda, HYDERABAD – 500 082

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2022.

For the year ended March 31,	**2022 US$**	2021 US$
Income	**29,369,136**	29,624,656
Profit/(Loss) before tax	**5,354,560**	6,628,284
Profit/(Loss) after tax	**3,957,992**	4,482,871

Review of Operations:

During the year under review, your company recorded an income of US$ 29,369,136 decrease by 1% over the previous year income of 29,624,656. Profit after tax for the current year was decreased to US$ 3,957,992 compared with previous year US$ 4,482,871.

On January11, 2017 the Company has established an international branch in India at Hyderabad and transactions for this branch are included in these consolidated financial statements.

Board

The Board of Directors are Mr. Krishna Bala, Mr. Manish Vyas and Mr. Lakshmanan Chidambaram.

Dividend

During the year under review, Board has approved a final dividend at the rate of US$ 40 per share amounting to US$ 4,000,000 for the financial year 2021- 22 and for the financial year 2020-21 it was US$ 5 million.

Outlook for the current year and Impact of Covid-19

During the year the incidence of Covid-19 developed into a global pandemic. The directors have assessed the impact of Covid-19 on the business at the balance sheet date and consider that the company's assets are expected to realise their carrying value in the ordinary course of business and that all known liabilities have been included. The company has not experienced any adverse impact on the demand for its services which continue to be provided to its customers with minimal disruption. Despite the worldwide uncertainty caused by Covid-19, and its potential to impact the company, the directors are confident that due to the nature of the company's customer base and its current financial strength, any potential detrimental effect on its business is not expected to be significant.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Krishna Bala
Director, President and CEO

Place: Texas
Date: June 9, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders
of Tech Mahindra Technologies, Inc.

Opinion

We have audited the accompanying financial statements of Tech Mahindra Technologies, Inc., a Delaware corporation, which comprise the balance sheets as of March 31, 2022 and 2021, and the related statements of income, statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra Technologies, Inc. as of March 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of India branch of Tech Mahindra Technologies, Inc., which statements reflect total assets of approximately $7,936,000 and $5,987,000, as of March 31, 2022 and 2021, respectively, and total revenues of approximately $3,763,000 and $3,908,000, respectively, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for India Branch of Tech Mahindra Technologies, Inc., is based solely on the report of the other auditors.

Basis for Opinion

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tech Mahindra Technologies, Inc. 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 audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tech Mahindra Technologies, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Tech Mahindra Technologies, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tech Mahindra Technologies, Inc.'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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Chugh CPAs, LLP
Cerritos, California
June 9, 2022

TECH MAHINDRA TECHNOLOGIES INC.

CONSOLIDATED BALANCE SHEETS

March 31,	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$9,940,055**	$6,208,492
Accounts receivable	**3,392,942**	2,447,424
Unbilled revenue	**527,409**	675,723
Loan receivable - related party	**-**	5,000,000
Prepaid expenses and other current assets	**43,960**	42,011
Prepaid taxes	**175,748**	144,723
TOTAL CURRENT ASSETS	**14,080,114**	14,518,373
NON-CURRENT ASSETS		
Property and equipment, net	**35,663**	89,327
Software, net	**149,995**	299,991
Other assets	**5,873**	5,873
Deferred tax assets	**293,674**	344,843
TOTAL NON-CURRENT ASSETS	**485,205**	740,034
TOTAL ASSETS	**$14,565,319**	$15,258,407
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	**$2,027,688**	$152,443
Unearned revenue	**-**	210,003
Accrued expenses and other liabilities	**1,389,845**	2,407,621
Provision for income tax	**-**	263,110
TOTAL CURRENT LIABILITIES	**3,417,533**	3,033,177
LONG-TERM LIABILITIES		
Grants repayable	**269,201**	269,201
Other non-current liabilities	**108,360**	77,064
TOTAL LONG-TERM LIABILITIES	**377,561**	346,265
TOTAL LIABILITIES	**3,795,094**	3,379,442
Commitment and contingencies		
STOCKHOLDER'S EQUITY		
Common stock, $0.01 par value (1,000,000 shares authorized; 100,000 shares issued and outstanding)	**1,000**	1,000
Additional paid- in-capital	**999,000**	999,000
Accumulated earnings	**9,893,350**	10,935,358
Accumulated other comprehensive loss	**(123,125)**	(56,393)
TOTAL STOCKHOLDER'S EQUITY	**10,770,225**	11,878,965
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$14,565,319**	$15,258,407

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

For the years ended March 31,	2022	2021
REVENUE	$29,369,136	$29,624,656
LESS: COST OF REVENUE	(21,406,900)	(20,793,381)
GROSS PROFIT	7,962,236	8,831,275
LESS: OPERATING EXPENSES		
Selling, general and administrative expenses	(2,807,157)	(2,324,169)
INCOME FROM OPERATIONS	5,155,079	6,507,106
OTHER INCOME		
Other income (expense)	(12)	6,835
Interest income	199,493	114,343
	199,481	121,178
INCOME BEFORE INCOME TAXES	5,354,560	6,628,284
LESS: PROVISION FOR INCOME TAXES		
Income tax - current	1,329,010	1,923,197
Income tax - deferred	51,061	(179,622)
Foreign tax- prior year	(292,179)	-
Foreign tax	308,675	401,838
	1,396,567	2,145,413
NET INCOME	$3,957,992	$4,482,871

See accompanying notes to consolidated financial statements.

TECH MAHINDRA TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY

For the years ended March 31, 2022 and 2021

	Common Stock		Additional Paid In Capital	Accumulated Earnings	Accumulated Other Comprehensive Income	Total Stockholder's Equity
	Shares	Amount				
Balance at March 31, 2021	**100,000**	**$1,000**	**$999,000**	**$6,452,487**	**$(178,035)**	**$7,274,452**
Net income	-	-	-	4,482,871	-	4,482,871
Foreign currency translation adjustments		-	-	-	105,835	105,835
Remeasurement of defined benefit plan, net of tax		-	-	-	15,807	15,807
Balance at March 31, 2021	**100,000**	**$1,000**	**$999,000**	**$10,935,359**	**$(56,393)**	**$11,878,966**
Dividend				(5,000,000)	-	(5,000,000)
Net income	-	-	-	3,957,992	-	3,957,992
Foreign currency translation adjustments		-	-	-	(63,440)	(63,440)
Remeasurement of defined benefit plan, net of tax		-	-	-	(3,293)	(3,293)
Balance at March 31, 2022	**100,000**	**$1,000**	**$999,000**	**$9,893,350**	**$(123,125)**	**$10,770,225**

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31,	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$3,957,992**	$4,482,871
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization and depreciation	**203,661**	262,101
Remeasurement of defined benefit plan	**(3,293)**	15,807
Foreign currency translation adjustments	**(63,440)**	105,835
Deferred tax	**51,169**	(180,927)
(Increase) decrease in assets:		
Account receivable	**(945,518)**	1,422,514
Unbilled revenue	**148,314**	526,869
Prepaid expenses and other current assets	**(1,949)**	74,418
Prepaid income taxes	**(31,025)**	210,723
Increase (decrease) in liabilities:		
Accounts payable	**1,875,245**	(455,380)
Unearned revenue	**(210,003)**	210,003
Accrued expenses and other current liabilities	**(1,017,776)**	922,476
Provision for income taxes	**(263,110)**	(95,868)
Grants repayable	**-**	107,381
Other non-current liabilities	**31,296**	1,952
NET CASH PROVIDED BY OPERATING ACTIVITIES	**3,731,564**	7,610,776
CASH FLOWS FROM INVESTING ACTIVIES		
Acquisition of property & equipment	**-**	(1,326)
NET CASH USED IN INVESTING ACTIVITIES	**-**	(1,326)
CASH FLOWS FROM FINANCING ACTIVIES		
Loan to related party	**5,000,000**	(5,000,000)
Dividend	**(5,000,000)**	-
NET CASH USED IN FINANCING ACTIVITIES	**-**	(5,000,000)
Net increase in cash and cash equivalents	**3,731,564**	2,609,450
Cash and cash equivalents, beginning of year	**6,208,492**	3,599,042
Cash and cash equivalents, end of year	**$9,940,055**	$6,208,492
Supplementary disclosures:		
Income taxes paid	**$1,883,072**	$1,825,341

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations

Tech Mahindra Technologies Inc. the “Company” was incorporated as a Delaware corporation on September 28, 2000. The Company was formed to provide software development, professional engineering and information services. The Company is now a wholly owned subsidiary of Tech Mahindra Limited (the parent company). During 2014, the Company changed its name from Satyam Technologies Inc. to Tech Mahindra Technologies Inc. On January 11, 2017, the Company has established an international branch in India, the transactions for this are included in these consolidated financial statements.

2. Summary of significant accounting policies

This summary of significant accounting policies of Tech Mahindra Technologies Inc. is presented to assist in understanding the Company’s consolidated financial statements.

Basis of presentation and consolidation

The consolidated financial statements are presented on the accrual method of accounting as prescribed by the generally accepted accounting principles (GAAP) in the United States of America. The consolidated financial statements include the foreign branch in India. All inter-company balances and transactions have been eliminated.

Use of estimates

The preparation of consolidated 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 and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents are defined as highly liquid investments with maturity dates of three months or less. Included in the cash equivalents is the certificate of deposits with original maturities greater than three months and remaining maturities less than one year.

Accounts receivable

The Company carries its accounts receivable at cost less an allowance for doubtful accounts. Allowance for doubtful accounts is maintained with respect to accounts determined to be uncollectible in the current period. Management determines the allowance for doubtful accounts based upon historical experience and assessment of the collectability of existing specific accounts. Accounts are written off against the allowance when they are deemed uncollectible. At March 31, 2022 and 2021, the Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Property and equipment

Property and equipment are recorded at cost less depreciation. Depreciation and amortization are computed using the straight-line method over useful lives, which range from 3 to 5 years. Leasehold improvements are amortized over the shorter of the useful life of the related assets or remaining lease term.

Depreciation expenses were $207,660 and $262,101 during the years ended March 31, 2022 and 2021, respectively.

Expenditures for maintenance and repairs which are not for the permanent improvement, betterment or restoring property are charged directly to appropriate operating accounts at the time the expense is incurred.

Impairment of long-lived assets

The Company is required, under current accounting standards to review the carrying value of its long-lived assets, whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. As of March 31, 2022, management has determined that no impairment exists. Accordingly, no adjustments have been made to the carrying values of long-lived assets.

Income taxes

The Company accounts for income taxes in accordance with the FASB ASC 740 (formerly SFAS No. 109, “Accounting for Income Taxes”), which requires an asset and liability approach to financial accounting and reporting of income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

Financial Accounting Standards Board issued FIN 48 now known as ASC No. 740–10 “Accounting for Uncertainty in Income Taxes”, the Company adopted FIN 48, thereafter, recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

In evaluating the Company’s tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances.

Revenue recognition

The Company earns revenue from software development and consulting services. 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 products or services.

Arrangements with customers for services are either on a time bound fixed price or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, 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 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 engineering services with customers, the Company has the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering engineering services and other related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For time and material related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. For the years ended March 31, 2022 and 2021, volume discounts which reduced the revenue amounted to $129,900 and $236,250, respectively.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract 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.

Contract Assets and Contract Liabilities

A contract asset results when goods or services have been transferred to the customer, but payment is contingent upon a future event, other than the passage of time. The Company does not have any material unbilled receivables, therefore, does not have any contract assets. The Company only has accounts receivable as disclosed on the face of the balance sheet. Included in the accounts receivable as of March 31, 2022 and 2021, total unbilled of $527,409 and $675,723, which refers to the revenue that was earned but not billed as of the end of the year.

The Company records contract liabilities to unearned revenue when the Company receives customer payments in advance of the performance obligations being satisfied on the Company's contracts. As of March 31, 2022 and 2021, unearned revenue amounted to $0 and $210,003, respectively.

Employee benefits

401(k) savings plan

The Company has established a defined contribution savings plan under Section 401(k) of the Internal Revenue Code, which covers substantially all employees who meet minimum age and services requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. Company contributions to the plan may be made at the discretion of the Board of Directors. For the years ended March 31, 2022 and 2021, the Company did not make any contribution to the plan.

Gratuity

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for the Company. Actuarial gains and losses are recognized in full in other comprehensive income and accumulated in equity in the period in which they occur.

Provident fund

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the statement of income. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company. The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

Foreign currency

Foreign translation adjustments

The Company's other comprehensive income consists of foreign currency translation adjustments from the branch not using the U.S. dollar as its functional currency.

All assets and liabilities are translated using the exchange rate on the date of the balance sheet. Revenues, expenses, and net income are translated using prevailing on the date of the transaction. The foreign exchange adjustment that results from these translations appears in other comprehensive income.

Foreign currency transactions are recorded at exchange rates.

Foreign exchange gain and loss

Transaction gain and losses are included in net income which results from transactions denominated in a currency other than an its functional currency.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation. These changes have no impact on previously reported consolidated net income or consolidated stockholder's equity.

New accounting pronouncements

In February 2016, the Financial Accounting Standards Board issued a new accounting pronouncement that requires lessees to record assets and liabilities on the balance sheet for lease-related rights and obligations and disclose key information about certain leasing arrangements. This new standard establishes a right-of-use ("ROU") model that requires a lessee to recognize a ROU assets and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as financing or operating, with classification affecting the pattern of expense recognition in the statement of operations. ASU 2019-10 delayed this one year to years beginning after December 15, 2020, however, as a result of COVID 19 this is now move to another year beginning after December 15, 2021 or the 2022 calendar year. The Company will the adopt the standard, including the related amendments, using the modified retrospective approach, applying the provisions of the new standard on its effective date. Management is currently evaluating the potential impact that the adoption of this standard will have on the Company's financial position, results of operations, and related disclosures.

3. Risks and uncertainties

In the normal course of business, the Company maintains its cash balances in a financial institution, which at times may exceed federally insured limits. The Company has not experienced any losses in such account and believes it is not subject to any significant credit risk as all its deposits are maintained in a high-quality financial institution. The balance in excess of the FDIC limits at March 31, 2022 and 2021 was approximately $2,756,000 and $3,682,000, respectively.

The Company operates in the computer industry. The fluctuations in information technology spending caused by market conditions or availability of qualified personnel to complete the projects may have significant effect on the profitability of the Company.

The Company may be exposed to currency risk which is the potential risk of loss from fluctuating foreign exchange rates related to its foreign transactions and foreign operations.

COVID-19 has spread across most of the world including the United States of America where the Company has its operations. However, the Company's operations had not affected significantly for the current year. The impact of COVID 19 may be different from that estimated by the Company and the Company will continue to closely monitor any material changes in future economic conditions.

4. Major customers and subcontractors

Major customers

Accounts receivable balances are typically unsecured and are derived from revenues earned from customers. For the year ended March 31, 2022, the Company had three major customers, one of which is the Company's parent company (See Note 5. Related party transactions). These three customers accounted for approximately 89% and 80% of revenue and accounts receivable, respectively. For the year ended March 31, 2021, the Company had three major customers (including the Company's parent company) which accounted for 90% and 72% of revenue and accounts receivable, respectively.

Major subcontractors

For the year ended March 31, 2022, the Company had four major service providers which represents approximately 80% of the total subcontracting and 68% of accounts payable. For the year ended March 31, 2021, one supplier accounted for 46% of subcontracting expense and 45% accounts payable,

5. Related party transactions

The Company is wholly owned subsidiary of Tech Mahindra Limited, an India based company (parent company).

The Company has entered into professional service agreements with its parent company, including with Tech Mahindra Network Services International, Inc., Tech Mahindra Americas, Inc. and Tech Mahindra Growth Factories Limited, which are subsidiaries of the parent company.

In addition, the Company through its Branch made contribution to Tech Mahindra Foundation (a non-profit organization) the Corporate Social Responsibility (CSR) arm of Tech Mahindra.

Transactions based upon terms agreed between the parties during the years ended March 31, 2022 and 2021 are as follows:

	March 31, 2022	March 31, 2021
Services Received / Operating Expense from:		
Tech Mahindra Limited (for rent of the foreign branch)	**$666,146**	$670,994
Tech Mahindra Americas, Inc. (for other operating and reimbursable expenses)	**1,309,515**	1,532,206
	$1,975,661	$2,203,200
Services Provided To:		
Tech Mahindra Limited	**$6,679,918**	$7,499,043
Tech Mahindra (Americas) Inc.	**-**	74,785
	6,679,918	7,573,828
Interest Income on Loan receivable :		
Tech Mahindra Americas, Inc.	**$13,749**	$276

Related party accounts receivable and payable as at March 31, 2022 and March 31, 2021 as follows:

	March 31, 2022	March 31, 2021
Accounts receivable:		
Tech Mahindra Limited	**$527,920**	$756,762
Tech Mahindra (Americas), Inc.	**-**	-
	527,920	756,762
Loan receivable		
Tech Mahindra Americas, Inc.	**-**	$5,000,000
Interest Accrued on Loan receivable		
Tech Mahindra Americas, Inc.	**-**	$276
Accounts payable		
Tech Mahindra Limited	**$252,487**	$52,622
Tech Mahindra Americas, Inc.	**47,751**	98,536
	$300,238	$151,158
Contribution made towards CSR - India Branch		
Tech Mahindra Foundation	**$40,721**	$41,376

Loan receivable from Tech Mahindra (Americas) Inc.

On March 30, 2021, the Company entered into loan agreement with Tech Mahindra (Americas) Inc., the borrower, a related party, for an unsecured loan of $5 million. The loan is subject to interest of LIBOR plus eighty basis points (~ 1% p.a.) per annum on the amount borrowed and the interest is calculated from the date of disbursement. The interest is payable at the end of the tenure of the loan. The borrower agrees to repay the loan amount on or before September 30, 2021, with the borrower's option to repay the loan either in full or in installments. This was fully collected during 2022.

6. Property and equipment, net

Property and equipment consisted of the following:

	March 31, 2022	March 31, 2021
Furniture and fixtures	**$49,521**	$49,521
Office equipment	**4,438**	4,438
Computers and equipment	**155,586**	155,586
Leasehold improvements	**68,236**	68,236
	277,781	277,781
Less: Accumulated depreciation	**(242,119)**	(188,454)
Net	**$35,662**	$89,327

7. Software

The software pertains to the total costs of $449,987 incurred when the Company obtained a contract for the development of a commercial product beginning February 2017. Costs incurred by the Company were capitalized and reported as work in progress on the balance sheet as of March 31, 2020. During the year March 31, 2021, the Company began amortization when the product first became available for general release to customers. The annual amortization is computed using the straight-line method over the estimated economic life of the product of 3 years, as this amount is greater than amount based on the ratio of current revenue and total expected revenue.

The accumulated amortization as of March 31, 2022 and 2021 is $299,991 and $149,996, respectively.

8. Income taxes

Deferred tax assets and liability consist of the following as of March 31, 2022 and 2021:

	March 31, 2022	March 31, 2021
Deferred tax assets		
Accrued liabilities	**$287,624**	$152,074
Provision for employee benefits	**13,401**	56,705
Depreciation & amortization	**-**	54,706
Vacation accrual	**63,980**	98,650
Total	**$365,005**	$362,134
Deferred tax liabilities		
Depreciation & amortization	**71,331**	-
State deferred tax	**-**	17,291
Total	**71,331**	17,291
Net	**293,674**	344,843
Less: valuation allowance	**-**	-
Deferred tax assets, net	**$293,674**	$344,843

Income tax (benefit)/expense consisted of the following as of March 31, 2022 and 2021:

	March 31, 2022	March 31, 2021
Current income tax		
Federal	**$1,009,400**	$1,436,940
State	**310,250**	486,257
Foreign	**318,035**	401,838
	$1,637,685	$2,325,035

	March 31, 2022	March 31, 2021
Deferred income tax (benefit)		
Federal	**$(46,835)**	$(132,147)
State	**(13,586)**	(48,634)
Foreign	**9,360**	1,159
	$(51,061)	$(179,622)

9. Employee benefit

	March 31, 2022	March 31, 2021
A. Current and Non-current breakup:		
Current liability	**$12,402**	$6,702
Non-current liability	**62,803**	50,609
Total Liability	**$75,205**	$57,311
B. Changes in defined benefit obligation:		
Defined benefit obligation (DBO) at the end of prior period	**$55,283**	$67,022
Service cost	**11,875**	10,806
Interest cost on the DBO	**4,090**	3,967
Past Service cost- plan amendment	**14,513**	-
Actuarial (gain)/loss - experience	**5,278**	(15,867)
Actuarial (gain)/loss - demographic assumptions	**(1,979)**	-
Actuarial (gain)/loss - financial assumptions	**-**	684
Benefits paid	**(13,854)**	(8,617)
DBO at end of current period	**$75,206**	$57,995
C. Expected benefit payments for the year ending March 31:		
2022 (PY 2021)	**$-**	$6,839
2023 (PY 2022)	**1,280**	6,839
2024 (PY 2023)	**1,451**	8,754
2025 (PY 2024)	**1,478**	9,985
2026 (PY 2025)	**1,544**	11,900
2027 (PY 2026)	**1,900**	59,773
2028 (PY 2027)-2032 (PY 2031)	**79,427**	-
Total	**$87,080**	$104,090
D. Amounts recognized in statement of Profit & Loss:		
Current Service Cost	**$11,875**	$10,806
Past service cost - plan amendements	**14,513**	-
Service Cost	**26,388**	10,806
Actuarial (gains)/losses	**-**	(15,867)
Net interest on net defined benefit liability / (asset)	**4,090**	3,967
Cost recognized in P&L	**$30,478**	$(1,094)
E. Amounts recognized in Other Comprehensive income (OCI):		
Net Gain/(Loss)	**$3,298**	$(15,867)
Cumulative (Gain)/ Loss Recognized via OCI at Prior Period End	**-**	-
Cumulative (Gain)/ Loss Recognized via OCI at Current Period End	**$3,298**	$(15,867)

F. The Principal Assumptions used for the purposes of the actuarial valuation as follows:

Discount Rate(s)	**6.20%**	6.20%
Expected Rate(s) of salary increase		
Top Management	**4.00%**	4.00%
Middle Management	**4.00%**	4.00%
Other Staff	**8.00%**	8.00%

10. Grants repayable

In connection with the development of commercial product described in Note 7. Software, the Company has obtained a conditional funding contract. As per the contract, the Company will periodically receive funds up to a maximum of $270,000 and has to return the same with time value based on 5% of the gross sale value realized from marketing this product expected to be refunded over a period of 5 years after completion of development of product. As of March 31, 2022 and 2021, the outstanding grant repayable was $269,201 and $269,201, respectively.

11. Accrued compensated absences

Employees of the Company are entitled to paid vacation and sick days depending on length of service and other factors. As at March 31, 2022 and 2021, the Company accrued a total of $266,616 and $349,090, respectively, of unused vacation and sick leave. This accrued compensated absence account is included in the accrued expenses and other liabilities account.

12. Deferred payroll tax

The Coronavirus Aid, Relief, and Economic Security (CARES) Act Section 2302 permits the deferral of payment of the employer portion of social security taxes between March 27, 2020 and December 31, 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. The remaining balance as of March 31, 2022 is at $287,457 which is included in the accrued expenses and other liabilities account.

13. Commitments

Leases

The Company entered into a three-year non-cancelable operating lease agreement for its branch office in Hyderabad, India with its parent company. The lease agreement expired on March 1, 2020 and renewed for another three years expiring 2023. In addition, the Company also entered into lease agreements for its US offices with an unrelated party from earliest date effective April 1, 2019 and latest lease ends January 2023. The future lease payments for the year ending March 31, 2023 is $752,250.

The Company did not record the effect of deferred rent since the amount is not material.

For the years ended March 31, 2022 and 2021, the total rent expense associated with this lease is $879,963 and $870,048, respectively, which is included in selling, general and administrative expenses.

14. Common stock

Each share of common stock is entitled to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to the prior rights of holders of all classes of stock outstanding..

During the year ended March 31, 2022, the Company's board of directors declared and paid dividend at the rate of $50 per share on the outstanding number of shares of 100,000 for the total of $5 million.

15. Subsequent events

The Company evaluated its consolidated financial statements for subsequent events through June 9, 2022, the date of the consolidated financial statements were issued.

THE CJS SOLUTIONS GROUP, LLC

Board of Managers
Mr. Milind Vasant Kulkarni
Mr. Richard Caplin
Mr. Vivek Satish Agarwal

Registered Office
8880 Freedom Crossing Trail,
Suite 200
Jacksonville Florida
32256

Bankers
BB&T
J.P. Morgan Chase

Auditors
CKH CPAs and Advisors, LLC
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To: Management
CJS Solutions Group, LLC and Subsidiaries.
6440 Southpoint Parkway
Suite 300
Jacksonville, FL 32216

Opinion

We have audited the accompanying financial statements of CJS Solutions Group, LLC and its subsidiaries (Collectively referred to as the "Company"), which comprise the consolidated balance sheets as of March 31, 2022 and March 31, 2021, and the related consolidated statements of operations and comprehensive gain/(loss), consolidated statements of changes in member's equity and consolidated statements of cash flows for the periods then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2022 and March 31, 2021, and the results of its operations and its cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Auditor's Responsibilities for the Audit of the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Consolidated Supplemental Schedule of Revenues and Expenses is presented for purposes of additional analysis and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements are available to be issued.

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 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CKH CPAs and Advisors, LLC
Atlanta, Georgia
May 31, 2022

CONSOLIDATED BALANCE SHEETS

AT MARCH 31, 2022 and MARCH 31, 2021

		March 31, 2022	March 31, 2021
Current assets			
Cash and cash equivalents		**$ 4,173,884**	$ 3,238,412
Accounts receivable, net	3	**22,680,310**	15,366,653
Due from related parties	8	**20,101,963**	21,904,482
Prepaid expenses and other current assets		**129,966**	88,640
		47,086,123	40,598,187
Non-current assets			
Property and equipment, net	5	**1,419,205**	2,028,164
Right of use asset		**1,300,821**	1,691,067
Capital work in progress		**46,708**	55,422
Deferred income tax asset	4	**8,921,751**	7,137,300
Intangible assets, net	6	**5,944,534**	11,377,867
Goodwill, net	7	**31,313,943**	36,987,221
		47,527,757	57,248,877
Total Assets		**$ 96,033,085**	$ 99,875,228
Current liabilities			
Accounts payable		**2,253,584**	2,696,009
Accrued expenses and other current liabilities		**6,902,203**	6,015,781
Income taxes payable		**782,254**	1,099,113
Lease liability current portion		**409,674**	271,342
Due to related parties	8	**31,874**	910,850
		10,379,589	10,993,095
Non-current liabilities			
Lease liability non-current portion		**1,276,629**	1,686,303
Total liabilities		**11,656,218**	12,679,398
Commitments and contingencies (Note 12 and 13)			
Members' Equity			
Members' equity	10	**84,376,867**	87,195,830
Total Liabilities and Members' Capital		**$ 96,033,085**	$ 99,875,228

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

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE GAIN/(LOSS)

FOR YEAR ENDED MARCH 31, 2022 and 15 MONTHS ENDED MARCH 31, 2021

	Schedules / Notes	12 months to March 31, 2022	15 months to March 31, 2021
REVENUES		**$ 86,129,570**	$ 139,486,473
COST OF REVENUES	**I**	**65,299,180**	102,522,194
GROSS PROFIT		**20,830,390**	36,964,279
OPERATING EXPENSES:			
Personnel		**8,362,178**	11,791,020
General and administrative	**II**	**4,541,350**	9,392,037
Amortization		**11,106,612**	13,883,265
Depreciation including right of use asset	**Note 5**	**989,575**	1,103,220
Total operating expenses		**24,999,715**	36,169,542
OPERATING PROFIT / (LOSS)		**(4,169,325)**	794,737
OTHER INCOME / (EXPENSES)			
Other income		**81,853**	598,894
Interest expense, net		**(58,243)**	(951,541)
Foreign currency (loss) / gain		**(423,215)**	480,410
Total other (expenses) / income		**(399,605)**	127,763
(Loss) / profit before income tax expense		**(4,568,930)**	922,500
INCOME TAX BENEFIT	**Note 4**	**1,478,925**	40,662
NET (LOSS) / PROFIT		**(3,090,005)**	963,162
Other comprehensive gain / (loss)			
(Loss) / gain on foreign currency translation		**271,042**	(350,842)
Comprehensive (loss) / gain		**(2,818,963)**	612,320

All revenue and profit / (loss) for the year is generated from continuing operations.

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

FOR YEAR ENDED MARCH 31, 2022 and 15 MONTHS ENDED MARCH 31, 2021

	Member's Capital	Accumulated Other Comprehensive (Loss)	Accumulated (Deficit)	Total Member's Capital
Balance at January 1, 2020	**$ 99,927,450**	**$ (587,216)**	**$ (12,756,724)**	**$ 86,583,510**
Net profit for the period	-	-	963,162	963,162
Other comprehensive loss	-	(350,842)	-	(350,842)
Balance at March 31, 2021	**$ 99,927,450**	**$ (938,058)**	**$ (11,793,562)**	**$ 87,195,830**
Net loss for the period	-	-	(3,090,005)	(3,090,005)
Other comprehensive gain	-	271,042	-	271,042
Balance at March 31, 2022	**$ 99,927,450**	**$ (667,016)**	**$ (14,883,567)**	**$ 84,376,867**

THE CJS SOLUTIONS GROUP, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR YEAR ENDED MARCH 31, 2022 and 15 MONTHS ENDED MARCH 31, 2021

	12 Months to March 31, 2022	15 months to March 31, 2021
Cash flows from operating activities		
Net (loss) / income	**$ 1,850,803**	$ (3,361,316)
Adjustments to reconcile net income to net cash provided by		
operating activities:	**11,106,612**	11,106,613
Amortization	**839,076**	432,046
Depreciation including right of use asset	**(1,899,254)**	(2,323,714)
Income tax expense		
Deferred income tax benefit	**30,402,870**	11,129,413
Changes in operating assets and liabilities:	**19,553,498**	(605,197)
Accounts receivable, net		
Due from related parties	**(1,229,829)**	(948,482)
Due to related parties	**1,169,893**	496,846
Prepaid expenses and other current assets	**-**	-
Deferred income tax benefit	**(2,361,154)**	(82,840)
Accrued expenses and other current liabilities	**(1,979,783)**	818,288
Accounts payable	**(668,476)**	29,617
Income taxes payable	**2,445,605**	3,385,470
Net cash provided by operating activities	**59,229,861**	20,076,744
Cash flows from investing activities		
Capital expenditures including capital work in progress	**(69,351)**	(1,600,244)
Proceeds on sale of fixed assets	**87,689**	19,932
Due from related parties	**37,500,000**	(37,500,000)
Net cash used in investing activities	**37,518,338**	(39,080,312)
Cash flows from financing activities		
Committed loan	**-**	(12,614,160)
Lease liability	**(271,342)**	(280,313)
(Repayment) / proceeds from uncommitted loans	**(37,500,000)**	37,500,000
Repayment of uncommitted loans	**-**	(41,500,000)
Net cash provided by/(used in) financing activities	**(37,771,342)**	(16,894,473)
Effect of exchange rate changes on cash	**271,042**	(350,842)
Net decrease in cash	**935,472**	515,576
Cash and cash equivalents at beginning of year	**3,238,412**	2,722,836
Cash and cash equivalents at March 31	**$ 4,173,884**	$ 3,238,412
Supplemental disclosure of cash flow information:		
Cash paid for interest	**43,196**	61,986
Cash (paid) / received for income taxes	**(622,385)**	(2,064,514)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT MARCH 31, 2022 and MARCH 31, 2021

1. NATURE OF OPERATIONS

The CJS Solutions Group, LLC (the "Parent") and Subsidiaries (the "Company") is a consulting firm that specializes in providing resources to plan, manage, build, optimize and generally assist in the implementation of electronic medical records systems ("EMR") in hospitals and health care systems.

The consolidated financial statements of the Company includes The CJS Solutions Group, LLC d/b/a The HCI Group and its wholly owned subsidiaries, Healthcare Clinical Informatics Ltd., CJS Solutions Group Canada ULC and HCI Group Australia Pty Ltd.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF CONSOLIDATION AND CHANGE OF YEAR END

The accompanying consolidated financial statements reflect the consolidated results of the Parent and its subsidiaries for the period ended March 31, 2022 and March 31, 2021. All significant intercompany accounts and transactions have been eliminated in consolidation.

The financial year end of the Company was changed during the previous year from 31 December to 31 March so as to be coterminous with the year end of its ultimate holding company. Accordingly, the current financial statements are prepared for 15 months from January 1, 2020 to March 31, 2021 and as a result, the comparative figures stated in the income statement, statement of changes in equity, cash flow statement and the related notes are not comparable.

B. BASIS OF ACCOUNTING

These consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

C. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

D. REVENUE RECOGNITION

Revenue from consulting services contracts is recognized as the services are performed and amounts are earned. The Company considers amounts to be earned once evidence of an arrangement has been obtained, services are provided, fees are fixed or determinable, and collectability is reasonably assured.

Revenues from these services and reimbursed costs for out of pocket expenses are presented on the statement of operations and comprehensive loss, net of allowances or adjustments for agreed changes to reimbursed costs.

E. COST OF REVENUE

Direct costs for employee or contractor placements consists of salaries and contract payments (mainly from hours), payroll taxes, insurance costs as well as reimbursable costs such as travel, lodging or entertainment.

F. ADVERTISING AND MARKETING

The Company expenses all advertising costs as incurred. Advertising costs incurred for the year ended March 31, 2022, were $757,557, and for the 15 months ended March 31, 2021, were $1,067,368.

G. INCOME TAXES

CJS, was formed as a Limited Liability Company. On May 5, 2017 management elected to have the entity file an income tax return as a corporation.

In accordance with guidance in ASC 740-10-30-27, the Company uses a "separate return" method to allocate current and deferred taxes or benefits to members of the consolidated return group ("TMA and subsidiaries") by applying ASC 740 to each member as if they were separate tax payers. Under the "separate return" method, the subsidiary is assumed to file a separate return with the taxing authority, thereby reporting its taxable income or loss and paying the applicable tax to or receiving the appropriate refund from the Parent.

CJS accounts for income taxes using Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740 the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. CJS records valuation allowances against deferred tax assets as deemed necessary.

Per FASB ASC 740-10-20, the Company follows the recognition requirements for uncertain tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service (IRS) and all state jurisdictions where it operates.

For the foreign subsidiaries deferred tax assets are only recognized if it is probable that they will be used.

H. CASH

The Company considers all highly-liquid investments with maturities of three months or less to be cash or cash equivalents.

The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts held by a financial institution in the United States of America. As of March 31, 2022 and March 31, 2021, the Company had $1,900,743 and $1,538,471 respectively with financial institutions in excess of the federally insured limit.

The Financial Services Compensation Scheme covers small businesses in the United Kingdom that hold deposits at member banks up to £85,000. As of March 31, 2022 and March 31, 2021 such balances held in the United Kingdom exceeded the insured limits by $1,348,943 (£1,079,155) and $983,666 (£786,933) respectively.

I. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are the amounts owed on invoiced contractual agreements either in process or completed by the Company. Accounts receivable are considered delinquent when payment is not received under terms described within the individual contract’s terms.

An allowance for doubtful accounts is provided for those balances considered to be uncollectible based upon historical experience and the Company’s specific review of outstanding account balances. Company policy is that accounts overdue in excess of 365 days and not subject to offsetting is a strong indicator that the receivable has potentially impaired. Bad debts are written off against the allowance when identified.

J. UNBILLED RECEIVABLES

Unbilled receivables represent accrued revenue earned and recognized on projects for which invoices have not yet been presented to the customer.

K. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is provided by the straight-line method and is generally based on the following lives:

- Computers and technology peripherals – five years;
- Furniture and fixtures – seven years;
- Leasehold improvements – lesser of remaining life of lease or estimated useful life of equipment.

Expenditures for maintenance and repairs are charged to income as incurred. Additions and betterments are capitalized. When assets are retired or otherwise disposed, the related cost and accumulated depreciation are removed from the appropriate accounts and any resulting gain or loss is reflected in operations.

The Company annually reviews the status of property and equipment held by the Company for any impairment of those assets. Any such impairment would result in a permanent reduction in the recorded value of the asset. No such impairments existed at March 31, 2022 and March 31, 2021.

L. FOREIGN EXCHANGE RATES

The Company translates the operations and balances of its foreign subsidiaries into U.S. Dollars. Assets and liabilities are translated into U.S. Dollars at year-end exchange rates. Income and expense items are translated at the average rates of exchange prevailing during the year. Translation adjustments are included in “Other Comprehensive Loss” and “Accumulated Other Comprehensive Loss”. Transactions in currencies other than the functional currency of the related subsidiary are converted at the foreign exchange rate on the date of the transaction. Gains and losses, which result from foreign currency transactions, are included in Other Expenses.

M. GOODWILL

Goodwill resulting from business combinations represents the excess of the fair value of the consideration transferred over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. During 2015, the Company elected the private company accounting alternatives provided in Accounting Standards Update (ASU) 2014-02, Intangibles – Goodwill and Other (Topic 350). Pursuant to these elections, the Company prospectively amortized goodwill on a straight-line basis over a ten-year period. Impairment testing will be performed at the entity level whenever events occur, or circumstances changes, which indicates that the fair value of the Company may be below its carrying amount.

N. IDENTIFIABLE INTANGIBLES

Identifiable definite lived intangibles are stated at fair value as of date of acquisition and are amortized over their estimated useful lives. The Company amortizes customer relationships on a straight-line basis over a six-year period. Under the provisions of (Topic 350) Intangibles - Goodwill and Other, identifiable intangible assets with definite lives are tested for impairment if conditions exist that indicate the asset might be impaired. The impairment assessments made at March 31, 2022 and March 31, 2021 did not result in any impairment charges.

O. RELATED PARTIES

All companies within the Group are considered to be related parties. Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). The Company conducted business, involving a lease agreement with a provider in which an employee of the Company holds an interest. Transactions involving related parties are carried out on an arm’s length basis.

P. LEASES

The company determines if an arrangement is a lease at inception of the arrangement. These leases are classified as either an operating lease or a finance lease. Based on the evaluation of leases for the period ended March 31, 2022, no leases meet the criteria for classification as a finance lease. Operating leases are capitalized on the consolidated balance sheet through a right-of-use (“ROU”) asset and a corresponding lease liability. ROU assets represent the company’s right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease.

Operating leases are included in operating lease ROU assets, current operating lease liabilities, and long-term operating lease liabilities in our consolidated balance sheets. Operating lease ROU assets and liabilities are recognized at the commencement date of an arrangement based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any lease payments made to the lessor prior to lease commencement, less any lease incentives, and initial direct costs incurred. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The company enters into long-term contracts to lease office space in support of company operations and these have all been determined to represent operating leases.

Q. CAPITAL WORK IN PROGRESS

Capital work-in-progress are costs incurred in the construction of the new corporate office lease space. Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use and have been transferred to and disclosed under the fixed assets.

3. ACCOUNTS RECEIVABLE, NET

At March 31, 2022 and March 31, 2021, accounts receivable balances were as follows:

	March 31, 2022	March 31, 2021
Amounts due for services rendered and billed	**$ 20,883,125**	$ 12,868,386
Less: allowance for doubtful accounts	**(1,040,248)**	(962,403)
Amounts due for services rendered and billed, net	**19,842,877**	11,905,983
Amounts due for services rendered, not billed	**2,837,433**	3,460,670
Total accounts receivable, net	**$ 22,680,310**	$ 15,366,653

4. INCOME TAXES

CJS accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes , as described in Note 2G above.

	12 months to	15 months to
Current income tax expense consists of the following:	**2022**	2021
Federal	**$ 236,607**	$ 1,564,730
State	**62,263**	585,546
	298,870	2,150,276
Deferred income tax benefit consists of the following:		
Federal	**(1,434,107)**	(1,888,916)
State	**(343,688)**	(302,022)
	(1,777,795)	(2,190,938)
Total current and deferred income tax benefit	**$ (1,478,925)**	$ (40,662)

	March 31,	March 31,
	2022	2021
Deferred tax asset consists of the following:		
Federal	**6,960,335**	5,519,574
State	**1,961,416**	1,617,726
	$ 8,921,751	$ 7,137,300

As of March 31, 2022, CJS had incurred net operating losses (NOLs) available to be carried forward of $732,694. No deferred tax asset has been raised regarding net operating losses (NOLs) as CJS is not expected to make future taxable profits in the foreseeable future. A valuation allowance has been recognized in order to reduce the deferred tax asset value to nil.

In the ordinary course of business there are many transactions with affiliated companies that affect the calculation and estimation of the Company's tax liability. Although management believes that the Company's tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's historical income tax provisions and accruals.

The Company does not anticipate any amount to be recognized related to the Company's uncertain tax position.

5. PROPERTY AND EQUIPMENT

	March 31,	March 31,
	2022	2021
At March 31, 2022 and March 31, 2021, property and equipment balances were as follows:		
Computer and software	**$2,407,123**	$3,030,205
Furniture and equipment	**171,118**	142,328
Leasehold improvements	**360,248**	360,248
Office equipment	**35,375**	35,375
Less: accumulated depreciation	**(1,554,659)**	(1,539,992)
	$ 1,419,205	$ 2,028,164

	March 31, 2022	March 31, 2021
Reconciliation of carrying value of property and equipment for the periods ended March 31, was as follows:		
Carrying value at the beginning of the year	**2,028,164**	583,748
Additions and transfers from capital work in progress	**78,064**	2,029,452
Disposals	**(672,357)**	(231,696)
Accumulated depreciation on disposals	**584,668**	211,764
Depreciation	**(599,334)**	(565,104)
Carrying value at the end of the year	**$ 1,419,205**	$ 2,028,164

Total depreciation expense for the year ended March 31, 2022 and for the 15 months ended March 31, 2021 was $977,673 and $1,103,220 respectively. Included in this depreciation amount is the depreciation of the Right-of-use asset relating to operating leases of $378,388 and $538,116 for the year ended March 31, 2022 and for the 15 months ended March 31, 2021, respectively. The depreciation policies followed by the Company are disclosed in Note 2K.

6. INTANGIBLE ASSETS, NET

	March 31, 2022	March 31, 2021
At March 31, 2022 and March 31, 2021, intangible asset balances were as follows:		
Customer contract and related relationships	**$ 32,600,000**	$32,600,000
Less: accumulated amortization	**(26,655,466)**	(21,222,133)
	$ 5,944,534	$ 11,377,867

Amortization expense for the year ended March 31, 2022 and 15 months ended March 31, 2021 was $5,433,333 and $6,791,667 respectively. The amortization policies followed by the Company are described in Note 2N.

Amortization expense of intangible assets subject to amortization for the three years succeeding March 31, 2022 is as follows:

Years ending March 31,	**$**
2023	5,433,333
2024	511,201
2025	-
	5,944,534

7. GOODWILL, NET

	March 31, 2022	March 31, 2021
The changes in the carrying amount of goodwill at March 31, 2022 and March 31, 2021 are as follows:		
Goodwill	**$ 59,510,430**	$ 59,510,430
Less: accumulated amortization	**(28,196,487)**	(22,523,209)
	$ 31,313,943	$ 36,987,221

Amortization expense for the year ended March 31, 2022 and 15 months ended March 31, 2021 was $5,673,279 and $7,091,599 respectively. The Company reviewed its goodwill as of March 31, 2022 and determined that no impairment of goodwill has occurred. The amortization policies followed by the Company are described in Note 2M.

Amortization expense of goodwill subject to amortization for the five years succeeding March 31, 2022 and thereafter is as follows:

Years ending March 31,	**$**
2023	5,673,279
2024	5,673,279
2025	5,673,279
2026	5,673,279
2027	5,673,279
Thereafter	2,947,547
	31,313,943

8. TRANSACTIONS WITH RELATED PARTIES

During the year ended March 31, 2022 and 15 months ended March 31, 2021, the Company had transactions with the following related parties. At March 31, 2022 and March 31, 2021 the Company had payables due (to) from related parties as follows:

	12 months to	15 months to
Tech Mahindra (Americas), Inc. ("TMA")	**March 31, 2022**	March 31, 2021
Beginning balance, due (to)	**(897,850)**	(1,372,729)
Income from	**-**	102,226
Reimbursement of expense	**(683,064)**	(2,458,325)
Payment made	**1,688,576**	3,965,649
Loan made	**-**	37,500,000
Receipt from TMA	**(139,535)**	(38,634,671)
Ending balance, due from (to)	**(31,873)**	(897,850)
Due from (to) from consists of: Amounts due to TMA	**(31,873)**	(897,850)
Amounts due from TMA	**-**	-
	$ (31,873)	$ (897,850)

	12 months to	15 months to
Tech Mahindra Limited ("TechM")	**March 31, 2022**	March 31, 2021
Beginning balance, due from (to)	**3,296,291**	(122,045)
Income from	**17,826,678**	9,614,053
Cost of services	**(125,400)**	(159,600)
Reimbursement of expense	**-**	35,023
Payment made	**285,000**	-
Receipts from	**(12,188,953)**	(6,071,140)
Ending balance, due (to) from	**9,093,616**	3,296,291
Due (to) consists of: Amounts due to TechM	**-**	(159,600)
Amounts due from TechM	**9,093,616**	3,455,891
	$ 9,093,616	$ 3,296,291

	12 months to	15 months to
Pulse Clinical Alliances, LLC ("Pulse")	**March 31, 2022**	March 31, 2021
Beginning balance, due from	**235,602**	184,729
Income from	**537,433**	296,129
Cost of services	**-**	(305,919)
Payments to/(Receipts from)	**(235,602)**	60,663
Ending balance, due from	**537,433**	235,602

Comviva Technologies Ltd ("Comviva")	12 months to March 31, 2022	15 months to March 31, 2021
Beginning balance, due from	**372,589**	63,808
Income from	**12,601**	729,482
Reimbursement of expense	**-**	(3,228)
Payment made	**-**	9,495
Receipts from	**(202,232)**	(426,968)
Ending balance, due from	**182,958**	372,589
Due from consists of:		
Amounts due to Comviva		-
Amounts due from Comviva	**182,958**	372,589
	$ 182,958	$ 372,589

Lightbridge Communication Corporation ("LCC")	12 months to March 31, 2022	15 months to March 31, 2021
Beginning balance, due from	**18,000,000**	(2,316)
Income from	**185,419**	275,909
Payment made	**-**	2,316
Receipts from	**(3,204,613)**	(34,275,909)
Loans paid	**5,000,000**	52,000,000
Ending balance, due from	**19,980,806**	18,000,000
Due from consists of:		
Amounts due to LCC		-
Amounts due from LCC	**19,980,806**	18,000,000
	$ 19,980,806	$ 18,000,000

Mad*Pow Media Solutions, LLC ("Mad*Pow")	12 months to March 31, 2022	15 months to March 31, 2021
Beginning balance, due (to) from	**(13,000)**	-
Income from	**7,500**	2,000
Cost of Services	**-**	(15,000)
Payment made	**15,000**	-
Receipts from	**(9,500)**	-
Ending balance, due (to) from	**-**	(13,000)
Due from consists of:		
Amounts due to Mad*Pow	**-**	(15,000)
Amounts due from Mad*Pow	**-**	2,000
	$ -	$ (13,000)

HealthNxt Inc. ("HealthNxt")	**12 months to March 31, 2022**	15 months to March 31, 2021
Beginning balance, due from	**-**	-
Reimbursement of expense	**1,021,157**	-
Receipts from	**(900,000)**	-
Ending balance, due from	**121,157**	-
Due from consists of:		
Amounts due to HealthNxt	**-**	-
Amounts due from HealthNxt	**121,157**	-
	$ 121,157	$ -
Total amounts due to related parties	**(31,873)**	(910,850)
Total amounts due from related parties	**20,101,963**	21,904,482
	$ 20,070,090	$ 20,993,632

9. SHORT-TERM DEBT AND LINE OF CREDIT FACILITY

On December 12, 2018 the Company entered into an uncommitted line of credit with JP Morgan Chase (the "Bank") which is renewed annually. The current maximum borrowing available under this uncommitted line is $37,500,000. The line is collateralized by the assets of the Company and is not committed and is recallable. The balance outstanding on this line of credit at March 31, 2022 and March 31, 2021 was zero. The loan was repaid during the March 31, 2021 financial year. The loan Interest accrues at:

1) a variable rate equal to the Base Rate plus a margin offered by the Bank and accepted by the undersigned;
2) a floating rate equal to the Eurodollar rate applicable to such loan plus a margin offered by the bank and accepted by the undersigned or a fixed rate as offered per the Bank's discretion to the undersigned and the Company may accept the offered rate.

Interest expense for the year ended March 31, 2022 and 15 months ended March 31, 2021 and the year ending were $0 and $45,623 respectively.

	12 months to March 31, 2022	15 months to March 31, 2021
Opening balance of outstanding committed loan	**-**	12,614,161
Movement of committed loan	**-**	(12,614,161)
Closing balance of outstanding committed loan	**-**	-
Opening balance of outstanding uncommitted loans	**-**	4,000,000
Proceeds from uncommitted loans	**-**	37,500,000
Repayment of uncommitted loans	**-**	(41,500,000)
Closing balance of outstanding uncommitted loans	**-**	-
	-	-

10. MEMBERS' EQUITY

The Company entered into an Agreement and Plan of Merger with Tech Mahindra HealthCare, LLC on March 6, 2017. Under the terms of the agreement, the Company was merged into a newly created merger subsidiary of Tech Mahindra Health Systems Holdings, LLC with the Company surviving the merger. The closing date of the merger was after the close of business on May 4, 2017. Tech Mahindra Healthcare Systems Holdings, LLC ("Holdco") entered into a Limited Liability Company Agreement of Tech Mahindra Healthcare LLC, dated April 7, 2017, as sole initial member. On May 4, 2017, Tech Mahindra (Americas) Inc. ("TMA"), acquired 84.7% holding in Tech Mahindra Holdco, a Delaware Limited Liability Company. On June 30, 2019 TMA acquired a further 4.07% from the minority holder this was followed by a further purchase of an additional 4.08% on May 31, 2020 and by TMA from the same minority shareholder. At March 31, 2022 TMA has 100% interest in the Company.

11. EMPLOYEE BENEFITS

The Company has established a salary deferral plan under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees to defer a portion of their compensation. Such deferrals accumulate on a tax deferred basis until the employee withdraws the funds. The Company, at its option, may match a portion of the employee's contribution. The Company has elected not to match a portion of employee's contribution at this time.

12. COMMITMENTS AND CONTINGENCIES

Real Estate Leases

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 (Topic 842) "Leases." Topic 842 supersedes the lease requirements in Accounting Standards Codification Topic 840, "Leases." Under Topic 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases and provide enhanced disclosures. Leases will continue to be classified as either finance or operating. The company adopted Topic 842 effective January 1, 2019. The most significant effects of Topic 842 were the recognition of right of use assets and of operating lease liabilities. We applied Topic 842 to all leases as of January 1, 2019. In the adoption of Topic 842, we carried forward the assessment from Topic 840 of whether our contracts contain or are leases, the classification of our leases, and remaining lease terms. The standard does not have a significant effect on our consolidated results of operations and cash flows.

On November 17, 2019 the company's holding company, Tech Mahindra (Americas), Inc. "TMA", has entered into a building lease with NortgateArinso, Inc. for business use and occupancy of office space by CJS Solutions Group ("CJS") in Jacksonville, Florida. The lease commenced on January 31, 2020 and is effective until July 30, 2025. The lease is subject to an annual increase of 3% applied from August 1st, 2020. In addition to the rental payable the company will also be responsible to pay Florida State Sales Tax to the landlord. The company has accounted for this new lease as at March 31, 2022, in terms of the policies set out in Note 2P of the accounting policies above.

Rent expense for the year ended March 31, 2022 and 15 months ended March 31, 2021 was $314,538 and $342,298 respectively. The future minimum lease commitments are as follows:

Years ending March 31,	**$**
2023	**409,674**
2024	**528,388**
2025	**557,586**
2026	**190,655**
2027	**-**

13. LITIGATION AND CONTINGENCIES

The Company is involved in various legal proceedings in the ordinary course of its business. Although management of the Company cannot predict the ultimate outcome of these proceedings excluding the settlement of the below class action with certainty, it believes that the ultimate resolution of the Company's proceedings, including any amounts it may be required to pay in excess of amounts reserved or covered by insurance, will not have a material effect on the Company's financial statements. The Company was named as a defendant in certain class action lawsuits and some pending lawsuits due to prior practices mainly related to overtime payments. Management has provided $172,000 for the Timothy Borup case, but for the other cases management cannot conclude with a high probability that the settlements or cases will result in any financial liability. The only known, likely and estimable potential liability payable, except for the issue discussed above, is a settlement payment in the amount of $400,000.

On dissolution of HCI Group UK limited, two 100% subsidiaries of that company namely, HCI Group Australia Pty Ltd (Australian entity) & Healthcare Clinical Informatics (UK entity) are now 100% subsidiaries of CJS Solutions Group LLC (US entity).

14. CONCENTRATION OF CREDIT RISK

REVENUE AND ACCOUNTS RECEIVABLE

The majority of the Company's sales are credit sales. The following are customer concentration for sales for the year ended March 31, 2022 and 15 months ended March 31, 2021 and billed accounts receivable as at March 31, 2022 and March 31, 2021.

Revenue concentration for the 12 months ended March 31, 2022:	**Amount, $**	**Concentration**
Customer 1	17,826,677	21%
Customer 2	17,335,787	20%
Customer 3	5,540,621	6%
Customer 4	3,963,709	5%
Customer 5	3,876,738	5%

Billed accounts receivable concentrations as at March 31, 2022:	Amount, $	Concentration
Customer 1	9,093,615	46%
Customer 2	4,414,036	22%
Customer 6	697,179	4%
Customer 7	688,240	3%
Customer 3	578,725	3%

Revenue concentration for the 15 months ended March 31, 2021:	Amount, $	Concentration
Customer 2	28,022,671	20%
Customer 3	15,743,889	11%
Customer 8	14,799,573	11%
Customer 1	9,614,053	7%
Customer 5	9,519,984	7%

Billed accounts receivable concentrations as at March 31, 2021:	Amount, $	Concentration
Customer 1	3,455,892	29%
Customer 2	2,507,461	21%
Customer 3	1,364,901	11%
Customer 5	1,102,749	9%
Customer 9	752,667	6%

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined under Accounting Standards Codification (“ASC”) 820, “Fair Value Measurements and Disclosures” (“ASC 820”), as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1–inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2–inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

Level 3–inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

The carrying amounts of cash, accounts receivable and accounts payable approximate fair value due to the short-term maturity of the instruments. The carrying amounts of the Company’s floatable interest rate debt are considered reasonable estimates of fair value.

16. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 31, 2022. No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULE

CONSOLIDATED SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES

FOR YEAR ENDED MARCH 31, 2022 and 15 MONTHS ENDED MARCH 31, 2021

	12 months to March 31, 2022 $	15 months to March 31, 2021 $
Schedule I		
COST OF REVENUES		
Consultants compensation	**$ 63,912,749**	98,519,275
Travel and other related expenses	**$ 1,386,431**	4,002,919
	65,299,180	102,522,194
Schedule II		
GENERAL AND ADMINISTRATIVE		
Professional fees	**2,425,243**	1,455,890
Sales and marketing	**757,557**	1,067,368
Office expenses	**282,008**	1,186,398
Communications	**228,311**	212,087
Travel	**208,467**	866,475
Sales and other indirect taxes	**201,285**	1,495,773
Entertainment	**92,867**	51,759
Bad debt expenses	**77,971**	2,109,190
Insurance	**65,408**	211,171
Miscellaneous	**61,635**	482,513
Postage and delivery	**60,167**	103,264
Bank charges	**31,711**	51,735
Repairs and maintenance	**24,198**	59,152
Dues and subscriptions	**15,011**	18,443
Other rental expenses	**9,511**	20,819
	4,541,350	**9,392,037**

TECH MAHINDRA LLC

Board of Managers
Mr. Manish M Vyas
Mr. Lakshmanan Chidambaram

Registered Office
251 Little Falls Drive, Wilmington,
New Castle, Delaware, 19808

Bankers
HSBC Bank

Auditors
CKH CPAs and Advisors, LLC

BOARD OF MANAGERS' REPORT

The Board of Managers present their Report together with the audited accounts of your Company for the year ended March 31, 2022.

Financial Results:

For the year ended March 31	2022 USD	2021 USD
Income	**172,117**	93,478
Profit/(Loss) before tax	0	0
Profit/(Loss) after tax	0	0

Review of operations:

During the fiscal year under review, the Company achieved an income of US$ 172,117.

The Company enters into contracts with customers based in the United States of America for the development or modification of software and other related services and then outsource all of these to Tech Mahindra Ltd, which will accept the responsibility of fulfilling the terms of these contracts.

Board:

Mr. Manish Vyas, Mr. Lakshmanan Chidambaram are the Board of Managers.

Acknowledgements:

Your Board of Managers gratefully acknowledge and also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder(s) for the co-operation and assistance received from them.

Manish Vyas
Board of Manager

Place: Texas
Date: June 9, 2022

TECH MAHINDRA LLC

INDEPENDENT AUDITOR'S REPORT

To: Board of Directors Tech Mahindra LLC
A Delaware Limited Liability Company,
a wholly owned subsidiary of Tech Mahindra Limited, an India Corporation
Plano, Texas

Opinion

We have audited the accompanying financial statements of Tech Mahindra LLC, a Delaware Limited Liability Company, which comprise the balance sheets as of March 31, 2022 and 2021, and the related statements of operations, changes in member's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra LLC as of March 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tech Mahindra LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matters

As discussed in Note 4 to the financial statements, the Company has had numerous transactions with the parent company.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules of Revenue and Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tech Mahindra LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Tech Mahindra LLC'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tech Mahindra LLC'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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CKH CPAs and Advisors, LLC
Atlanta, Georgia
May 9, 2022

TECH MAHINDRA LLC

BALANCE SHEETS AT MARCH 31, 2022 AND MARCH 31, 2021

A DELAWARE LIMITED LIABILITY COMPANY AND WHOLLY OWNED SUBSIDIARY OF TECH MAHINDRA LTD.

	Note	2022	2021
Current assets:			
Cash and cash equivalents		$1,060,475	$159,261
Accounts receivable, net	3	$19,051,615	$11,794,371
Due from parent company	4	$41,068	$4,008,365
		20,153,158	**15,961,997**
Total Assets		**20,153,158**	**15,961,997**
Current liabilities:			
Unearned revenue		$5,256,611	$2,736,807
Accrued expenses and other current liabilities		$59,846	$113,835
Due to parent company	4	$14,826,701	$13,101,355
		20,143,158	**15,951,997**
Member’s equity		$10,000	$10,000
Total Liabilities and Member’s Equity		**20,153,158**	**15,961,997**

STATEMENTS OF OPERATIONS FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021

A DELAWARE LIMITED LIABILITY COMPANY AND WHOLLY OWNED SUBSIDIARY OF TECH MAHINDRA LTD.

	Schedule	For the year ended March 31, 2022	For the year ended March 31, 2021
REVENUES	I	$172,117	$93,478
OPERATING EXPENSES:			
General and administrative	II	$28,281	$12,872
Interest expenses		$143,836	$80,606
Total operating expenses		172,117	93,478
OPERATING PROFIT		**-**	**-**
INCOME TAX EXPENSE		-	-
NET INCOME		**-**	**-**

TECH MAHINDRA LLC

STATEMENTS OF CHANGES IN MEMBER'S EQUITY FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021

A DELAWARE LIMITED LIABILITY COMPANY AND WHOLLY OWNED SUBSIDIARY OF TECH MAHINDRA LTD.

	Member's Equity	Retained Earnings	Total Member's Equity
Balance at March 31, 2020	**$10,000**	**$-**	**$10,000**
Net income for the year	-	-	-
Balance at March 31, 2021	**$10,000**	**$-**	**$10,000**
Net income for the year	-	-	-
Balance at March 31, 2022	**$10,000**	**$-**	**$10,000**

STATEMENTS OF CASH FLOWS

A DELAWARE LIMITED LIABILITY COMPANY AND WHOLLY OWNED SUBSIDIARY OF TECH MAHINDRA LTD.

	For the year ended March 31, 2022	For the year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$-	$-
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable, net	(7,257,244)	(5,146,839)
Due from parent company	3,967,297	(3,995,502)
Due to parent company	1,725,346	5,786,996
Unearned revenue	2,519,804	2,736,807
Accrued expenses and other current liabilities	(53,989)	3,470
Net cash provided by (utilized in) operating activities	901,214	(615,068)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash provided by investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash used in financing activities	-	-
Net increase (decrease) in cash and cash equivalents	901,214	(615,068)
Cash and cash equivalents, beginning of period	159,261	774,329
Cash and cash equivalents, end of period	1,060,475	159,261
Cash paid for interest	$-	$-
Cash paid for income taxes	$-	$-

NOTES TO THE FINANCIAL STATEMENTS AT MARCH 31, 2022 AND MARCH 31, 2021

A DELAWARE LIMITED LIABILITY COMPANY AND WHOLLY OWNED SUBSIDIARY OF TECH MAHINDRA LTD.

1. NATURE OF OPERATIONS

Tech Mahindra LLC (the "Company" or "TMLLC") is a wholly owned subsidiary of Tech Mahindra Ltd. ("TML"). The Company was incorporated in the State of Delaware on June 14, 2018. The Company is engaged in the business of providing software development services onsite for clients across the United States of America.

In terms of an signed agreement between the company and Tech Mahindra Limited ("TML"), the company will enter into contracts with customers based in the United States of America for the development or modification of software and other related services. The company will then outsource all of these services to TML, who will accept the responsibility of fulfilling the terms of these agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The Company has adopted the Financial Accounting Standards Board (FASB) Codification (Codification or ASC). The Codification is the single official source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by the FASB to be applied by non-governmental entities. All of the Codification's content carries the same level of authority.

B. BASIS OF ACCOUNTING

These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

C. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

D. REVENUE AND EXPENSES

Effective December 17, 2018, the Company has entered into a contract with Tech Mahindra Ltd.("TML") to outsource all services to TML. Under the contract with TML, the Company has agreed to outsource all of the services to TML at the price agreed between the Company and it's customers. Revenue derived from the outsource of these services is recognized on time and material basis, provided that no uncertainties regarding customer acceptance exist and collection of the related receivable is probable.

Management determined, by virtue of the rights and obligations resulting from its master services agreement with TML, that it does not meet the control indicators as defined in ASC 606. The Company conducts services as agent of TML and recognizes revenue as the net amount of consideration that it retains after paying TML the consideration received in exchange for the goods or services to be provided by TML.

E. INCOME TAXES

As a single member LLC, the Company's income and deductions are reported on the LLC member's corporate income tax return as a "disregarded entity" for income tax purposes. Accordingly, the member of the Company will be responsible for income taxes; therefore, no provision for income taxes is included in these financial statements. Due to various timing differences, income is recognized in different periods for tax reporting purposes than for financial statements purposes.

F. CASH AND CASH EQUIVALENTS

The Company considers all highly-liquid investments with maturities of three months or less to be cash or cash equivalents.

The Company places its cash on deposit with a financial institution in the United States of America. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts. As of March 31, 2022, the Company had $810,475 (2021: $0) in excess of the Federally insured limit with the financial institution.

G. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR BAD DEBTS

Accounts receivable are the amounts owed on invoiced contractual agreements either in process or completed by the Company. Accounts receivable are considered delinquent when payment is not received under terms described within the individual contract's terms.

An allowance for doubtful accounts is provided for those balances considered to be uncollectible based upon historical experience and the Company's specific review of outstanding account balances. Company policy is that accounts overdue in excess of 365 days is an indicator that the receivable has potentially impaired. Bad debts are written off against the allowance when identified.

H. UNBILLED RECEIVABLES

Unbilled receivables represent accrued revenue earned and recognized on projects for which billings have not yet been presented to the customer.

I. RELATED PARTIES

All companies within the Group are considered to be related parties. Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

J. RECLASSIFICATIONS

The Company has reclassified certain amounts relating to its prior period results to conform to its current period presentation. These changes were mainly made from accrued expenses and other current liabilities and accounts receivable where provision for discounts is presented separately on the balance sheet. These changes have not impacted the results of operations of prior periods.

3. ACCOUNTS RECEIVABLE, NET

At March 31, 2022 and 2021, accounts receivable balances were as follows:

	2022	**2021**
Amounts due for services rendered and billed	$16,893,402	$9,110,330
Less: allowance for discounts	(286,532)	(177,148)
Amounts due for services rendered and billed, net	16,606,870	8,933,182
Amounts due for services rendered, not billed	2,444,745	2,861,189
Total accounts receivable, net	**$19,051,615**	**$11,794,371**

4. TRANSACTIONS WITH PARENT COMPANY

During the period ended March 31, 2022 and 2021, the Company had transactions with Tech Mahindra Ltd.("TML"). At March 31, 2022 and 2021 the Company had payables due to TML as follows:

	2022	**2021**
Beginning balance, due to	$(9,092,990)	$(7,301,496)
Cost of services from TML	$(103,016,994)	(59,394,006)
Reimbursements	$-	4,000,000
Payments to parent company	$97,152,234	53,509,034
Revenue from TML	172,117	93,478
Ending balance, due to	**$(14,785,633)**	**$(9,092,990)**
Due (to) consists of:		
Amounts due to TML	$(14,826,701)	$(13,101,355)
Amounts due from TML	41,068	4,008,365
	$(14,785,633)	**$(9,092,990)**

Amounts due to and receivable from TML are interest free and payable on demand.

5. LITIGATION AND CONTINGENCIES

The Company is not involved in any legal proceedings in the ordinary course of its business.

6. CONCENTRATION OF CREDIT RISK

REVENUE AND ACCOUNTS RECEIVABLE

The majority of the Company's sales are credit sales. The concentration for revenue and billed accounts receivable, for the period ended March 31, 2021, is predominately from the following customers:

Billed accounts receivable as at 31 March, 2022	**Amount, $**	**Concentration**
Customer 1	6,646,363	39%
Customer 4	4,391,698	26%
Customer 5	2,107,684	12%
Billed accounts receivable as at 31 March, 2021	**Amount, $**	**Concentration**
Customer 1	4,111,514	45%
Customer 2	2,090,413	23%
Customer 3	964,430	11%
Revenue concentration for the 12 months ended March 31, 2022	**Amount, $**	**Concentration**
Customer 1	52,803,701	51%
Customer 2	22,705,661	22%
Customer 5	9,839,194	10%
Revenue concentration for the 12 months ended March 31, 2021	**Amount, $**	**Concentration**
Customer 1	29,605,670	50%
Customer 2	14,286,169	24%
Customer 3	8,762,986	15%

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined under Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures" ("ASC 820"), as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1–inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2–inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

Level 3–inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

The carrying amounts of cash, accounts receivable and accounts payable approximate fair value due to the short-term maturity of the instruments. The carrying amounts of the Company's floatable interest rate debt are considered reasonable estimates of fair value.

8. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 9, 2022. No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES

A DELAWARE LIMITED LIABILITY COMPANY AND WHOLLY OWNED SUBSIDIARY OF TECH MAHINDRA LTD.

	For the year ended March 31, 2022	For the year ended March 31, 2021
Schedule I		
REVENUE		
Contract revenue from third parties	$103,016,994	$59,394,006
Transfer to parent or affiliated companies	(103,016,994)	(59,394,006)
	$-	**$-**
Revenue from parent or affliated companies	$172,117	$93,478
Revenue from third parties	-	-
	$172,117	**$93,478**
Schedule II		
GENERAL AND ADMINISTRATIVE		
Professional fees	$16,480	$9,556
Insurance	11,623	2,404
Bank charges	53	71
Miscellaneous	125	841
	$28,281	**$12,872**

CITISOFT INC.

Board of Directors
Mr. Vikram Nair
Mr. Lakshmanan Chidambaram
Mr. Thomas J. Secaur
Mr. Paul V. Migliore

Registered Office
303 Congress Street,
Suite 500
Boston, MA 02210 USA

Bankers
Bank of America

Auditors
Mayer Hoffman McCann P.C

DIRECTORS' REPORT

TO THE SHAREHOLDERS

This report together with the audited accounts of Citisoft, Inc. for the year ended March 31, 2022 is given below.

Review of Operations:

During the year under review, Citisoft, Inc. has recorded an income of US$ 23,599,004 and Profit /(loss) after tax was US$ 1,628,817 excluding affiliates revenue and cost of revenue. The Company continues to invest in strengthening its operations and administrative infrastructure to support anticipated growth in the coming years.

Dividends:

During the year under review, no dividend is recommended for the year ended 31st March, 2022.

Directors:

The directors who served during the year were as follows:

Mr. Vikram Nair

Mr. Lakshmanan Chidambaram

Mr. Thomas J. Secaur

Mr. Paul V. Migliore

Outlook for the current year:

Business has been encouraging in US and the Company is cautiously optimistic of the future.

COVID-19

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Mr. Thomas J. Secaur
Director

Place: Boston, MA
Date: June 17, 2022

CITISOFT INC.

BALANCE SHEET MARCH 31, 2022

Assets	
Cash and cash equivalents	$ 4,819,832
Accounts receivable, trade, net of allowance for doubtful accounts of $100,000	4,486,214
Other receivables	993,515
Investments	1,426,234
Prepaid expenses and other current assets	505,873
Total current assets	12,231,668
Deferred income taxes, net	140,095
Goodwill, net of accumulated amortization of $163,991 in 2022	382,642
Property and equipment, net	164,566
Total assets	**$ 12,918,971**
Liabilities and Stockholders' Equity	
Current liabilities:	
Accounts payable	$ 396,065
Accounts payable, affiliates	165,546
Income taxes payable	725,631
Accrued expenses	3,700,716
Total current liabilities	4,987,958
Total liabilities	**4,987,958**
Stockholders' equity:	
Common stock, $0.01 par value; 1,000 shares	
authorized, issued and outstanding	10
Additional paid-in-capital	683,895
Accumulated other comprehensive income	189,201
Retained earnings	7,057,907
Total stockholders' equity	**7,931,013**
Total liabilities and stockholders' equity	**$ 12,918,971**

STATEMENT OF INCOME AND COMPREHENSIVE INCOME YEAR ENDED MARCH 31, 2022

Revenue:	
Consulting revenue	$ 23,599,004
Consulting revenue - affiliates	1,458,225
Total revenue	**25,057,229**
Cost of revenue:	
Cost of revenue	13,916,450
Cost of revenue - affiliates	1,458,225
Total cost of revenue	**15,374,675**
Gross profit	**9,682,554**
Selling, general and administrative expenses	8,845,398
Income from operations	**837,156**
Other income:	
Gain on extinguishment of debt	1,528,517
Interest and dividend income, net	72,580
Other income	49,703
Realized gain on foreign currency exchange	88,161
Total other income	**1,738,961**
Income before provision for income taxes	**2,576,117**
Provision for income taxes, net of $12,775 tax benefit on other comprehensive income (loss) in 2022	947,300
Net income	**1,628,817**
Other comprehensive loss:	
Unrealized losses on investments	(47,851)
Benefit from income tax on items related to other comprehensive income (loss)	12,775
Other comprehensive loss, net of tax	**(35,076)**
Net comprehensive income	**$ 1,593,741**

CITISOFT INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY YEAR ENDED MARCH 31, 2022

	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total Stockholders' Equity
Stockholders' equity, April 1, 2021	**1,000**	**$ 10**	**$ 683,895**	**$ 224,277**	**$ 6,237,836**	**$ 7,146,018**
Net income	-	-	-	-	1,628,817	1,628,817
Deemed dividends	-	-	-	-	(808,746)	(808,746)
Other comprehensive loss, net of tax	-	-	-	(35,076)	-	(35,076)
Stockholders' equity, March 31, 2022	**1,000**	**$ 10**	**$ 683,895**	**$ 189,201**	**$ 7,057,907**	**$ 7,931,013**

STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2022

Cash flows from operating activities:	
Net income	$ 1,628,817
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	92,517
Provision for bad debt expense	50,000
Deferred income taxes	(86,996)
Income from PPP forgiveness	(1,528,517)
Change in:	
Accounts receivable, trade	(375,584)
Other receivables	(990,065)
Prepaid expenses and other current assets	(70,031)
Accounts payable	246,410
Accounts payable, affiliate	997
Income taxes payable	498,110
Accrued expenses	1,357,945
Total adjustments	(805,214)
Net cash provided by operating activities	**823,603**
Cash flows from investing activities:	
Purchase of investments	(522,580)
Purchase of property and equipment	(70,186)
Cash used in investing activities	**(592,766)**
Cash flows from financing activities:	
Deemed dividends paid	(808,746)
Net decrease in cash and cash equivalents	**(577,909)**
Cash and cash equivalents, beginning	5,397,741
Cash and cash equivalents, ending	**$ 4,819,832**

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Business and Summary of Significant Accounting Policies

Nature of Activities

Citisoft, Inc. (the “Company”) was incorporated in Delaware on September 16, 2002, and provides consulting and information technology services to the investment and financial services industry. Prior to March 1, 2022, the Company was a wholly-owned subsidiary of Citisoft Limited (formerly Citisoft Plc), located in the United Kingdom, which was a wholly-owned subsidiary of Tech Mahindra Limited, a provider of information technology services, internet services, business process outsourcing and software development. Tech Mahindra’s head office is located in Pune, Maharashtra, India. As of February 28, 2022, the Company underwent a restructuring through a Share Purchase Agreement whereby ownership of the Company was transferred from Citisoft Limited to Tech Mahindra (Americas) Inc. thereby becoming a wholly-owned subsidiary of the latter. On October 1, 2021, the Company set up a UK branch operation. On March 1, 2022, the business and assets of Citisoft Limited were transferred to the Company via an Asset Purchase and Business Transfer Agreement. The Company now provides services to customers throughout the United States, Canada and United Kingdom. The breakdown of sales for the year ended March 31, 2022 is as follows:

United States	$	19,219,133	82%
Canada		4,099,194	17%
United Kingdom		280,677	1%

Basis of Presentation

The financial statements have been prepared by the Company to reflect the results of operations and financial position of Citisoft, Inc. as of and for the year ended March 31, 2022 and the UK Branch for the period March 1, 2022 to March 31, 2022, in which all significant inter-company balances and transactions have been eliminated.

Fair Value Measurements

The Company follows the fair value standard which is defined as 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. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value.

The fair value standards require that for each item carried at fair value that such be disclosed in accordance with the valuation methods used which fall into three categories as follows:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at measurement date.

Level 2 – inputs are other than quoted prices included in Level 1 that are either directly or indirectly observable.

Level 3 – inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level of input that is significant to the fair value measurement in its entirety.

It is possible that redemption rights may be restricted or eliminated by investment managers in the future in accordance with the underlying fund agreements. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observable inputs and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company defines cash equivalents as short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are reported at cost plus earned interest. Cash and claims to cash that are restricted as to withdrawal or uses in the ordinary course of business are classified as deposits and included in prepaid expenses and other assets in the balance sheet at March 31, 2022.

The Company places its temporary cash investments in high credit financial institutions. However, portions of temporary cash investments may exceed FDIC insured levels. Management monitors, on a regular basis, the financial condition of the financial institutions, along with their balances, to reduce the risk of balances exceeding FDIC insured limits.

Accounts Receivable

The Company grants credit to its customers during the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and generally requires no collateral from its customers. Accounts receivable balances are typically unsecured and are derived from revenues earned from customers primarily located in the United States of America. The Company monitors the creditworthiness of its customers to which it grants credit limits in the normal course of business, and its historical experience of potential credit losses which, when realized, have been within the range of management's expectations.

Investments

The Company's investments in marketable securities are reported in accordance with Accounting Standards Codification ("ASC") Topic 320, Investments - Debt and Equity Securities (ASC 320). Under this standard, debt and equity securities are classified into one of the following three reporting categories: held to maturity securities, trading securities or available-for-sale securities. The Company has classified marketable securities as available-for-sale securities and are recorded at fair market value at year end, with unrealized gains and losses being excluded from earnings and reflected as a component of other comprehensive income. The basis on which cost is determined in computing realized gain or loss is specific identification of the securities sold.

Below is a summary of the relationship between the cost and fair values of marketable securities held by the Company at March 31, 2022:

	Level 1	
Aggregate Fair Value	**Cost**	**Accumulated Holding Gain**
$ 1,426,234	$ 1,052,580	$ 373,654

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives which are three to five years for computer equipment, five years for furniture and fixtures and fifteen years for leasehold improvements (or the lesser of the life of the lease). When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

At March 31, 2022, property and equipment consisted of the following:

Computer equipment	$	325,689
Leasehold improvements		93,213
Furniture and fixtures		192,653
Office equipment		46,742
		658,297
Less: accumulated depreciation		493,731
Property and equipment, net	**$**	**164,566**

Depreciation expense amounted to $37,853 for the year ended March 31, 2022.

Goodwill

Goodwill represents the difference between the purchase price and the fair value of assets and liabilities acquired in a business combination. The Company accounts for goodwill in accordance with ASC Topic 350, Intangible-Goodwill and Other (ASC 350). ASC 350 states certain intangible assets are not subject to amortization but are tested for impairment annually.

The entire balance of goodwill at March 31, 2022 is attributable to the 2002 acquisition of The Rowan Group, a company organized by the three senior executives who continue to manage the marketing and management activities of the Company.

The Company amortizes goodwill on a straight-line basis over a period of ten (10) years in accordance with ASC 350. Amortization expense amounted to $54,664 for the year ended March 31, 2022.

Accounting for the Impairment of Long-Lived Assets

The Company accounts for impairment or disposal of long-lived assets in accordance with ASC Topic 360, Property, Plant, and Equipment (ASC 360). ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment. Impairment is measured by comparing the undiscounted future cash flows for the carrying value of the assets held at the Company's location. If the total expected undiscounted future cash flows are less than the carrying amount of the asset, the Company records an impairment charge. Management believes no event has occurred that would impair the value of long-lived assets recorded in the accompanying financial statements.

Revenue Recognition

The Company follows ASC Topic 606, Revenue from Contracts with Customers (ASC 606). ASC 606 provides comprehensive guidance for recognizing revenue from contracts with customers. Revenue is recognized when the entity transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The guidance includes a five-step framework that requires an entity to: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when the entity satisfies a performance obligation.

Revenues from the performance of time-and-material consulting projects are recognized as the services are performed. Revenues from fixed price engagements are recognized on the percentage of completion basis with revisions to estimates reflected in the period in which changes become known. Provision for losses on such engagements is made during the period in which a loss becomes probable and can be reasonably estimated.

In accordance with ASC Topic 606, Revenue Recognition (ASC 606), the Company has accounted for reimbursements received for out-of-pocket expenses incurred as revenues in the statement of income and comprehensive income.

All contracts require the Company's clients to pay for out-of-pocket expenses, principally travel related expenses. Accordingly, revenue includes amounts billed for these costs and cost of revenue includes the related actual costs incurred. The timing of revenue recognition is entirely over time as services are provided. Generally, billing occurs subsequent to revenue recognition, resulting in billed receivables, which have been recorded under accounts receivable, trade on the accompanying balance sheet.

Revenue by performance obligation is as follows for the year ended March 31, 2022:

Services Transferred over Time	**Consulting Revenue**	**Consulting Revenue Affiliates**
Strategic assessment	$ 354,117	$ -
Systems strategy and selection	1,088,113	-
Systems implementation	14,261,947	1,458,225
Program and project management	3,865,209	-
Outsourcing evaluation	3,780	-
Outsourcing transition	4,025,838	-
	$ 23,599,004	**$ 1,458,225**

Advertising Costs

The Company expenses the costs of advertising as incurred. Advertising costs amounted to approximately $81,500 for the year ended March 31, 2022 and are included in selling, general and administrative expenses in the accompanying statement of income and comprehensive income.

Variable Interest Entities

Variable Interest Entities ("VIE's") are entities to which the usual condition of consolidation (ownership of a majority voting interest) does not apply. This interpretation focuses on financial interests that indicate control. Variable interests are rights and obligations that convey economic gains or losses from changes in the values of the VIE's assets and liabilities.

If a company holds a majority of the variable interests of an entity, it would be considered the primary beneficiary. The primary beneficiary would be required to include assets, liabilities and the results of operations of the VIE in its financial statements. Management has determined that no variable interest entities exist which would require disclosure or consolidation in the financial statements as of March 31, 2022.

Income Taxes

Income taxes are accounted for in accordance with the provisions of ASC Topic 740, Income Taxes (ASC 740). The provisions for deferred income tax expense or benefit represent the net change during the year in the Company's deferred income tax assets or liabilities.

Deferred income tax assets represent the amount of taxes recoverable in future years (based on current tax laws) resulting from future net tax deductions arising from the temporary differences in the reporting of certain types of income and expense items for financial statement and income tax reporting purposes.

Deferred income tax liabilities represent the amount of taxes payable in future years (based on current tax laws) resulting from the future net taxable amounts arising from temporary differences in the reporting of certain types of income and expense items for financial statements and for income tax reporting purposes.

In accordance with ASU 2015-17, Income Taxes: Balance Sheet Classification of Deferred Taxes, the presentation of deferred income taxes is required to be presented as noncurrent in a classified balance sheet. Accordingly, the Company has classified the deferred tax assets and liabilities as noncurrent in the accompanying balance sheet.

The Company accounts for uncertain income tax positions under ASC 740. ASC 740 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 and also provides guidance on classification, interest and penalties, disclosure and transition.

As of March 31, 2022, the Company had no material unrecognized tax benefits and no adjustments to liabilities or operations required under ASC 740. The Company's practice was and continues to be to recognize interest and penalty expenses related to uncertain tax positions in income tax expense, which were zero for the year ended March 31, 2022. Generally, the three preceding tax years are subject to examination by federal and state taxing authorities. There are no income tax examinations currently in process.

Future Accounting Pronouncement

In February 2016, the FASB issued ASU No. 2016-02, Leases, which requires a lessee to recognize a right-of-use asset and a lease liability for all leases, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for fiscal year ending March 31, 2023 for the Company. The Company is evaluating the impact of the new guidance on the financial statements.

Management believes that other pending accounting standards would have limited impact on the Company and, accordingly, have not outlined those standards here.

Subsequent Events

The Company has evaluated subsequent events through June 7, 2022, the date the financial statements were approved to be issued.

Note 2 - Asset Purchase and Business Transfer Agreement

On March 1, 2021, the Company entered into an Asset Purchase and Business Transfer Agreement ("Agreement") with and among Citisoft Limited. As of the date of the Agreement, the Company agreed to purchase all net assets of Citisoft Limited (formerly Citisoft Plc) for a purchase price amount of 1,360,000 GBP ($1,844,432 USD) cash. The Citisoft Limited cash balance on hand as of the Agreement date was $990,065 USD and is classified within other receivables on the accompanying balance sheet.

As the acquired net assets of Citisoft Limited are considered a transaction that falls under common control, it is exempt from the ASC 805, Business Combinations, accounting treatment. As a result, the Company, as the purchaser, recognized the assets acquired and liabilities assumed of Citisoft Limited as of the date of the Agreement at their carrying value and the net assets acquired will not be stepped up in fair value. A deemed dividend for the excess of purchase price over net assets received as part of the transaction totaling $808,746 was recorded through retained earnings.

Note 3 - Federal Payroll Protection Program Loan Payable

The Company entered into an agreement on May 1, 2020 under the Paycheck Protection Program ("PPP") to borrow $1,528,517. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act''), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after a period of eight or twenty four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities and maintains its payroll levels. The amount of loan forgiveness will be reduced, with exceptions, if the borrower terminates employees or reduces salaries by more than 25% during the eight or twenty-four week period.

As of March 31, 2022, the Company had used the entire amount of the loan on qualified costs and, in accordance with ASC 958, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, has recorded the full amount of the PPP loan as gain on extinguishment of debt as other income in the accompanying statement of income and comprehensive income for the year ended March 31, 2022. On May 20, 2021, the Company received an official notification of forgiveness from the SBA for the full amount of the loan.

Note 4 - Accrued Expenses

Accrued expenses consist of the following as of March 31, 2022:

Employee bonus and vacation	$	1,675,181
Executive benefit plan		994,936
Canadian tax accrued on sales and services		653,168
Payroll taxes		173,961
Professional fees and other		203,470
	$	**3,700,716**

Note 5 - Income Taxes

The provision for income taxes is comprised of the following for the year ended March 31, 2022:

Current provision (benefit):	
Federal	$ 263,450
State	236,247
Foreign	534,600
	1,034.297
Deferred provision (benefit):	
Federal	(86,253)
State	(744)
	(86,997)
Total	**$ 947,300**

As of March 31, 2022, net operating loss carryforwards for federal and state income tax purposes were either utilized in full or became available for carry-back to prior years with taxable income with a change in tax law.

Significant components of activities that gave rise to the deferred tax assets and liabilities included in the financial statements as of March 31, 2022 are as follows:

Deferred tax assets (liabilities):	
Accrued expenses and allowance for doubtful accounts	$ 214,795
Net operating loss, other lossses and charitable contribution carryforward	70,624
	285,419
Depreciation and amortization	(145,324)
Net deferred tax assets	**$ 140,095**

In assessing the reliability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon generating future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible.

As of March 31, 2022, management believes a valuation allowance for any deferred tax assets is not necessary as the value of deferred tax assets is expected be realized through profitability in subsequent years.

Note 6 - Related Party Transactions

The Company obtained consulting support services and related expenses from its parent company, Citisoft Plc, totaling $1,458,225 for the period April 1, 2021 to February 28, 2022. These services were in turn billed to the Company's customers in the amounts at which it was invoiced by Citisoft Plc. At March 31, 2022, the Company was indebted to Citisoft Limited (formerly Citisoft Plc) in the amount of $165,546 in connection with consulting support services.

Note 7 - Contingencies and Commitments

Lease Agreement

The Company has an operating lease for its office premises through August 31, 2025. The Company is contingently liable for the performance of certain customary obligations associated with office premise leases and that performance is secured by a collateralized letter of credit issued by the Company's primary bank. Management fully expects to comply with all of the related lease obligations and provisions. Total rent expense including maintenance costs amounted to approximately $138,000 for the year ended March 31, 2022.

On November 1, 2020, the Company entered into a one year agreement to lease office space in Canada through October 31, 2021. This agreement was renewed for another year through October 31, 2022. Total rent expense under this arrangement amounted to approximately $16,600 for the year ended March 31, 2022.

The future minimum rental payments required under the real estate lease agreements is as follows for the years ending March 31:

2023	$ 169,200
2024	163,000
2025	166,200
2026	69,900

Note 8 - Common Stock

As of March 31, 2022, the Company has authorized 1,000 shares of common stock with a $0.01 par value, of which 1,000 shares were issued and outstanding. All of the outstanding shares are held by the parent company, Tech Mahindra (Americas) Inc.

Note 9 - Significant Customers

During the years ended March 31, 2022, approximately $7,100,000 of the Company's sales, excluding amounts billed for consulting revenue by affiliate, were to two customers. Amounts due from these customers and included in accounts receivable, trade at March 31, 2022 amounted to approximately $707,000.

Note 10 - Retirement Plan

Supplemental Executive Retirement Plan

The Company has in effect a non-qualified deferred compensation arrangement for certain select employees. All contributions made by the Company are subject to a four year vesting period starting on the date the contribution was made and will be allocated to each participant's individual account within the Plan's investment account. For the year ended March 31, 2022, the Company contributed $450,000 to the Plan. Contributions accumulated under the Plan are invested in marketable securities and are carried at fair market value, which, as of March 31, 2022, amounted to $1,426,234, and are included in investments on the accompanying balance sheet. (See Note 1)

Corporate Owned Incentive Life Insurance Plan

The Company has in effect a Nonqualified Deferred Pension Life Insurance Plan (the "Plan") for all eligible employees. Each employee participant may elect to defer compensation to the Plan pre-tax, subject to Internal Revenue Service limitations.

While the Company expects to continue the Plan indefinitely, it has reserved the right to modify, amend or terminate the Plan. In the event of termination, the entire amount contributed under the Plan must be applied to the payment of benefits to the participants or to their beneficiaries, as defined in the Plan, of each participant.

TECH MAHINDRA GMBH

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Mr. Manish M Vyas

Managing Directors
Mr. Mukul Dhyani
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INDEPENDENT AUDITORS' REPORT

To TECH MAHINDRA GmbH, Düsseldorf

Opinions

We have audited the annual financial statements of TECH MAHINDRA GmbH, Düsseldorf, which comprise the balance sheet as at 31 March 2022, and the income statement for the financial year from 1 April 2021 to 31 March 2022, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of TECH MAHINDRA GmbH for the financial year from 1 April 2021 to 31 March 2022.

In our opinion, on the basis of the knowledge obtained in the audit,

– the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2022 and of its financial performance for the financial year from 1 April 2021 to 31 March 2022, in accordance with German Legally Required Accounting Principles, and

– the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" Section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Responsibilities of Management for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the annual financial statements and of the management report, 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 opinions. 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 controls.

– Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report 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 these systems of the Company.

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

– 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 the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective 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 be able to continue as a going concern.

– Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

– Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

– Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

Düsseldorf, 20th June 2022

KPMG AG

Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Kis Wirtschaftsprüfer [German Public Auditor]	Ellbracht Wirtschaftsprüfer [German Public Auditor]

BALANCE SHEET AS AT 31 MARCH 2022

Assets

		31 March 2022		31 March 2021	
		EUR	EUR	EUR	EUR
A.	**Fixed assets**				
I.	**Intangible assets**				
	Acquired software		30,413.12		258,574.00
II.	**Property, plant and equipment**				
	Other equipment, operating and office equipment		1,416,871.43		1,834,152.24
III.	**Financial assets**				
	Shares in affiliated companies		6,052,265.59		20,356.86
			7,499,550.14		**2,113,083.10**
B.	**Current assets**				
I.	**Inventories**				
	Prepayments		70,154.77		19,596.73
II.	**Receivables and other assets**				
1.	Trade receivables	18,035,658.42		14,769,041.54	
2.	Receivables from affiliated companies	35,977,324.38		24,678,851.26	
3.	Other assets	3,667,904.93	57,680,887.73	1,452,607.16	40,900,499.96
III.	**Cash and cash equivalents**		177,552.79		144,868.97
			57,928,595.29		**41,064,965.66**
C.	**Prepaid expenses**		**1,803,760.96**		**959,481.63**
			67,231,906.39		**44,137,530.39**

Equity and liabilities

		31 March 2022	31 March 2021
		EUR	EUR
A.	**Equity**		
I.	**Subscribed capital**	601,000.00	601,000.00
II.	**Capital reserve**	7,705,770.17	7,705,770.17
III.	**Profit carried forward**	4,880,763.80	164,421.19
IV.	**Net loss for the period/Net profit**	10,283,481.34	4,716,342.61
		23,471,015.31	**13,187,533.97**
B.	**Provisions**		
1.	Provisions for pensions and similar obligations after netting with plan assets	139,804.77	122,474.52
2.	Tax provisions	400,479.18	36,670.00
3.	Other provisions	6,194,369.98	10,456,101.69
		6,734,653.93	**10,615,246.21**
C.	**Liabilities**		
1.	Liabilities to banks	3,573,366.42	933,583.34
2.	Trade payables	21,138,045.88	430,294.10
3.	Liabilities to affiliated companies	11,551,657.09	17,988,634.48
4.	Other liabilities	763,167.76	982,238.29
	– thereof taxes EUR 738,718.14 (prior year: EUR 977,442.99) –		
	– thereof social securities EUR 9,176.73 (prior year: EUR 3,810.71) –		
		37,026,237.15	**20,334,750.21**
		67,231,906.39	**44,137,530.39**

INCOME STATEMENT FOR THE FINANCIAL YEAR 1 APRIL 2021 TO 31 MARCH 2022

		2021/2022		2020/2021	
		EUR	EUR	EUR	EUR
1.	Revenue		120,706,155.28		75,093,046.41
2.	Other operating income		5,396,382.98		2,724,440.19
3.	Cost of materials				
	Cost of purchased services		62,818,433.89		26,353,759.35
4.	Personnel expenses				
	a) Wages and salaries	35,895,561.29		33,607,818.96	
	b) Social security, pension and other benefits	5,581,406.58	41,476,967.87	4,854,914.21	38,462,733.17
5.	Amortisation of intangible assets and depreciation of property, plant and equipment		1,012,188.77		1,107,755.29
6.	Other operating expenses		7,910,128.33		6,772,181.49
7.	Other interest and similar income		62,331.24		250,369.99
8.	Interest and similar expenses		102,915.50		387,126.58
9.	Income taxes		2,559,132.53		263,527.50
10.	**Result after taxes**		**10,285,102.61**		**4,720,773.21**
11.	Other taxes		1,621.27		4,430.60
12.	**Net income for the year**		**10,283,481.34**		**4,716,342.61**

TECH MAHINDRA GMBH, DÜSSELDORF/GERMANY
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR

1 April 2021 to 31 March 2022

General information about the annual financial statements

TECH MAHINDRA GmbH is located in Düsseldorf and registered at the Registry court in Düsseldorf, Registry court number, HRB 47738. The company is a large corporation within the meaning of Section 267 (3) HGB.

The annual financial statements were prepared in accordance with the provisions of the German Commercial code (HGB) in the current version and the supplementary provisions of the German limited liability company law (Gesetz betreffend Gesellschaften mit beschränkter Haftung (GmbHG)).

The financial statements comprise balance sheet, income statement and notes (including the fixed-asset movement schedule). The income statement was prepared in accordance with the nature of expense method (§ 275 (2) HGB).

Disclosures on accounting policies

Intangible assets are measured at cost and amortized on a straight-line basis over their economic useful life. Purchased software is amortized over their useful life of four years. Intangible asset, which are fully amortized, will be presented as disposal in the last year of amortization.

Tangible assets are valued at cost and depreciated over their estimated useful life on a straight-line basis. Operating and office equipment is depreciated over a useful life of three to ten years.

Low-value assets with costs of up to EUR 800.00 are immediately recognized as depreciation expense and directly presented as disposal.

Investments and other financial assets are recognized at cost. If necessary, the applicable lower value has been recognized at the reporting date.

Receivables and other assets are recognized at nominal value. In order to cover all recognizable risks as at the balance sheet date, allowances for bad debts are set aside.

Cash-in-hand and bank balances are recognized at nominal value.

Prepaid expenses are incurred before the balance sheet date to the extent that these constitute expenditures for a certain time thereafter.

Deferred taxes will be determined for temporary differences between the carrying amounts of assets and liabilities under commercial law and their tax bases and for usable loss carryforwards. Deferred taxes are calculated on the basis of an average income tax rate of 31 %. Any net resulting tax burden would be recognized in the balance sheet as deferred tax liabilities. In the event of a tax relief (deferred tax asset), the option granted in Section 274 (1) Sentence 2 HGB is exercised, and a balance sheet entry is waived. In the current financial year, there was a total asset surplus not shown in the balance sheet. This is mainly due to valuation differences between the commercial balance sheet and the tax balance sheet with regard to pension provisions.

Provisions were recognized for all further uncertain liabilities. They reflect all identifiable risks. In accordance with section 253 (1) sentence 2 of the HGB, provisions are measured at the settlement amount dictated by prudent business judgement.

Provisions from pension obligations were calculated based on the projected unit credit method by an actuarial. The underlying assumptions are presented in following explanations to the balance sheets.

Liabilities are recognized at their settlement amount.

Income and expenses are recognized in the income statement on an accrual basis. Revenue is recognized at the time when services are rendered.

Assets and liabilities in foreign currencies are valued in the annual financial statements at the average rate for the date of initial recognition. On the reporting date, assets and liabilities denominated in foreign currencies with a remaining term of up to one year are converted at the exchange rate prevailing on the balance sheet date. Non-current receivables and liabilities denominated in foreign currencies are valued in accordance with the lower of cost or market principle (section 256a sentence 2 HGB) and recognized at the exchange rate on the balance sheet date provided that the exchange rate on the transaction date was not lower (for assets) or higher (for liabilities). Profit and loss from converting foreign currency transactions into local currency are recognized separately in the income statement under “Other operating income” and “Other operating expenses”.

Balance Sheet

Fixed Assets

With regard to the development of intangible assets, tangible assets and financial assists we refer to the fixed-asset movement schedule (as appendix to the notes).

Financial assets

The company holds the share in the following investments:

TechM IT Services GmbH, Wien/Austria:

	31 March 2022	31 March 2021
Shareholding relationship	100 %	100 %
Equity in kEUR	109	107
Result for the year in kEUR	2	7

TECH MAHINDRA Norway A.S, Fornebu/Norway:

	31 March 2022	31 March 2021
Shareholding relationship	100 %	100 %
Equity in kNOK	31,706	10,876
Result for the year in kNOK	20,830	3,134
FX-rate as of March 31	8.73427 NOK/ EUR	9.9888 NOK/ EUR

Tech Mahindra Luxembourg S.à r.l., Luxembourg:

	31 March 2022	31 March 2021
Shareholding relationship	100 %	100 %
Equity in kEUR	86	35
Result for the year in kEUR	50	23

Beris consulting GmbH, Wolfsburg:

	31 March 2022
Shareholding relationship	100 %
Equity in kEUR*	1,607
Result for the year in kEUR*	30

LINEAS Informationstechnik GmbH, Braunschweig:

	31 March 2022
Shareholding relationship**	100 %
Equity in kEUR*	3,312
Result for the year in kEUR*	206

** through investment in Beris consulting GmbH, Wolfsburg

*The equity and the result for the year were derived from the internal IFRS reporting package for Beris consulting GmbH, Wolfsburg, and for LINEAS Informationstechnik GmbH, Braunschweig, as of 31 March 2022. The Beris consulting GmbH and its subsidiary, LINEAS Informationstechnik GmbH, Braunschweig, were acquired during the current financial year. Contrary to TECH MAHINDRA GmbH, their financial year is still ending on 31 December and statutory accounts as of 31 December 2021 are not prepared yet. As a result, the result for the year includes only the profits from the acquisition date 1 October 2021 to 31 March 2022.

Current Assets

Inventory

Inventory comprises only of prepayments to suppliers in the current financial year.

Trade receivables and other assets

Trade receivables and other assets comprise as follows:

	As of 31, March 2022	Amounts due after more than 1 year	As of 31, March 2021	Amounts due after more than 1 year
Trade receivables	18,035,658.42 €	0.00 €	14,769,041.54 €	0.00 €
Receivables from affiliated companies	35,977,324.38 €	0.00 €	24,678,851.26 €	0.00 €
Other Assets	3,667,904,93 €	0.00 €	1,452,607.16 €	0.00 €
Total	**57,680,887.73 €**	**0.00 €**	**40,900,499.96 €**	**0.00 €**

Receivables from affiliated companies comprise receivables from shareholders in the amount of kEUR 35,942 (prior year: kEUR 24,520).

Receivables from affiliated companies contain loan receivables in the amount of kEUR 5,221 (previous year: kEUR 10,387), for which an allowance has been setup in the amount of kEUR 5,220 (prior year: kEUR 10,387), due to uncollectability. The remaining receivables from affiliated companies result from trade receivables.

Other assets contain mainly deposits, tax receivables as well as salary and travel expense advance payments to employees.

Subscribed capital

The entity's subscribed capital amounts to kEUR 601 (prior year: kEUR 601) and is fully paid in.

Provision for pension obligations

The actuarial report to determine the provision for pension obligations considers future salary increases as well as increases in pension benefits. To calculate the pension obligation the mortality tables "Richttafeln 2018 G" by Klaus Heubeck were applied.

The following assumptions were applied to determine the pension obligation as of 31 March 2022:

	31 March 2022	31 March 2021
Discount rate	1.81 %	2.19 %
Expected wage and salary increases	2.0 %	2.0 %
Expected increase in pension benefits	1.0 %	1.0 %

The provision for pension obligations is calculated in accordance with § 253 (2) HGB (German Commercial Code) using the average market rate of interest for the past ten financial years and a duration of 15 years, which is published by the German Central Bank (Deutsche Bundesbank).

In the case of the provisions for post-employment benefit obligations, the difference between the amount recognized using the average market rate of interest for the past ten financial years and the amount recognized using the average market rate of interest for the past seven financial years amounts to EUR 20,501 (prior year EUR 15,230) in the current financial year. This amount is restricted from distribution to the shareholder in accordance with § 253 (6) sentence 2 HGB.

All pension obligations are covered by reinsurance policies. Pursuant to § 246 (2) sentence 2 HGB the reinsurance policies have been offset against the pension obligations, as claims against a reinsurance policy that is not accessible to all other creditors and serves exclusively to meet pension obligations:

	31, March 2022 kEUR	31, March 2021 kEUR
The fair value of the plan assets	385	373
Pension obligation	525	495
Net amount	140	122

Due to the netting of the pension obligation with the plan assets, expenses for additions to the pension provision in the amount of kEUR 30 were netted with personnel expenses in the amount of kEUR 12 as part of the pension expenses. The fair-value of the plan assets were determined using actuarial valuation methods.

Besides the netted pension obligation, in the prior year, the provision contained also outstanding contributions to the reinsurance policy.

Other Provisions

As in the prior year, other provisions largely contain provisions for outstanding invoices for utilized subcontractor services (kEUR 1,951; prior year kEUR 4,530), provision for outstanding charges from the shareholder (kEUR 2,925; prior year kEUR 4,293).

Obligations for employee commitments comprise obligations for outstanding vacation days, bonus and severance payments amount to kEUR 1,319 (prior year kEUR 1,633).

Liabilities

Remaining maturities are as follows:

	31 March 2022	Remaining Maturity less than 1 year	Remaining Maturity more than 1 year and less than 5 years	Remaining Maturity more than 5 years
Liabilities to banks	3,573,366.42 €	3,573,366.42 €	0.00 €	0.00 €
Trade payables	21,138,045.88 €	21,138,045.88 €	0.00 €	0.00 €
Payables to affiliated companies	11,551,657.09 €	11,551,657.09 €	0.00 €	0.00 €
Other liabilities	763,167.76 €	763,167.76 €	0.00 €	0.00 €
Thereof relating to social security and similar obligations	9,176.73 €	9,179.73 €	0.00 €	0.00 €
Thereof relating to taxes	738,718.14 €	738,718.14 €	0.00 €	0.00 €
Total	**37,026,237.15 €**	**37,026,237.15 €**	**0.00 €**	**0.00 €**

	31 March 2021	Remaining Maturity less than 1 year	Remaining Maturity more than 1 year and less than 5 years	Remaining Maturity more than 5 years
Liabilities to banks	933,583.34 €	933,583.34 €	0.00 €	0.00 €
Trade payables	430,294.10 €	430,294.10 €	0.00 €	0.00 €
Payables to affiliated companies	17,988,634.48 €	17,988,634.48 €	0.00 €	0.00 €
Other liabilities	982,238.29 €	982,238.29 €	0.00 €	0.00 €
Thereof relating to social security and similar obligations	3,810.71 €	3,810.71 €	0.00 €	0.00 €
Thereof relating to taxes	977,442.99 €	977,442.99 €	0.00 €	0.00 €
Total	**20,334,750.21 €**	**20,334,750.21 €**	**0.00 €**	**0.00 €**

Liabilities to the shareholder amount to kEUR 11,552 (prior year: kEUR 12,759).

Liabilities to affiliated companies result from deliveries and services (kEUR 11.552; prior year: kEUR 12,941) and in the prior years from loans (prior year kEUR 5,048).

Other liabilities comprise mainly VAT payables as well as social security contributions and taxes.

Income statement disclosures

Revenue

As in the prior year, revenue mainly relates to income from subcontracting activities relating to the rendering of IT services. They are all generated in Germany. Tech Mahindra GmbH is acting as service agent (“Dienstleistungskommissionär”) as all material chances and risks related to the provided services are located at Tech Mahindra Limited.

Revenues are presented in the amount of actual costs plus a 7 % mark-up, charged to Tech Mahindra Limited. These amounts are presented as receivables from affiliated companies from Tech Mahindra Limited. Invoices charged by Tech Mahindra GmbH to customers locally are presented as trade receivables until they are paid. Corresponding to the trade receivables, liabilities to affiliated companies are recognized.

Further, prior year revenues include rental in the amount of kEUR 29 due to the sublease of not needed office space.

Other operating income

Other operating income mainly includes income from release of allowance for doubtful trade receivables from affiliated companies in the amount of kEUR 5,166 (previous year: kEUR 2,547) as well as income from exchange rate differences amounting to kEUR 193 (previous year: kEUR 30) and income from settling private use of company cars.

Other operating expenses

Other operating expenses include, in particular, additions to the allowances for doubtful accounts (kEUR 21; prior year: kEUR 87) travel and distribution costs (kEUR 805; prior year: kEUR 242), legal and consulting costs (kEUR 1,856; prior year: kEUR 1,664), recruiting cost (kEUR 1,219) and premises costs (kEUR 1,775; prior year: kEUR 2,053).

Expenses from currency conversion amount to kEUR 129 (prior year: kEUR 678).

Other Interest and similar income

Other interest and similar income include in current and prior year only interest from affiliated companies.

Other Interest and similar expenses

Other interest and similar expenses include interest expenses to affiliated companies in amount of kEUR 9 (prior year: kEUR 339) as well as interest charged to the provisions for pensions and similar obligations (kEUR 3; prior year: kEUR 4).

Taxes on income

Income taxes comprise as follows:

	31 March 2022	31 March 2021
Current Income tax expenses	-2,559,132.53 €	-935,920.57 €
Tax refund prior years	0.00 €	672,393.07 €
Total expenses on Income taxes	**-2,559,132.53 €**	**-263,527.50 €**

Other disclosures

Other financial obligations

The other financial obligations mainly result from office rental contracts an amount up to kEUR 1,034 (prior year: kEUR 1,396) due in the next 12 months and kEUR 1,233 (prior year: kEUR 1,939) for following remaining duration of the agreements.

Employees

In the fiscal year 2021/2022 in average the following number of employees were employed:

Company areas	number of employees
technical consultant	562
sales and support employees	31
Total	**593**

Management and Remuneration of the members of the Management

Managing directors of the company are

- Mr. Mukul Dhyani, Frankfurt am Main, Chief operating Office,
- Mr. Mandar Vasant Bhairavkar, Milton Keynes/UK,

As the CFO is been paid by the group company in the UK, no remuneration of the members of the management has been disclosed, with regard to option of § 286 (4) HGB.

Advisory Board

The entity has an advisory board, which is composed of the following two members:

Rajesh Chandiramani, Mumbai/Indien, TECH MAHINDRA Ltd., Manager

Manish M Vyas, Texas/USA, TECH MAHINDRA Ltd., Manager

In the reporting year, the members of the advisory board did not receive any remuneration from the entity for their activities.

Events after the balance sheet date

No significant subsequent events after the balance sheet date, which have a significant impact on the income statement and the balance sheet, have been occurred.

Auditor's fee

In fiscal 2021/2022 the auditor's fee to KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Düsseldorf, in the amount of kEUR 36 (prior year: kEUR 36) were recognized as an expense, which relates exclusively to auditing services.

Group financial statements

TECH MAHINDRA Limited, Pune/India is the sole shareholder of TECH MAHINDRA GmbH.

The Company's financial statements are included in the consolidated financial statements of TECH MAHINDRA Limited, Pune/India. TECH MAHINDRA Limited prepares the consolidated financial statements for the smallest and largest consolidated group in accordance with general accepted accounting standards in India, which are derived from the Inter¬national Financial Reporting Standards (IFRS). In accordance with the options of § 291 HGB, TECH MAHINDAR GmbH does not prepare consolidated financial statements. The published consolidated financial statements of TECH MAHINDRA Limited are available on the company's Internet site at www.techmahindra.com as well as at the German Commercial register (Unternehmensregister) in English Language.

Proposal or resolution on the appropriation of net profit

The management is proposing the following appropriation of net profit in agreement with the shareholders:

The profit of kEUR 10,283 will be carried forward and netted with the retained earnings.

Düsseldorf, 20th June 2022

Mukul Dhyani	**Mandar Vasant Bhairavkar**
Managing Director	Managing Director

DEVELOPMENT OF FIXED ASSETS IN THE FINANCIAL YEAR FROM 1 APRIL 2021 TO 31 MARCH 2022

		Gross book values					Accumulated depreciation				Net book values	
		1 April 2021	Additions	Reclass	Disposals	31 March 2022	1 April 2021	Additions	Disposals	31 March 2022	31 March 2022	31 March 2021
		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I.	**Intangible assets**											
	Aquired software	1,385,662.81	16,703.54	0.00	0.00	1,402,366.35	1,127,088.81	244,864.42	0.00	1,371,953.23	30,413.12	258,574.00
II.	**Property, plant and equipment**											
	Other equipment, operating and office equipment	3,943,020.73	363,745.71	0.00	61,871.83	4,244,894.61	2,108,868.49	767,324.35	48,169.66	2,828,023.18	1,416,871.43	1,834,152.24
III.	Financial assets	20,356.86	6,031,908.73	0.00	0.00	6,052,265.59	0.00	0.00	0.00	0.00	6,052,265.59	20,356.86
	Shares in affiliated companies	**5,349,040.40**	**6,412,357.98**	**0.00**	**61,871.83**	**11,699,526.55**	**3,235,957.30**	**1,012,188.77**	**48,169.66**	**4,199,976.41**	**7,499,550.14**	**2,113,083.10**

MANAGEMENT REPORT FOR THE FINANCIAL YEAR 1 APRIL 2021 TO 31 MARCH 2022

1 Corporate Profile

1.1 General business activities

TECH MAHINDRA GmbH (as follows: company or TECH MAHINDRA) is a wholly owned German subsidiary of Tech Mahindra Limited, Pune/India (“TM Ltd.”). It was established in 2001. The company’s business activities are focused on the provision of consultancy technology and rendering outsourcing services in the communications sector.

We generally perform our services on behalf of our parent company within the scope of a service agreement. Our parent company reaches agreements with the customer regarding those business activities. We are a subcontractor to our parent company and are therefore not subject to material risks. Remuneration for our activities is based on the reimbursement of costs incurred plus a mark-up.

Since 2015 we have also concluded a significant number of agreements directly with customers.

1.2 Financial performance measures

TECH MAHINDRA is part of the global Tech Mahindra Limited, Pune/India (“TM Ltd.”) group and its reporting system. The financial performance indicators of the company are revenues as well as result for the year and are described in section 2 and 3 of this report. As there is no break-down of group budgets on company level, the company reviews its financial performance indicators mainly by comparison to prior fiscal years.

1.3 Non-financial performance indicators

We note that the following non-financial performance indicators are important but are not currently used in the direct management of our company.

- **Occupational safety**

The constant and consistent implementation of safety guidelines ensures that the risk of accidents is reduced as far as possible. Occupational safety is the highest principle of management and is more important than the principle of profit maximization.

- **Training Measures**

The nature of our business means that we require highly qualified employees for work on high-tech and telecommunications projects. Training is carried out according to need and is primarily conducted by employees at the Tech Mahindra development centers in India. Training measures are monitored and evaluated by the HR department, an employee’s superior and the employee him- or herself.

2 Report on Economic Conditions and Business

2.1 Development of the overall economy and the industry

The German Council of Economic Experts (GCEE) expects gross domestic product (GDP) in Germany is likely to reach the level last seen before the crisis that is in the fourth quarter of 2019, during the first quarter of 2022. A variety of bottlenecks on the supply side are disrupting global value chains and, combined with the pandemic-related restrictions that are still in place, are holding back growth. It is therefore forecasting that Germany’s economic output will increase by 2.7 % in 2021 and by 4.6 % in 2022.

The recovery of the global economy has been accompanied not only by supply-side bottlenecks but also by a rise in commodity and energy prices. This has resulted in a sharp increase in consumer price inflation, which was already elevated owing to low prices in the previous year and one-off effects. The GCEE predicts an inflation rate for Germany of 3.1 % in 2021 and 2.6 % in 2022.

After years of robust growth in the past few years, the German economy had thus embarked upon a period of economic boom in 2019, before the beginning of the COVID 19 pandemic. In this economic climate, the ECB’s sustained expansionary monetary policy is partly responsible for a further increase in capacity overutilization in the economy as a whole. With regard to further impacts from the COVID 19 pandemic on the economic environment, we refer to section 4.2 - Outlook.

The sector in which our company operates, benefits considerably from increasingly strong digitalization and the continuously high need for investment in IT. Entities know that in order to create sustainable competitiveness, they need to develop digitally within the company or face irrelevance. These challenges also provide opportunities for the global technology industry.

2.2 Report on business

2.2.1 Development of revenue

As our revenues are mainly based on reimbursement of costs incurred plus a 7 % mark-up ("cost-plus method") as part of a service agreement, the general economic and industry development have only a limited effect on the business development of our company.

Revenue from the service agreement rose substantially (+60.7%) from kEUR 75,093 to kEUR 120,706 due to a significant increase in projects and related higher subcontracting, which have been charged to our parent company.

In the prior year, the company records also insignificant rental income in the revenue in the amount of kEUR 29 due to the sublease of not needed office space till October 2020.

2.2.2 Investments

In order to expand business activities, the company acquired in October 2021 all shares in the BERIS consulting GmbH, Wolfsburg (including its subsidiary LINEAS Informationstechnik GmbH, Braunschweig), for acquisition costs in the amount of kEUR 6,032.

Further, the company acquired IT - and office – equipment in the fiscal year 2021/2022 in the amount of kEUR 364 and software in the amount of kEUR 16.

2.2.3 Employees

As at 31 March 2022, the Company counts 593 employees (31 March 2021: 584 employees). Due to the economic impacts of the COVID 19 pandemic, the company and its workers council signed an agreement on 20 April 2020 with regard to the implementation of short-time work at the company. This agreement was originally designated for a duration of 12 months but had been extended to 31 March 2022. As no employee was in short-time work on 31 March 2022, the agreement ceases on 31 March 2022.

The nature of our business demands the employment of highly skilled personnel who participate in high-tech and telecommunication projects. That makes it necessary to employ staff from the TECH MAHINDRA development centers in India.

Our employees are working at client companies throughout Germany, including Bonn, Munich, Koblenz, Wolfsburg and Hamburg. Most of our employees have a university degree and several of them have even postgraduate qualifications.

3 Business development

3.1 Results of operations

Under the service agreement concluded with the parent company, TECH MAHINDRA is reimbursed for the cost incurred and receives a mark-up of 7 %, so that TECH MAHINDRA always disposes on constant cash inflows and realizes revenue that more than compensate the costs. In the period for the financial year 2021/2022, the Company reported a net profit of kEUR 10,283, compared to a net profit of kEUR 4,716 in the prior year. This profit for the year corresponds to 8.5 % of the total revenue (prior year: 6.3 %). The improvement in profits relates mainly to the release of an allowance for bad debts from affiliated companies in the amount of kEUR 5,167.

The cost of materials, which related exclusively to purchased services, totaled kEUR 62,818 (prior year: kEUR 26,354). The materials usage ratio (ratio of cost of materials to revenue) increased from 35.1 % to 52.0 % due to an increased need for purchased services at some projects.

The increase in employee benefits expense from kEUR 38,463 to kEUR 41,477 is mainly due to salary increase including bonuses. The employee benefits expense ratio (ratio of employee benefits expense to revenue) amounts to 34.4 % (prior year: 51.2 %). The decrease in employee benefits expense ratio is related to increased materials usage ratio as the temporary increased need of personnel for the projects has been compensated by purchased services.

Other operating expenses increased from kEUR 6,772 to kEUR 7,910. While travel costs increased (+ kEUR 562), exchange loss dropped by kEUR 552 and vehicle costs declined by kEUR 218. Also operating expense include in the current year recruitment costs in the amount of kEUR 1,219.

3.2 Net assets

The equity ratio improved from 29.9 % to 34.3 % and the equity amounts to kEUR 23,471 due to the profit of the year in amount of kEUR 10,283.

The Company's assets are dominated by trade receivables as well as receivables from affiliated companies.

Trade receivables rose slightly from kEUR 14,769 to kEUR 18,036 despite the significant sales increase mainly due to ongoing improvements of the receivable management.

The increase of receivables from affiliated companies from kEUR 24,679 to kEUR 35,977 relates mainly to the improvement of revenues.

The variance in cash and cash equivalents as part of the cash funds is presented together with the information on the financial position below.

The lower other accruals as compared to last year were primarily due lower provisions for outstanding invoices at the end of the fiscal year, which is also reflected in increased trade payables in the current year.

Liabilities to affiliated companies decreased to kEUR 11,552 as compared to kEUR 17,989 of last year as they company used the collected liquid funds to reduce liabilities.

3.3 Financial situation

As of 31 March 2022, the company's cash funds (cash-in-hand, bank balances) amounted to kEUR 178 (31 March 2021: kEUR 145).

The operative cash flow decreased in current year to EUR 3.8 million (prior year EUR 7.5 million) despite a continuous improvement of the third-party trade receivable management due to major repayments of intercompany liabilities and increased receivables from affiliated companies.

Further cash funds were reduced by an investment cash flow of EUR – 6.4 million., which is mainly due to the acquisition of the BERIS consulting GmbH, Wolfsburg (including its subsidiary LINEAS Informationstechnik GmbH, Braunschweig). The investment activities were partly funded by new bank loans of EUR 2.6 million.

The service agreement ensures continuous cash inflow for the financing of current business activities.

3.4 Overall Assessment of the Economic Situation

In the opinion of the management of the company, the business development is generally satisfying. The management is satisfied with the development of sales and the profit for the year considering the current situation.

The company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue and intangible assets. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the company, as at the date of approval of this management report has used internal and external sources of information including economic forecasts. The company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

4 Outlook, risks and opportunities for future development

4.1 Report on risks and opportunities

4.1.1 Risk management

The company has a financial reporting system, which is integrated into the TECH MAHINDRA group reporting structures. This supports the company in the ongoing monitoring and management of business development by means of target, actual and budget comparisons on group level.

As a result of the service agreement described above, the company has constant cash inflows and revenue above the level of its costs. Owing to the agreements that are in place, the company is not subject to significant business risk.

4.1.2 Risks and opportunities for future development

A number of the risks we face relate to the development of offshore services, increased competition and lower revenues as well as lower profits. We are focused on overcoming those risks by continuing to increase our marketing activities, developing clear quality guarantees for existing customers, extending our activities beyond our usual areas of business (e.g. OSS, VAS and networks) and entering new markets.

As risk, we define future developments or events, which have impact on the budgeted results of the company and the group respectively. We classify the risks in economic risks, employee related risks and technology risks. The company is facing the following risks, which are present from risks with highest occurrence and the highest possible impact to the lowest occurrence and lowest financial impact.

- Economic risks

  Due to the COVID-19 pandemic the global economic trend is slowing down, and companies could consider cutting their budgets with regard to investment in the IT infrastructure or to postpone IT - projects.

- Employee related risks:

  With the evolving IT industry, right skillset and talent is required to respond quickly to the ongoing changes. The inability to cost effective hiring and retaining increased number of professionals with the required skillset is to be consider as a risk.

- Technology risks:

  The industry has been seeing a shift to disruptive technologies which are continually evolving. This shift coupled with changes in business models and consumer spending patterns could be a threat to the growth in traditional IT spends and technology obsolescence.

  The following opportunities are currently followed by the company:

- Digitalization Trend

  The COVID-19 pandemic showed a significant need to digitalize processes in companies and further improve the IT infrastructure. The TECH MAHINDRA group provides the necessary services to these companies, which comprises significant business opportunities for the company.

- Employees

  The company sees a big opportunity, that its recruits also employee in India, which offers more skilled and trained IT – professionals then the limited market in Germany and Europe.

- Cost advantage

  Due to the possibility to outsource part or complete orders to its shareholder in India, which has a different and lower cost structure, the company has a cost advantage in regard to its competitors.

4.1.3 Overall assessment of the risk and opportunity situation

Despite the COVID-19 pandemic, the overall view of the company's risk and opportunity situation remains essentially unchanged. Currently, there are no risks recognizable, that either alone or in combination with other risks could endanger the continued going concern of the company.

4.2 Outlook

4.2.1 General economic outlook

Due to the economic impact of the COVID-19 pandemic, the German government expects annual average growth in real gross domestic product (GDP) of 1.8 % in the remaining year of 2022, for 2023 a phase of recovery is predicted with a growth of 3.6%. Due to the Ukraine conflict, which has been escalating since February 2022, there is a risk that the development of the global and German economy will be subject to a high level of uncertainty in the forthcoming year.

4.2.2 Companies outlook

Taking into account the current order backlog and business situation, we expect slightly revenue increase in the financial year 2022/2023 and the following years, despite the current economic impacts of the COVID-19 pandemic. The company's business will primarily consist of follow-up orders and acquired contracts. We also plan to generate growth by extending our range of services and entering new markets. Profit for the year will slightly increase in comparison to the profit in the current year.

The company has good prospects in the financial year 2022/2023 as we plan to develop additional businesses activities in new areas and segments. We expect the profit/revenue ratio to remain at the same level due to the nature of our business model (cost-plus method). However, increased volumes of business and higher revenue mean that we expect profits to increase in the coming years.

We assume gradual growth in the future since the companies are under cost pressure. We continue to expect demand for outsourcing and offshoring as well as managed service to increase. The introduction of new technologies is often accompanied by a lack of technical skills, which TECH MAHINDRA can provide.

Currently, we do not foresee any impact from the conflict in the Ukraine on the companies business, as the company has no business activities in the Ukraine, Belarus or Russia. Also, we do not expect any impact on the companies business, due to rising energy or similar costs, contrary this might initiate further projects for digitalization in order to cut costs, which the company can benefit from.

The predicted slightly increase in revenue and profit is based on an increased volume of business, which will result in higher reimbursable operating costs.

The company has considered the possible effects that may result from COVID-19 pandemic as well as the Ukraine conflict and does as of the date of this report not foresee any impact on its current business plan.

Düsseldorf/Germany, 20th June 2022

Mukul Dhyani	**Mandar Vasant Bhairavkar**
Managing Director	Managing Director

TECHM IT-SERVICES GMBH

Directors

Fares Zaier

Registered Office

Albertgasse 35

1080 Vienna

Austria

Bankers

Erste Bank der Oesterreichischen Sparkassen AG

Auditors

B S R & Co. LLP

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Tech Mahindra Limited

Report on the Audit of the Financial Statements of Tech Mahindra IT Services GmbH

Opinion

We have audited the financial statements of Tech Mahindra IT Services GmbH ("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 the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable, to the financial statements. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the 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 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 in the financial statements made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter - Restriction on Use

These financial statements are prepared for the use of the Company and the ultimate holding Company, Tech Mahindra Limited, to comply with the requirements of the Act. These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for any other purpose. Our report must not be copied, disclosed, quoted, or referred to, in correspondence or discussion, in whole or in part to anyone other than the purpose for which it has been issued without our prior written consent.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN No. 22215165ALBACE1213

Place: Pune
Date: 16th June 2022

BALANCE SHEET

EUR in Hundreds

Balance Sheet	Note No.	31-March-2022	31-March-2021
ASSETS			
Non Current Assets			
Advance income tax (net of provision)		147	115
Total Non Current Assets		**147**	**115**
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	3	77	80
(ii) Cash and Cash Equivalents	4	969	920
(ii) Other Financial Assets	5	8	94
(b) Other Current Assets	6	37	4
Total Current Assets		**1,091**	**1,098**
Total Assets		**1,238**	**1,213**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	7	50	50
(b) Other Equity	8	1,042	1,021
Total Equity		**1,092**	**1,071**
Current liabilities			
(a) Financial Liabilities			
Trade Payables	9	134	130
(b) Income Tax Liabilities (Net)	10	12	12
Total Current Liabilities		**146**	**142**
Total Equity and Liabilities		**1,238**	**1,213**
See accompanying notes forming part of the financial statements	1 to 19		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date: 16th June 2022

For Tech Mahindra IT Services GmbH

Fares Zaier
Director

Place : Düsseldorf, Germany
Date: 16th June 2022

TECH MAHINDRA IT SERVICES GMBH

STATEMENT OF PROFIT AND LOSS

EUR in Hundreds

	Statement of Profit and Loss	Note No.	31-March-2021	31-March-2020
I	Revenue from Operations	11	421	1,437
II	**Total Revenue (I +II)**		**421**	**1,437**
III	**EXPENSES**			
	Expenses for employee benefits	12	-	931
	Other Operating Expenses	13	393	410
	Total Expenses		**393**	**1,341**
IV	**Profit before Tax (III-IV)**		28	96
V	**Tax Expense**	15		
	Current Tax		7	26
	Deferred Tax		-	(2)
	Total Tax Expense		**7**	**24**
VI	**Profit after tax (V-VI)**		**21**	**72**
VII	**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 Other Comprehensive Income (A+B)		-	-
VIII	**Total Comprehensive Income (VII + VIII)**		**21**	**72**
	Earnings per Equity Share (Face Value Euro 1) in Euro	**16**		
	Basic		4	14
	Diluted		4	14
	See accompanying notes forming part of the financial statements	1 to 19		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date: 16th June 2022

For Tech Mahindra IT Services GmbH

Fares Zaier
Director

Place : Düsseldorf, Germany
Date: 16th June 2022

STATEMENTS OF CHANGES IN EQUITY

A. Equity Share Capital

EUR in Hundreds

Balance as of April 1, 2020	Changes in equity share capital during the year	Balance as of 31 March 2021
50	-	50
Balance as of April 1, 2021	**Changes in equity share capital during the year**	**Balance as of 31 March 2022**
50	-	50

B. Other Equity -Reserves and Surplus - Retained Earnings

EUR in Hundreds

Particulars	Balance as at March 31, 2022	Balance as at March 31, 2021
Balance at the beginning of the year	1,021	949
Profit for the year	21	72
Total Comprehensive income	**1,042**	**1,021**

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.101248W/W-100022

Ashish Gupta

Partner

Membership No.: 215165

Place : Pune

Date: 16th June 2022

For Tech Mahindra IT Services GmbH

Fares Zaier

Director

Place : Düsseldorf, Germany

Date: 16th June 2022

TECH MAHINDRA IT SERVICES GMBH

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

EUR in Hundreds

	Cash Flow Statement		For the Year ended 31-March-2022		For the Year ended 31-March-2021
A	**Cash Flow from Operating Activities**				
	Profit before Tax		28		96
			28		96
	Changes in working capital				
	(Decrease in)/increase in trade receivable & other assets	56		342	
	Increase in/(decrease in) trade payables, provisions & other liabilities	4		(215)	
			60		127
	Cash generated from operating activities before taxes		88		223
	Income tax paid, net		(38)		(87)
	Net cash used in operating activities		50		136
	Net Increase / (Decrease) in Cash and Cash Equivalents		50		136
	Cash and Cash Equivalents at the beginning of the year		920		784
	Cash and Cash Equivalents at the end of the year (refer note 4)		**969**		**920**

EUR in Hundreds

Cash and Cash Equivalents at the end of the year comprises of		Balance as at 31 March 2022	Balance as at 31 March 2021
Balances with Banks :			
In Current Accounts		969	920
Total		**969**	**920**
See accompanying notes forming part of the financial statements	(1-19)		

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.101248W/W-100022

Ashish Gupta

Partner

Membership No.: 215165

Place : Pune

Date: 16th June 2022

For Tech Mahindra IT Services GmbH

Fares Zaier

Director

Place : Düsseldorf, Germany

Date: 16th June 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate information

The Company was incorporated on August 08, 2014, with principal place of business at Albertgasse 35, 1080 Vienna, Austria. The financial statements are expressed in Euro.

The principal activities of the Company are providing consultancy and services relating to information technology and development of software solutions and products for banking and finance industry which include activities such as retail, corporate, investment, wealth management and micro finance.

The Company's immediate holding company is Tech Mahindra GmbH, incorporated in Dusseldorf, Germany and ultimate parent company is Tech Mahindra Limited, incorporated in India. The Ind AS financial statements of the Company for the year ended 31 March 2022 were authorised for issue by the Board of Directors on 16 June 2022.

2 Significant accounting policies:

2.1 Statement of Compliance

The Ind AS financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, as amended from time to time.

2.2 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable, to the financial statements.

The Company is not domiciled in India and hence was not incorporated under Companies Act, 2013 or under any previous Company law in India. These financial statements do not constitute a set of statutory financial statements in accordance with local laws of the Country in which the Company is incorporated.

These financial statements are prepared for the use of the Company and the ultimate holding Company, Tech Mahindra Limited, to comply with the requirements of the Act.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year 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.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle of 12 months. The Statement of cash flows has been prepared under indirect method.

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:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

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

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

These financial statements are presented in Euro ("EUR") which is also the Company's functional currency. All amounts have been reported in Euros in hundreds, except for share and earnings per share data, unless otherwise stated. Further, amounts which are less than half a hundred are reported as '0'.

2.3 Use of estimates

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

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.

Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (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.

2.5 Revenue recognition

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 cost plus contracts are recognised based on the terms of the contract over the service period. Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Contract liability arises when there is Company's obligation to transfer goods or services to a customer for which the entity has received consideration ("Advances from Customer") or the amount is due from the customer ("Unearned Revenue").

2.6 Leases

At inception of the contract, the Company determines whether the contract is a lease or contains a lease arrangement. 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.

Company as a Lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate specific to the lease being evaluated for a portfolio of leases with similar characteristics. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.7 Foreign currency transactions:

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the profit or loss.

2.8 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and 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 measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method less impairment losses, if these financial assets are held within a business model whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial assets not measured at amortised cost are carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in ‘other comprehensive income’, for investment in equity instruments which are not held for trading.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at FVTPL. For financial liabilities carried at amortised cost, the carrying amounts approximate fair values due to the short term maturities of these instruments. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and 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) Derecognition of financial instruments

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 retains substantially all the risk and rewards of transferred financial assets, the Company continues to recognise the financial asset and also recognises the borrowing for the proceeds received. The Company derecognises financial liabilities when, and only when, the Company’s obligation are discharged, cancelled or have expired.

2.9 Taxes on income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the country.

The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period.

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 income taxes are recognised in other comprehensive income or directly in equity, respectively.

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

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.10 Earnings per Share:

"Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period. For calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects 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)."

2.11 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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 the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed in the financial statements.

2.12 Recent pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On 23 March 2022, MCA amended the Companies (Ind AS) Amendment Rules, 2022, which are applicable from 1 April 2022. The Company does not expect the amendments to have any significant impact on the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 : Trade Receivables

EUR in Hundreds

Particulars	As at 31-March-2022	As at 31-March-2021
Unsecured - Considered Good	77	80
Credit impaired	-	-
	77	**80**
Less: Allowance for expected credit losses	-	-
Total	**77**	**80**

Note 3A : Ageing of Trade Receivables

Particulars	Outstanding for following period from due date of payment: Less than 6 months	6 months to 1 year	1 to 3 years	More than 3 years	Total
(i) Undisputed trade receivables- considered good	77	-	-	-	77
(i) Undisputed trade receivables- considered doubtful	-	-	-	-	-
(i) Disputed trade receivables- considered good	-	-	-	-	-
(i) Disputed trade receivables- considered doubtful	-	-	-	-	-

Note 4 : Cash and Cash Equivalents

EUR in Hundreds

Particulars	As at 31-March-2022	As at 31-March-2021
Balances with banks		
- In Current Account	969	920
Total	**969**	**920**

Note 5: Other Financial Assets

EUR in Hundreds

Particulars	As at 31-March-2022	As at 31-March-2021
Security Deposits		
- Unsecured, considered good	8	94
Total	**8**	**94**

Note 6 : Other Current Assets

EUR in Hundreds

Particulars	As at 31-March-2022	As at 31-March-2021
Balance with Government Authorities	37	4
Total	**37**	**4**

Note 7: Equity Share Capital

Particulars	31 March , 2022		31 March , 2021	
	Number	EUR in Hundreds	Number	EUR in Hundreds
Authorised Share Capital				
Equity shares of Euro 10/- each fully paid up	3,500	350	3,500	350
Issued Subscribed and Paid up share Capital				
Equity shares of Euro 10/- each fully paid up	500	50	500	50
Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:				
Shares outstanding at the beginning of the year	500	50	500	50
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**500**	**50**	**500**	**50**

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

Name of Shareholder	As at 31 March , 2022		As at 31 March , 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tech Mahindra GmbH	500	100	500	100

i) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.

ii) The Company has not issued any shares during the year.

iii) The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the equity balance. The Company is not subject to any externally imposed capital requirements.

The Company's Board reviews the capital structure of the Company on an ongoing basis.

Shares held by promoters at the end of the year:

Name of Shareholder	As at 31 March, 2022			As at 31 March, 2021		
	No. of Shares held	% of Holding	% Change during the year	No. of Shares held	% of Holding	% Change during the year
Tech Mahindra GmbH	-	100	-	-	100	-

Note 8 : Other Equity

EUR in Hundreds

Particulars	As at	
	31-March-2022	31-March-2021
Surplus in Statement of Profit and Loss		
Opening balance	1,021	949
Add : Profit for the year	21	72
Closing Balance	**1,042**	**1,021**

Note 9 : Trade Payables

EUR in Hundreds

Particulars	As at	
	31-March-2022	31-March-2021
Trade Payables	134	130
Total	**134**	**130**

Note 9A : Ageing of Trade Payables

Particulars	Outstanding for following period from due date of payment			
	Less than 1 year	1-3 years	More than 3 Years	Total
(i) Undisputed dues	134	-	-	134
(ii) Disputed dues	-	-	-	-

Note 10: Current Tax Liabilities

EUR in Hundreds

Particulars	As at	
	31-March-2022	31-March-2021
Provision for tax (net)	12	12
Total	**12**	**12**

Note 11 : Revenue from Operations

EUR in Hundreds

Particulars	Year ended	
	31-March-2022	31-March-2021
Sale of Services	421	1,437
Total	**421**	**1,437**

Note 12 : Expenses for employee benefits

EUR in Hundreds

Particulars	Year ended	
	31-March-2022	31-March-2021
Salaries and wages	-	812
Contribution to social security	-	119
Total	**-**	**931**

Note 13 : Other Expenses

EUR in Hundreds

Particulars	Year ended	
	31-March-2022	31-March-2021
Rent expense	266	311
Legal and professional fees	124	94
Miscellaneous expenses	3	3
Insurance charges	-	2
Total	**393**	**410**

14 Related party transactions

14a. Details of related parties:

Description of relationship	**Names of Related Party**
Ultimate Holding Company	Tech Mahindra Limited
Holding Company	Tech Mahindra GmbH

14b.The following table summarizes related party transactions and balances:

EUR in Hundreds

Particulars	Tech Mahindra Limited	Tech Mahindra GmbH
Transactions during the year:		
Revenue from sale of services	421	-
	(1,437)	
Reimbursement of Expenses	-	
	(21)	
Balances outstanding at the end of the year:		
Trade receivables- Considered good	77	-
	(80)	
Trade payables	22	
	(21)	

Note: Figures in bracket relate to the previous year.

15 Income Tax Expenses

The income tax expense for the year ended can be reconciled to the accounting profit as follows:

EUR in Hundreds

Particulars	Year ended	
	31-March-2022	31-March-2021
Current Tax:		
In respect of current year	7	26
In respect of previous years		
Net Current tax	7	26
Deferred tax:		
In respect of current year	-	(2)
Total Income Tax Expense recognised	7	24

The income tax expense for the year ended can be reconciled to the accounting profit as follows

Particulars	Year ended	
	31-March-2022	31-March-2021
Profit before tax	28	96
Enacted tax rate	25%	25%
Tax expenses calculated at enacted rate	7	24
Income tax expense recognized in profit and loss account	7	24

The tax rate used for the above reconciliation is the rate as applicable for the respective period payable by corporate entities in Austria on taxable profits under the Austrian tax laws.

Domestic income tax is calculated at 25% of the estimated assessable profit for the year.

16 Earnings Per Share is calculated as follows:

EUR in Hundreds

Particulars	Year ended 31-March-2022	Year ended 31-March-2021
Profit after taxation	21	72
Equity Shares outstanding as at the end of the year (in nos.)	500	500
Weighted average Equity Shares outstanding as at the end of the year (in nos.)	500	500
Nominal Value per Equity Share (in Euro)	10	10
Earnings per share:		
Earnings per share (Basic) (in Euro)	4	14
Earnings per share (Diluted) (in Euro)	4	14

17 Financial Instruments and Risk Review

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The Company operates a risk management policy and program that performs close monitoring of and responding to each risk factors. Following are the financial risk factors.

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables.

Trade Receivable

Trade receivables consist of a single related party customer. Average credit period ranges from 20-30 days and no interest is charged on overdue receivables. The Company uses a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking experience. As there is no history of defaults, no allowance for doubtful trade receivables based on the expected credit loss model is made.

Age of receivables

EUR in Hundreds

Particulars	As at 31-March-2022	As at 31-March-2021
Within the credit period	77	80
90-180 days past due	-	-
180- 365 days past due	-	-
More than 365 days past due	-	-

Cash and Bank Balances:

The Company maintains its cash and cash equivalents with bank having good reputation and high quality credit rating.

Credit Risk Exposure:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was EUR 105,413 and EUR 109,342 as of 31 March 2022 and 31 March 2021 respectively, being the total of the carrying amount of balances with banks, trade receivables and other financial assets.

Liquidity Risk:

Liquidity risk refers to the risk that the company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement.

The table below provides details regarding the contractual maturities of significant financial liabilities as on 31 March 2022:

EUR in Hundreds

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Trade Payables	134	-	-	-
Other Financial Liabilities	-	-	-	
Total	**134**	**-**	**-**	**-**

The table below provides details regarding the contractual maturities of significant financial liabilities as on 31 March 2021:

EUR in Hundreds

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Trade Payables	130	-	-	-
Other Financial Liabilities	-	-	-	
Total	**130**	**-**	**-**	**-**

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

EUR in Hundreds

Particulars	**Amortised cost**	**Total carrying value**	**Total fair value**
Assets:			
Trade Receivables	77	77	77
Cash and cash equivalents	969	969	969
Other financial assets	8	8	8
	1,054	**1,054**	**1,054**
Liabilities:			
Trade and other payables	134	134	134
Other financial liabilities	-	-	-
	134	**134**	**134**

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

EUR in Hundreds

Particulars	**Amortised cost**	**Total carrying value**	**Total fair value**
Assets:			
Trade Receivables	80	80	80
Cash and cash equivalents	920	920	920
Other financial assets	94	94	94
	1,094	**1,094**	**1,094**
Liabilities:			
Trade and other payables	130	130	130
Other financial liabilities	-	-	-
	130	**130**	**130**

18: Segment reporting

The Company is engaged in providing consultancy and services relating to information technology and development of software solutions and products for banking and finance industry which include activities such as retail, corporate, investment, wealth management and micro finance.

The Company's operations is primarily located in the Austria. As the Company has only one geographical segment, the balance sheet as at 31 March 2022 and statement of profit and loss for the year ended then pertain to only one geographical segment.

19: Additional regulatory information

Financial Ratios

Particulars	Numerator (1)	Denominator (2)	31 March 2022 (3) = (1/2)	31 March 2021 (3) = (1/2)	Variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	7.46	7.72	-3%
Return on Equity Ratio (in %)	Net Profit After Tax	Average Shareholders' Equity	2%	7%	-5%
Trade Receivable Turnover Ratio (in times)	Revenue from operation	Average Trade Receivable	5.36	8.07	-34%*
Trade Payable Turnover Ratio (in times)	Other Expenses	Average Trade Payables	2.98	2.84	5%
Net Capital Turnover Ratio (in times)	Revenue from operation	"Net Working Capital (A)"	0.45	1.50	-70%*
Net Profit Ratio (in %)	Profit After Tax	Revenue from operation	5%	5%	0%
Return on Capital Employed (in %)	Earnings before interest and taxes	Average capital employed (B)	3%	9%	-7%

(A) Current Assets – Current Liabilities

(B) Average Net Worth of the entity

(*) Decrease in Trade Receivable Turnover ratio and Net Capital Turnover ratio is on account of decrease in revenue during the year.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.101248W/W-100022

Ashish Gupta

Partner

Membership No.: 215165

Place : Pune

Date: 16th June 2022

For Tech Mahindra IT Services GmbH

Fares Zaier

Director

Place : Düsseldorf, Germany

Date: 16th June 2022

TECH MAHINDRA NORWAY AS

Board of Directors
Mr. Gaurav Gupta
Mr. Kishan Chuckun – till 2nd September 2021
Mr. Rajesh Premraj Barwal – w.e.f 2nd September 2021

RegisteredOffice
Capus TS
Martin Linges Vei 25
1364 Fornebu
Oslo, Norway

Bankers
Citibank PLC

Auditors
KPMG AS
Postboks 7000 Majorstua, 0306 OSLO

BOARD OF DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

TECH MAHINDRA NORWAY AS

Adress: , Capus T S, Martin Linges vei 25, 1364 Fornebu, 0219 Bærum Organisation Number. 918 324 941

The Business

Tech Mahindra Norway AS provides information technology services and information technology enabled services to enterprises in Norway. The services include Digital Transformation, IT infrastructure services, IT consulting among other services. The Company's head office is located in Bærum, Norway.

Financial performance

Turnover for the financial Year ended March 31, 2022 was NOK 67 081 593 which is an increase of 48 % as compared to previous year. The net profit for the year was NOK 21 271 274 as compared to NOK 3 134 318 for the previous year. The total capital at the end of the year was NOK 32117 336 as compared to NOK 10 846 063 in the previous year. The Board considers that the annual accounts give an accurate description of Tech Mahindra Norway AS's assets and liabilities, financial position and result

A going concern

In accordance with the section 3-3 of the Accounting Act, we confirm that Tech Mahindra Norway AS meets the requirements for continuation as a going concern.

Risk Management

Risk management is a continuous process and an integrated part of the business. All managers are required to assume responsibility for risk management within their areas of responsibility and ensure that risk management is embedded in day-to-day business processes. When operating across multiple markets, it is exposed to a range of risks that may affect its business. The aim is to earn competitive returns at acceptable risk levels.

Commercial risks

Tech Mahindra Norway AS needs access to new customers that want to outsource IT-services.

Future development

The Company plans to be active in the Norwegian outsourcing market for the years to come. The Company will also provide IT-services locally to existing and future customers.

Financial risk

All financial risk is handled by its ultimate parent company, Tech Mahindra Limited.

Working environment

Management considers the work environment satisfactory and has not implemented any special projects in this area during financial year 2021-22. There have been no damages or accidents in 2021-22.

Equal opportunity

Tech Mahindra Norway AS has had 16 employees during the accounting year.

The Company is led by Gaurav Gupta, male Director and also Manager and Mr. Rajesh Premraj Barwal, Director. None of the staff is women.

Insurance:

Directors are covered under Tech M Global D&O policy for any claims

Discrimination

The Company strives to offer equal opportunities to all, independent of gender and ethnic background.

The external environment

The Company does not engage in any activities which pollute the environment.

Oslo, 24th June 2022
Board of Tech Mahindra Norway AS

Gaurav Gupta	**Rajesh Premraj Barwal**
Chairman of the Board	Board Member

INDEPENDENT AUDITOR'S REPORT

To the General Meeting of Tech Mahindra Norway AS

Opinion

We have audited the financial statements of Tech Mahindra Norway AS (the Company), which comprise the balance sheet as at 31 March 2022, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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 Company as required by laws and regulations 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 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 audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We 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 a true and fair view.

We communicate with the Board of 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.

Oslo, 28th June 2022
KPMG AS

Øyvind Skorgevik
State Authorised Public Accountant
Note: This translation from Norwegian has been prepared for information purposes only.

PROFIT AND LOSS STATEMENT

NOTE	OPERATING REVENUE AND OPERATING EXPENSES	2021/2022	2020/2021
	Revenue	67,081,593	45,442,243
	Other income	1,795,864	1,452,560
	Total income	**68,877,457**	**46,894,803**
2, 4	Payroll and related costs	25,489,328	18,417,103
5	Depreciation and amortisation of fixed and intangible assets	11,316,455	9,594,444
	Other operating expenses	26,315,261	14,780,136
	Total operating expenses	**63,121,044**	**42,791,683**
	Operating profit/(loss)	**5,756,413**	**4,103,120**
	FINANCIAL INCOME AND FINANCIAL EXPENSES		
	Other financial income	0	0
	Other financial expenses	152,707	84,765
	Financial items, net	**152,707**	**84,765**
	Profit/(loss) on ordinary activities before taxation	**5,603,706**	**4,018,355**
7	Tax on ordinary income	-15,667,568	884,037
	Profit/(loss) on ordinary activities	**21,271,274**	**3,134,318**
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**21,271,274**	**3,134,318**
	ALLOCATION OF NET PROFIT/(LOSS) AND EQUITY TRANSFERS		
8	Transferred to other equity	21,271,274	3,134,318
	Total allocations and equity transfers	**21,271,274**	**3,134,318**

BALANCE SHEET AS AT 31 MARCH 2022

NOTE	ASSETS	3/31/2022	3/31/2021
	Non-current assets		
	Tangible fixed assets		
5	Computers	4,854,215	6,999,142
5	Plant and equipment	1,486,322	2,198,452
5	Furniture & Fixture	6,467	8,564
5	Lease computers	18,399,144	19,647,719
	Total tangible fixed assets	**24,746,148**	**28,853,877**
	Deferred Tax Assets (Net)	16,120,736	453,168
		16,120,736	**453,168**
	Total non-current assets	**40,866,884**	**29,307,045**
	Current assets		
	Receivables		
6	Accounts receivable	46,059,615	10,786,261
	Other receivables	19,787,436	18,425,436
	Other Current Assets		1,817,525
	Total receivables	**65,847,051**	**31,029,222**
	Cash and cash equivalents		
	Cash and cash equivalents	11,670,082	4,109,576
	Total cash and cash equivalents	**11,670,082**	**4,109,576**
	Total current assets	**77,517,133**	**35,138,798**
	TOTAL ASSETS	**118,384,017**	**64,445,843**

NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	3/31/2022	3/31/2021
	Shareholders equity		
	Paid-in equity		
3, 8	Share capital (30.000 shares at NOK 1)	30,000	30,000
	Total paid-in capital	**30,000**	**30,000**
	Retained earnings		
8	Other equity	32,117,336	10,846,063
	Total retained earnings	**32,117,336**	**10,846,063**
	Total shareholders equity	**32,147,336**	**10,876,063**
	Liabilities		
	Provisions for liabilities and charges		
7	Deferred tax	-	-
	Total provisions for liabilities and charges	**0**	**0**
	Non-Current Liabilities		
	Non-Current Liabilities	17,554,986	14,738,885
	Total current liabilities	**17,554,986**	**14,738,885**
	Current liabilities		
6	Accounts payable	51,829,357	14,917,607
7	Current income taxes payable	4,095,861	3,516,585
	Other taxes and withholdings	590,082	583,815
6	Other current liabilities	12,166,394	19,812,888
	Total current liabilities	**68,681,694**	**38,830,895**
	Total liabilities	**86,236,680**	**53,569,780**
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	**118,384,017**	**64,445,843**

Oslo, 24th June 2022

Tech Mahindra Norway AS

Gaurav Gupta
Chairman of the Board

Rajesh Barwal
Board Member

NOTES TO THE ACCOUNTS, YEAR ENDED 31 MARCH 2022

Note 1 Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles for small entities in Norway.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated in accordance with a reasonable depreciation schedule.

Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

Receivables

Trade receivables and other receivables are carried at face value less an allowance for expected losses. An estimate is made for doubtful debts based on a review of all amounts outstanding at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

Pensions

The company has a defined contribution plan and pays fixed contributions to an insurance company. After the contribution has been made the company has no further commitment to pay contributions relating to employee service in the current and prior periods. When employee services are rendered, the company recognizes the contribution payable in exchange for that service as a liability after deducting any contribution already paid. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Revenues

Arising form delivery of services:

Revenue is recognised when the service is performed. Revenue is measured at the fair value of the consideration received or receivable.

Cost of sales and other expenses

In principle, cost of sales and other expenses are recognised in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.

Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. The tax expense is allocated to ordinary income and the effect of extraordinary items in accordance with the respective taxable income. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

Change in presentation during the year and comparative figures

During financial year 2020, Management changed the presentation of revenue and other operating expenses, from 'gross' presentation to 'net' presentation. The Company and its Parent Company act as sub-contractors to Tech Mahindra Limited (the 'Ultimate Parent Company') with respect to revenue contracts with external customers, where the risks are borne by the Ultimate Parent Company. Remuneration for such sub-contracting activities is based on the reimbursement of costs incurred plus a mark-up in accordance with a service agreement with the Ultimate Parent Company. Until 2020, the revenue from external customers and equivalent sub-contracting charges from the Ultimate Parent Company were shown on a gross basis in the financial statements of the Company under 'Revenue' and 'Other operating expenses' respectively. During 2020, in order to be consistent with the presentation followed by the Parent Company, the revenue from external customers is changed to net presentation of such sub-contracting charges.

Leases

Leases are accounted for as financial or operational leases after a specific assessment by the individual deal. Operating assets in leases assessed as financial leases are capitalized in the balance sheet and depreciated as fixed assets fixed assets. The installment part of the lease obligation is shown as other long-term debt. The obligation is reduced by paid rent after deduction of calculated interest cost.

Note 2 Number of employees, benefits, loan to employees etc.

	2021/2022	2020/2021
Average number of employees during the year:	15	19

Directors' remuneration

		Pensions	Other benefits	Salaries, fees	Pensions	Other benefits
	2021/2022	2021/2022	2021/2022	2020/2021	2020/2021	2020/2021
Managing Director/Chief Executive Officer	2,290,000	16,787	-	1,086,980	15,237	-
Board of Directors	-	-	-	-	-	

Auditor's remuneration

	2021/2022	2020/2021
Remuneration to KPMG (exclusive of VAT)		
Audit Fees	109,932	147,772
Other Services	128,805	-

Note 3 Share capital and shareholder information

The share capital in the company at 31 March 2022 consists of the following classes:

Ownership structure

All shares are owned by Tech Mahindra GMBH.

	Number of Shares	Sum	Ownership share	Voting share
Tech Mahindra GMBH	30,000	30,000	100%	100%
Total number of shares	**30,000**	**30,000**	**100%**	**100%**

Note 4 Payroll costs

Payroll costs	2021/2022	2020/2021
Wages and salaries	22,213,185	16,300,361
Social security tax	2,835,212	1,726,273
Pension costs	440,931	390,469
Other benefits	-	-
Total	**25,489,328**	**18,417,103**

The company is required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon"). The company's pension plan meets the requirements of this legislation.

Defined contribution plan

The company has a defined contribution plan which covers a total of 17 employees. The contribution for employee services rendered in the period is recognised as pension costs.

Note 5 Tangible fixed assets

	Computers	Plant & Equipment	Furniture & Fixtures	Construction in progress	Lease computers	Total
Cost at 1 April 2021	24,673,103	3,560,636	10,487	-	22,025,951	50,270,176
Additions	2,574,807		-	-	4,633,920	7,208,727
Disposals	-	-		0		-
Cost at 31 March 2022	27,247,909	3,560,636	10,487	-	26,659,871	57,478,903
Acc. amortisation at 1 April 2021	17,673,960	1,362,184	1,922	-	2,378,232	21,416,299
Ordinary amortisation	4,719,734	712,129	2,097	-	5,882,495	11,316,455
Ordinary impairment	-	-		-		-
Accumulated and reversed amortisation						
and impairment at 31 March. 2022	22,393,695	2,074,313	4,020	-	8,260,727	32,732,754
Balance at 31 March 2022	**4,854,215**	**1,486,323**	**6,467**	**-**	**18,399,144**	**24,746,149**
Current year amortisation charge	4,719,734	712,129	2,097	-	5,882,495	11,316,455
Current year impairment charge	-	-		-		-
Current year reversal of impairment charges	-	-		-		-
Economic life	3 years	5 years	5 years			
Amortisation method	straight-line	straight-line	straight-line			

	Computers	Plant & Equipment	Construction in progress			Total
Cost at 1 April 2020	19,685,899	3,379,124	-	-		23,065,023
Additions	4,987,204	181,512	10,487	-	22,025,951	27,205,153
Disposals	-	-		0		0
Cost at 31 March 2021	24,673,103	3,560,636	10,487	-	22,025,951	50,270,176
Acc. amortisation at 1 April 2020	11,144,450	677,405		-		11,821,855
Ordinary amortisation	6,529,510	684,779	1,922	-	2,378,232	9,594,444
Ordinary impairment	-	-		-		-
Accumulated and reversed amortisation						
and impairment at 31 March. 2021	17,673,960	1,362,184	1,922	-	2,378,232	21,416,299
Balance at 31 March 2021	**6,999,143**	**2,198,452**	**8,564**	**-**	**19,647,719**	**28,853,877**
Current year amortisation charge	6,529,510	684,779	1,922	-	2,378,232	9,594,444
Current year impairment charge	-	-		-		-
Current year reversal of impairment charges	-	-		-		-
Economic life	3 years	5 years	5 years			
Amortisation method	straight-line	straight-line	straight-line			

Leases

Leases are accounted for as financial leases or operational leases based on a specific assessment of each lease agreement.

Lease of fixed assets classified as financial leases are capitalized and depreciated as ordinary fixed assets.

The repayment of the lease liability is presented as other non-current liabilities. The liability is reduced with lease payments after deduction of interest expense.

Note 6 Accounts receivable - Accounts Payable

	Accounts receivable 2021/2022	Accounts receivable 2020/2021	Other receivables 2021/2022	Other receivables 2020/2021
Group companies	9,803,211	6,161,326	19,783	-
External	36,256,404	4,624,935		
Total	**46,059,615**	**10,786,261**	**19,783**	**-**

	Accounts payable 2021/2022	Accounts payable 2020/2021	Other current liabilities 2021/2022	Other current liabilities 2020/2021
Group companies	50,037,823	14,677,361		7,035,406
External	1,781,267	240,247		
Total	**51,819,091**	**14,917,607**	**-**	**7,035,406**

Note 7 Income tax expense

Specification of income tax expense:

	2021/2022	2020/2021
Current income tax expense	-	1,426,736
Changes in deferred tax	(15,667,568)	(542,699)
Effect of changes in tax rules	-	-
Tax on ordinary profit/(loss)	**(15,667,568)**	**884,037**

Specification of tax payable

	2021/2022	2020/2021
Current year income tax payable	-	1,426,736
Income tax payable for previous years (refer note i)	3,516,585	2,089,849
Prior year adjustments	-	-
Current income tax payable in Balance Sheet	**3,516,585**	**3,516,585**

i.Income tax payable for previous year refers to income tax payable for the period1 April 2020 to 31 March 2021,for which the due date for filing of return is 31 May 2022.

Specification of the tax effect of temporary differences and losses carried forward:

	2021/2022		2020/2021	
	Benefit	Liability	Benefit	Liability
Fixed assets	725,510		439,404	-
Leases		(185,715)	13,764	-
Tax loss c.f.	15,580,940			
Total	**16,306,450**	**(185,715)**	**453,168**	**-**

Reference is made to note 12 regarding acquisition from Tech Mahindra Limited. The Company has taken over the tax positions of the branch, including a tax loss carry forward of NOK 76.8 million.

Note 8 Equity transactions

This year's change in equity:	Share capital	Other paid-in equity	Other equity	Total equity
Equity at 1 April 2021	30,000	-	10,846,063	10,876,063
Profit/(loss) of the year		-	21,271,274	21,271,274
Received/given group contribution		-	-	-
Equity at 31 March 2022	**30,000**	**-**	**32,117,336**	**32,147,336**

This year's change in equity:	Share capital	Other paid-in equity	Other equity	Total equity
Equity at 1 April 2020	30,000	-	7,711,745	7,741,745
Profit/(loss) of the year		-	3,134,318	3,134,318
Received/given group contribution		-	-	-
Equity at 31 March 2021	**30,000**	**-**	**10,846,063**	**10,876,063**

Note 9 Bank deposits

Bank deposits, cash etc. include restricted tax deduction funds of NOK 1,235,675.43 (March 2020: NOK 812,997.43).

Note 10 Subsequent events

The Company does not foresee any material impact on its revenue and customer's ability to pay due to the prolonged lock down and other impacts of the COVID-19 pandemic. However, the impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration.

Note 11

Previous year numbers have been re-grouped or re-classified as required.

Note 12 – Acquisition from Tech Mahindra Limited

In 2021 Tech Mahindra Limited decided to discontinue the activities in the Norwegian branch. The employees and the business was taken over by Tech Mahindra Norway AS, and with effect from 1 April 2021 the Company also concluded an asset purchase agreement with Tech Mahindra Limited to buy the assets and liabilities of the Norway branch. The assets acquired consisted mainly of cash, current assets and some short term liabilities.

The consideration paid was NOK 10.5 million. The tax position of the Norway branch is taken over by Tech Mahindra Norway AS.

TECH MAHINDRA LUXEMBOURG S.A R.L.

UNAUDITED FINANCIAL STATEMENTS
for the year ended 31st March 2022

Board of Directors

Mr. Praveen Singh

Mr. Stephane Julien – w.e.f. 2 July 2021

Registered office

Regus Airport Center, 5 Rue Heienhaff,

(2nd Floor, WING E) L- 1736,

Senningerberg, Luxembourg

Bankers

CITIBANK EUROPE PLC

BALANCE SHEET AS OF 31 MARCH 2022

Assets		31 March 2022 [EUR]	31 March 2021 [EUR]
D.	**Current assets**		
II.	**Debtors**		
	2. Amount owned by affiliated undertakings		
	a) becoming due and payable after less than one year		
	Intercompany debtors	**78,970**	93,904
	4. Other Receivables		
	a) becoming due and payable after less than one year		
	VAT receivable	**17,073**	130
IV.	**Cash at bank and in hand**		
	CITI-Luxembourg	**71,146**	139,917
TOTAL (ASSETS)		**167,189**	233,951

Values in EUR		31 March 2022 [EUR]	31 March 2021 [EUR]
A.	**Capital and reserves**		
I.	Subscribed Capital		
	Share Capital	**12,000**	12,000
IV.	Statutory reserve	**3,681**	1,171
V.	Results brought forward	**22,250**	-
VI.	Result for the financial year	**47,692**	22,250
B.	**Provisions**		
1.	Provision for pension and similar obligation		
	Provision for leave encashment	**12,042**	16,720
	Provision for Salaries Onsite	**3,027**	2,393
2.	Provision for taxation		
	Provision for tax	**10,986**	3,734
C.	**Creditors**		
4.	Amount due to trade creditors		
	a) becoming due and payable after less than one year		
	Trade creditors	**39,541**	20,596
6.	Amount owned to affiliated undertakings		
	a) becoming due and payable after less than one year		
	Trade creditors - Intercompany	**-**	140,789
8.	Other creditors		
	a) Tax authorities		
	Withholding tax on wages and salaries	**-630**	-
	b) Social security debts		
	Social Security office (CCSS)	**-**	14,298
	c) Other creditors		
	Employee Insurance Payable	**16,601**	-
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		**167,189**	233,951

Praveen SINGH
Director

Stephane Julien
Director

Date: 9th June 2022
Place: Luxembourg

TECH MAHINDRA LUXEMBOURG SARL.

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2022

		31 March 2022 [EUR]	31 March 2021 [EUR]
1.	**Net turnover**		
	Sales Exports - Onsite		
	Intercompany Revenue	**1,279,404**	570,238
5.	**Raw materials and consumables and other external expenses**	**-123,906**	-20,766
	b) Other external charges	**-123,906**	-20,766
	Professional Chgs - Agency	**-28,256**	-16,747
	Travelling Costs	**-4,892**	-
	Rent-Office Premises	**-80,755**	-
	Utilities - Office	**-3,113**	-
	Telecommunication costs	**-6,288**	-3,251
	Other miscellaneous external charges	**-602**	-768
6.	**Staff costs**	**-1,092,665**	-521,778
	a) Wages and salaries	**-979,997**	-471,471
	Base wages	**-468,730**	-247,255
	Leave Encashment	**-11,406**	-16,720
	Incentive	**-153,918**	-34,815
	Other Incentive & Bonus Onsite	**-51,311**	-14,334
	Onsite payroll other expenses	**-**	-392
	Special allowance	**-294,633**	-157,954
	b) Social security costs	**-104,376**	-48,575
	ii) other social security costs		
	Other social security costs	**-104,376**	-48,575
	c) Other staff costs	**-8,292**	-1,733
	Other staff f expenses not mentioned above	**-8,292**	-1,733
14.	**Interest payable and similar charges**	**-1,912**	-539
	b) other interest and similar charges	**-1,912**	-539
	Other financial charges - other	**-1,912**	-539
16.	**Profit or loss after taxation**	**60,922**	27,155
17.	**Other taxes not shown under items 1 to 16**	**-10,720**	-3,734
	Other taxes	**-10,720**	-3,734
18.	**Profit or loss for the financial year**	**50,202**	23,421
Transferred to other equity		**2,510**	1,171
Transferred to statutory reserve		**47,692**	22,250
Profit and loss account		**50,202**	23,421

Praveen SINGH
Director

Stephane Julien
Director

Date: 9th June 2022
Place: Luxembourg

ANNEX OF ANNUAL ACCOUNTS MARCH 31ST 2022

GENERAL

Financial year

The company TECH MAHINDRA LUXEMBOURG SARL (R.CS B244350) was incorporated on May 27th, 2020 for an unlimited period, as Limited company. The registered office of the company is established in 27, rue de Luxembourg - 8077 Bertrange.

The company has the purpose of the Expansion of IT services and solutions.

The Company's financial year begins on the April 1st and closes on the March 31st.

According to the article n° 313 of the law modified of August 10th, 1915 on trading companies, the company is exempted to establish the consolidated accounts.

GENERAL PRINCIPLES

The annual accounts of the Company are drawn up in conformity with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg.

Note 01 Main rules of evaluation

Foreign currency translation

The Company maintains its accounts in Euro (EUR); the balance sheet and the account of profits and losses are expressed in this currency.

At the closing date of the balance sheet:

- Formation expenses as well as intangible, tangible and financial fixed assets expressed in another currency than the currency of the balance sheet are translated at the historical foreign exchange rate;
- Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date.

The unrealized exchanges losses are recorded in the profit and loss account. The realized exchange gains are recorded in the profit and loss account at the moment of their realization. Consequently, only realized exchange gains and losses and unrealized exchange losses are reflected in the profit and loss accounts.

Formation expenses

The formation expenses are taken in charge immediately or amortized on a linear basis over a period of 5 years.

Intangible assets

Intangible assets are accounted in their acquisition price, deduction made by the corrections values.

The corrections values are calculated in a linear way on basis of their estimated useful life's.

Tangible assets

The tangible assets are accounted in their acquisition price, deduction made by the corrections values.

The corrections values are calculated in a linear way on basis of their estimated useful life's.

Financial fixed assets

Participations in affiliated companies as well as participations and securities characterized as fixed assets are valued individually at the lower of acquisition cost or market value.

The determination of the market value is based on the financial statements of the companies to be valued and/or on other available information and documents.

Receivables itemized as financial fixed assets are valued at face value. A value adjustment is carried out whenever the estimated realizable value is lower than the face value.

Accounts receivable

Accounts receivable are valued at their nominal value. A value adjustment is carried out whenever the estimated realizable value is lower than the nominal value.

Stocks

The raw and consumable are estimated at the lowest acquisition price determined according to the method average prices.

Products in progress of manufacturing and finished products are estimated at the cost price which includes (according to the art. 61 (2)) the purchase price of the raw and consumable, the direct costs of production, as well as a share of the indirect expenses. A value adjustment is applied when the estimated value of realization is lower than the cost price.

Marketable securities

The acquisition cost of marketable securities is determined on basis of the method average prices (or FIFO or LIFO or similar method). A value adjustment is applied when the estimated value of realization is lower than the acquisition cost.

Provisions for risks and charges

Provisions shall be made at year end for the purpose of covering all and any foreseeable risk and expense. Provisions relating to previous years shall be received on a regular basis and taken into result when becoming without purpose.

The immune capital gains

The immune capital gains are accounted for their difference between the value of realization of fixed assets and the accounting net value. The capital gains are deducted from the purchase price of fixed assets acquired in re-use.

Subsidies of investment

The subsidies of investment are accounted as soon as the company considers, in best of its knowledge, their probable or unquestionable obtaining.

They are accounted under deduction of the deferred taxes.

Amount net turnover

Net amount of the turnover includes amounts resulting from the sale of products and from the service corresponding to the common activities of the company, the deduction made by reductions on sales, as well as by value-added tax and the others taxes were directly connected to the turnover.

Note 02 Receivables resulting from sales and services – Receivables connected companies – Receivables on companies with which the company has a link of participation – Others Receivables

	March 2022	March 2021
	EUR	EUR
Receivables from Sales and services	-	-
Receivables connected companies	78,970	93,904
Other receivables	-	-
Total	**78,970**	**93,904**

TECH MAHINDRA LONDON LIMITED

Directors
Mr Lakshmanan Chidambaram
Mr Vikram Nair
Mr Belavadi Sathisha
Mr Manish Upadhyay - w.e.f. 11 June 2021

Registered number
04117035

Registered office
Atrium Court The Ring Bracknell
Berkshire RG12 1BW

Independent Auditors
MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditors
Moorgate House
201 Silbury Boulevard
Milton Keynes
Buckinghamshire
MK9 1LZ

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Fair review of the business

During the year ended March 31, 2022 the profit before tax is £8,683,650 (2021 loss before tax of £12,313,738) and the key results are as follows:

	2022	2021
	£	£
For the 12 month period ended March 31, 2022		
Revenue from operations	-	-
Add: Interest income	96,537	548,932
Add: Other income	4,101	8,403
Total Revenue	**100,638**	**557,335**
Less: Interest payable	-	(2,482,881)
Less: Net exchange gain/(loss)	(85,823)	(1,719,357)
Less: Provision for Brazil loan and interest	8,668,835	(8,668,835)
Profit Before Tax	**8,683,650**	**(12,313,738)**

Brazil loan

Tech Mahindra London Limited (formerly known as Mahindra Engineering Services UK Limited) (MES UK) gave a total loan amounting to £8,273,314 to Tech Mahindra Servicos De Informatica LTDA Brazil in 2021, with Interest amounting to £395,521. The loan was fully repaid in the year ended 2022.

This report was approved by the board on and signed on its behalf.

Vikram Nair
Director
Date: 8th June 2022
Place: United Kingdom

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation, amounted to £8,476,215 (2021 loss £12,313,738).

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

Mr Lakshmanan Chidambaram

Mr Vikram Nair

Mr Belavadi Sathisha

Mr Manish Upadhyay (appointed 11 June 2021)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Vikram Nair
Director
Date: 8th June 2022
Place: United Kingdom

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TECH MAHINDRA LONDON LIMITED

Opinion

We have audited the financial statements of Tech Mahindra London Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of comprehensive income, the Statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out above the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Auditors' 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 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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

•Discussions held with management and those charged with governance around any legal claim. •Audit work performed over key risk areas identified such as management override and reviewing accounting estimates for bias.

•Review of financial statement disclosures to ensure accounting policies have been correctly followed.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Newell BA(Hons) FCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

Milton Keynes

Date: 1st July 2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Administrative expenses		**(293,258)**	(1,719,354)
Operating loss		(293,258)	(1,719,354)
Income from fixed assets investments		4,101	8,403
Amounts written off investments		**8,668,835**	(8,668,835)
Interest receivable and similar income	**6**	**96,537**	548,929
Interest payable and similar expenses	**7**	**-**	(2,482,881)
Profit/(loss) before tax		**8,476,215**	(12,313,738)
Profit/(loss) for the financial year		**8,476,215**	(12,313,738)
Other comprehensive income for the year			
Total comprehensive income for the year		**8,476,215**	**(12,313,738)**

See accompanying notes forming part of the financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Investments	8		**313,600,844**		39,908,019
			313,600,844		39,908,019
Current assets					
Debtors: amounts falling due after more than one year	9	**64,837**		-	
Debtors: amounts falling due within one year	9	**1,056,032**		17,568,258	
Current asset investments		**25,400,000**		8,500,000	
Cash at bank and in hand	11	**277,693**		61,856	
		26,798,562		26,130,114	
Creditors: amounts falling due within one year	12	**(8,442)**		(4,088,941)	
Net current assets			**26,790,120**		22,041,173
Total assets less current liabilities			**340,390,964**		61,949,192
Creditors: amounts falling due after more than one year	13		**(79,157,034)**		(14,191,477)
Net assets			**261,233,930**		47,757,715
Capital and reserves					
Called up share capital			**262,026,580**		57,026,580
Profit and loss account			**(792,650)**		(9,268,865)
			261,233,930		47,757,715

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Vikram Nair
Director
Date: 8th June 2022
Place: United Kingdom
See accompanying notes forming part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Tech Mahindra London Limited (formerly known as Mahindra Engineering Services (Europe) Limited) is a private company limited by shares incorporated in England and Wales. The registered office is Atrium Court, The Ring, Bracknell, Berkshire, RG12 1BW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Tech Mahindra Limited as at 31 March 2022 and these financial statements may be obtained from Gateway Building, Apollo Bunder, Mumbai, Maharashtra, 40001, India..

2.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company’s functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.9 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Financial instruments

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

3. Auditors' remuneration

	2022 **£**	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**6,350**	5,350

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

4. Employees

Staff costs were as follows:

The Company has no employees other than the directors, who did not receive any remuneration (2021 £NIL).

The average monthly number of employees, including directors, during the year was 0 (2021 0).

5. Income from investments	**2022** **£**	2021 £
Income from fixed asset investments	**(4,101)**	(8,403)
	(4,101)	(8,403)

6. Interest receivable	**2022** **£**	2021 £
Interest receivable from group companies	**96,537**	548,929
	96,537	548,929

7. Interest payable and similar expenses

	2022 **£**	**2021** **£**
Other loan interest payable	-	2,473,026
Loans from group undertakings	-	9,855
	-	2,482,881

8. Non current asset investments

	Shares in group undertaking £	**Other non current asset investments £**	**Total £**
Cost or valuation			
At 1 April 2021	37,966,135	1,941,884	39,908,019
Additions	273,692,817	8	273,692,825
At 31 March 2022	**311,658,952**	**1,941,892**	**313,600,844**

Subsidiaries

The following were associates of the Company:

Name	Registered office	Class of shares	Holding
Inter Informatics spol s.r.o.	Czech Republic	Ordinary	100%
Tech Mahindra Communication Japan Co Ltd (Formerly K-Vision Limited)	Japan	Ordinary	100%
TC Inter Informatics a.s.	Czech Republic	Ordinary	100%
Perigord Asset Holdings Limited	Ireland	Ordinary	100%
Com Tec Co IT Limited	Ireland	Ordinary	100%
SWFT Technologies Limited	Cyprus	Ordinary	25%
Surance Ltd	Cyprus	Ordinary	25%

On the 1 April 2020, Inter Informatics SRL, in which the company held 100% of the issued share capital merged with TC Inter Informatics a.s. This became effective on 1 March 2021.

9. Debtors

	2022	2021
	£	£
Due after more than one year		
Advance income tax	**64,837**	-
	64,837	-

10. Current asset investments

	2022	2021
	£	£
Unlisted investments	**25,400,000**	8,500,000
	25,400,000	8,500,000

11. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	**277,693**	61,856
	277,693	61,856

12. Creditors: Amounts falling due within one year

	2022	2022
	£	£
Trade creditors	**89**	(74)
Corporation tax	**(15)**	-
Other creditors	**-**	4,083,665
Accruals and deferred income	**8,368**	5,350
	8,442	4,088,941

Included within other creditors are Coupons payable of £Nil which was triggered as a result of a conversion of Preference shares to Ordinary shares. Additionally, there is a contractual obligation due on the investment purchase of Perigord Asset Holdings Limited. £Nil relates to amounts due within one year and £79,157,034 will become due after one year.

13. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Other creditors	**79,157,034**	14,191,477
	79,157,034	14,191,477

14. Financial instruments

	2022	2021
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	**277,693**	61,856

15. Controlling party

The ultimate controlling party of Tech Mahindra London Limited is Tech Mahindra Limited, which owns 100% of the issued share capital of the Company.

Tech Mahindra Limited prepares group accounts which include these accounts and which are publicly available from their registered office.

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Gross profit	**-**	-
Less: overheads		
Administration expenses	**(293,258)**	(1,719,354)
Operating loss	**(293,258)**	(1,719,354)
Interest receivable	**96,537**	548,929
Interest payable	**-**	(2,482,881)
Investment income	**8,672,936**	(8,660,432)
Profit/(Loss) for the year	**8,476,215**	(12,313,738)

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 2022

Administrative expenses	2022	2021
	£	£
Telephone and fax	**754**	490
Legal and professional	**199,427**	1,183
Accountancy fees	**5,352**	5,350
Bank charges	**25,797**	1,278
Difference on foreign exchange	**61,112**	1,710,152
Sundry expenses	**520**	901
Rent	**296**	-
	293,258	1,719,354

Interest receivable		
Group interest receivable	**96,537**	548,929
	96,537	548,929

Interest payable		
Group interest payable – interco	**-**	9,855-
Other loan interest payable	**-**	2,473,026-
	-	2,482,881-

Investment income		
Income from fixed asset investments	**4,101**	8,403
Impairment charge/reversal inv in subsidiaries	**8,668,835**	(8,668,835)
	8,672,936	(8,660,432)

TECH MAHINDRA SWEDEN AB

Board of Directors
Mr. Gaurav Gupta
Mr. Rajesh Premraj Barwal
Mr Niraj Akhouri - w.e.f 1st September 2021
Mr Kishan Chuckun – up to 31st August 2021

Registered Office
Waterfront Building, Klarabergsviadukten 63
113 29 STOCKHOLM, Sweden.

Bankers
Citibank Plc

Auditors
KPMG AB
Box 3018 169 03 SOLNA
Stockholm

BOARD OF DIRECTORS REPORT

The Board of Directors of Tech Mahindra Sweden AB, Stockholm, hereby issue the Annual Report for the financial year 2021-04-01 to 2022-03-31.

The annual reports are stated in Swedish Kronor (SEK) and refer to the individual company Tech Mahindra Sweden AB.

Directors

The directors who served during the year were Mr. Gaurav Gupta and Mr. Rajesh Premraj Barwal. During the year under review, Mr Kishan Chuckun resigned on 31st August 2021 and Mr Niraj Akhouri was appointed with effect from 1st September 2021 as a Director of the company.

General Information about the business:

The company's business activities focus on providing consulting technology and outsourcing services to all the sectors.

In general, the company renders services to its parent company under Service Provider agreement. This form of transactions implies that the contracts are concluded between the parent company and the end customer. Sweden AB thereby acts as a sub-contractor for the parent company and does not bear any risks. The compensation for such services rendered is based on the reimbursement of cost incurred plus a mark-up.

The company's registered office is in Stockholm, Sweden.

Multi-year comparison*

The amounts in Multi-year comparison are shown in KSEK

Particulars	2021/2022	2020/2021	2019/2020	2017/2018
Net sales	39,634	20,193	43,020	52, 483
Profit/loss after financial items	2,243	1,148	2,452	2, 485
Balance sheet total	17,855	12,526	11,667	7, 607
Equity-assets ratio (%)	57.01	67.23	64.55	39.47

*For definitions of key ratios, please see notes

Terms of ownership

Tech Mahindra Sweden AB, is a wholly owned subsidiary of Tech Mahindra Limited, CIN Number: L64200MH1986PLC041370.

The entire share capital of the company is held by Tech Mahindra Limited (www.techmahindra.com), having its registered office at Gateway Building, Apollo Bunder, Mumbai400 001, India.

Tech Mahindra Limited is an international IT company offering development and marketing of software for computer systems and consulting services in global systems integration and adaption of software solutions.

Tech Mahindra offers innovative and customer-centric digital experiences, enabling enterprises, associates and the society to Rise. Tech Mahindra is a USD 6 billion organization with 151,100+ professionals across 90 countries helping 1224 global customers, including Fortune 500 companies. It is focused on leveraging next-generation technologies including 5G, Blockchain, Quantum Computing, Cybersecurity, Artificial Intelligence, and more, to enable end-to-end digital transformation for global customers. Tech Mahindra is the only Indian company in the world to receive the HRH The Prince of Wales' Terra Carta Seal for its commitment to creating a sustainable future. It is the fastest growing brand in 'brand strength' and amongst the top 7 IT brands globally. With the NXT.NOWTM framework, Tech Mahindra aims to enhance 'Human Centric Experience' for its ecosystem and drive collaborative disruption with synergies arising from a robust portfolio of companies. Tech Mahindra aims at delivering tomorrow's experiences today, and believes that the 'Future is Now'.

Tech Mahindra Limited have also offices in several cities in India, USA, UK, Singapore, Australia, New Zeeland, Germany, Malaysia, Thailand, United Arab Emirates, Indonesia, Belgium and Canada.

Significant events during the financial year:

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue and intangible assets. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established

Change in Equity

The comparative change in equity during the year under review vis-à-vis the previous year is given below:

2021-22:

Particulars	Share capital	Statutory Fund	Non-restricted equity
Opening amount	50, 000		8,421,707
Profit for the year			1,757,860
Closing amount	**50, 000**		**10,179,567**

Appropriation of profit/loss

Proposed treatment of the company's profit

At the disposal of the general meeting:

profit brought forward	8,421,707
profit for the year	1,757,860
	10,179,567

The board of directors proposes the following:

to be carried forward	10,179,567

2020-21:

Particulars	Share capital	Statutory Fund	Non-restricted equity
Opening amount	50, 000		7,480,909
Profit for the year			890,798
Closing amount	**50, 000**		**8,421,707**

Appropriation of profit/loss

Proposed treatment of the company's profit

At the disposal of the general meeting:

profit brought forward	7,480,909
profit for the year	890,798
	8,421,707
The board of directors proposes the following:	
to be carried forward	8,421,707

For information about the company's earnings and financial position in other respects, please refer to the income statements, balance sheets and accompanying notes set out below.

On behalf of the Board of Directors

Gaurav Gupta
Director

Rajesh Premraj Barwal
Managing Director

Niraj Akhouri
Director

Place: Stockholm, Sweden
Date : 14th June 2022

AUDITOR'S REPORT

To the general meeting of the shareholders of Tech Mahindra Sweden AB , corp. id 559063-4043

Report on the annual accounts

Opinions

We have audited the annual accounts of Tech Mahindra Sweden AB for the financial year 2021-04-01—2022-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of Tech Mahindra Sweden AB as of 31 March 2022 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Tech Mahindra Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

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

- Identify and assess the risks of material misstatement of the annual accounts, 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 opinions. 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 the company's internal control relevant to our 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 Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any 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 annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. 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 accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Tech Mahindra Sweden AB for the financial year 2021-04-01—2022-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of Tech Mahindra Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company’s profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company’s organization and the administration of the company’s affairs. This includes among other things continuous assessment of the company’s financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company’s financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor’s responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company’s profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company’s profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company’s profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company’s situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors’ proposed appropriations of the company’s profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm 21st June 2022

KPMG AB

Hans Blom
Authorized Public Accountant

TECH MAHINDRA SWEDEN AB

INCOME STATEMENT

Note	Particulars	31-03-2022 (SEK)	31-03-2021 (SEK)
	OPERATING INCOME		
	Net turnover	39,633,640	20,193,159
	Other income	-	-
	Total income	**39,633,640**	**20,193,159**
	OPERATING EXPENSES		
2	Personnel costs	36,055,209	17,677,068
5	Depreciation and amortisation	-	7,283
	Other operating expenses	1,335,018	1,361,284
	Total operating expenses	**37,390,227**	**19,045,635**
	Operating profit/(loss)	**2,243,413**	**1,147,524**
	Profit/loss from financial items		
	Interest expense to group companies	-	-
	Profit from financial items	**-**	**-**
	Profit/(loss) before taxation	2,243,413	1,147,524
	Tax on profit for the year	**485,553**	**256,726**
	Profit/(loss) on ordinary activities	**1,757,860**	**890,798**
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**1,757,860**	**890,798**

BALANCE SHEET FOR THE YEAR ENDED MARCH 31, 2022

NOTE	ASSETS	3/31/2022 (SEK)	3/31/2021 (SEK)
	Tangible fixed assets		
5	Equipment,Tools,Fixtures and fittings	4	4
	Total tangible fixed assets	**4**	**4**
	Current assets		
	Current Receivables		
	Receivable from group companies	4,059,596	3,029,953
	Current asset	2,957	18,811
	Current tax asset	3,323,550	1,865,127
6	Other receivable	1,315,286	1,186,151
	Total receivables	**8,701,389**	**6,100,042**
	Cash & cash equivalent	9,153,163	6,426,225
	Total current assets	**17,854,552**	**12,526,267**
	TOTAL ASSETS	**17,854,556**	**12,526,271**

NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	3/31/2022 (SEK)	3/31/2021 (SEK)
	Shareholders equity		
	Restricted equity		
4	Share Capital	50,000	50,000
	Total paid-in capital	**50,000**	**50,000**
	Non-restricted equity		
	Profit or loss carried forward	8,371,707	7,480,909
	Profit for the year	1,757,860	890,798
	Total shareholders equity	**10,179,567**	**8,421,707**
	Current liabilities		
	Liabilities to group companies	43,137	39,219
	Accrued expenses & deferred income	7,631,852	4,065,345
	Total current liabilities	**7,674,989**	**4,104,564**
	Total liabilities	**7,674,989**	**4,104,564**
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	**17,854,556**	**12,526,271**

NOTES TO ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

Note 1 Accounting policies

The financial statements have been prepared in accordance with the Annual Accounts Act and general advice from Swedish Accounting Standards Board BFNAR 2012:1 Annual accounts and consolidated accounts.

The policies are unchanged compared with the previous year.

Revenue recognition

Revenue relates to income from sub-contracting activities relating to rendering of IT services on behalf of the Parent Company 'Tech Mahindra Limited'.

Revenue is recognised on the basis of reimbursement of costs incurred plus markup.

Revenue is measured at the fair value of the consideration received or receivable.

Receivables

Receivables are recorded in the amounts at which they are expected to be received.

Other assets, provisions & liabilities

Other assets, provisions & liabilities are recorded at cost of acquisition unless otherwise stated below.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances which are recognised at nominal value.

Tangible Fixed Assets

Tangible Fixed Assets are recorded at cost of acquisition less accumulated depreciation and any write downs.

The assets are depreciated on straight line basis over the estimated useful life apart from land, which is not depreciated.

The useful life is reviewed at every balance sheet date. The useful life of computers and laptops is 3 years.

Other expenses

Other expenses are recognised in the same period as the revenue to which they relate.

Income taxes

Current tax is income tax for the current financial year that refers to the year's taxable earnings.

Current tax is stated at the probable amount according to the tax rates and tax rules applicable on the Balance Sheet date.

Foreign currency translation

Monetary receivables and liabilities in foreign currencies have been restated at the closing rate.

Exchange differences arising on settlement or restatement of monetary items are recognised in the income statement in the financial year in which they occur, either as an operating item or a financial item, on the basis of the underlying business transaction.

Note 2 Number of employees, benefits, loan to employees etc.

	31-Mar-21	31-Mar-21
Average number of employees:	24	15

The average number of employees is based on hours worked related to normal working hours paid for by the company.

Note 3 Personnel costs

Payroll costs	**2021/2022**	**2020/2021**
Wages and salaries	20,957,143	10,152,264
Social security tax	6,887,236	3,260,471
Pension costs	5,336,961	2,936,757
Other benefits	2,873,869	1,327,576
Total	**36,055,209**	**17,677,068**

Note 4 Share capital and shareholder information

The share capital in the company at 31 March 2022 consists of the following classes:

Ownership structure

All shares are owned by Tech Mahindra Limited

		Ownership share	**Voting share**
Tech Mahindra Limited	SEK 50,000	100%	100%
Face value per share	SEK 100		
Total number of shares	500	100%	100%

Note 5 Tangible fixed assets

	2021/2022	**2020/2021**
Opening cost of acquisition	26,222	26,222
Additions	-	-
Closing accumulated cost of acquisition	**26,222**	**26,222**
Opening depreciation	(18935)	(18,935)
Depreciation for the year	(7283)	(7,283)
Closing Accumulated depreciation	**(26218)**	**(26,218)**
Balance at 31 March 2021	4	4

Note 6 Other receivables

	2021/2022	**2020/2021**
VAT balances	1,323,371	1,154,784
Other advances	-8,085	31,367
TOTAL	**1,315,286**	**1,186,151**

Note 7 Previous year comparatives

Previous year amounts have been reclassified wherever necessary, to conform to current year presentation.

DEFINITIONS OF BUSINESS AND FINANCIAL RATIOS

	2021/2022	2020/2021
Equity-assets ratio	57.01%	67.23%
Adjusted equity as a percentage of the balance sheet total		

Note 8 Related party transactions

Tech Mahindra Limited

	2021/2022	2020/2021
Net turnover	39,633,640	20,193,159
Receivable from group companies	4,059,596	3,029,953
Liabilities to group companies	43,137	39,219

Place: Stockholm, Sweden
Date : 14th June 2022

Gaurav Gupta
Director

Rajesh Premraj Barwal
Managing Director

Niraj Akhori
Director

Our auditor's report was submitted on, 21st June 2022

KPMG AB

Hans Blom
Certified Public Accountant

TC INTER-INFORMATICS a.s.

Board of Directors
Mr. Belavadi Krishna Rao Sathisha
Mr. Venkateswara Rao Gajjala
Mr. Karel Kollert

Registered Office
Prague 9,
Kolčavka 3/75
Postal Code 19000

Auditors
HEDLEY AUDIT s.r.o.
Salvátorská 931/8,
110 00 Prague 1

DESCRIPTION OF ACCOUNTING ENTITY:

Company name:	**TC INTER-INFORMATICS a.s.**
Legal form:	Joint-stock company
Identification No.:	270 70 115
Registered office of the company:	Prague 9, Kolčavka 3/75, Post Code 190 00
Company address:	Kolčavka 3/75, 190 00 Prague 9
Capital:	25 500 000,00 CZK
Shares:	Total 51 shares per owner at face value of CZK 500.000,00/ piece
Establishment of the company:	23. 6. 2003
Entry in the Commercial Register:	23. 6. 2003
Subject of business:	Production, trade and services not listed in Annexes 1 to 3 of the Trade Act
Composition of statutory bodies:	Chairman of the Board
	BELAVADI KRISHNA RAO SATHISHA
	Members:
	VENKATESWARA RAO GAJJALA
	KAREL KOLLERT
Persons involved in the entity's capital of more than 20%	TECH MAHINDRA LONDON LIMITED with the share of 100 %
Accounting period:	From 1. 4. 2021 until 31. 3. 2022
Number of employees:	As of 1. 4. 2021 104
	As of 31. 3. 2022 102
Place of keeping the Annual Report:	Company Secretariat
Companies on which the reporting company exercises decisive influence:	None

TC INTER-INFORMATICS a.s. is a supplier for engineering services in the field of engineering. It is a 100 % subsidiary of TECH MAHINDRA LONDON LIMITED, which is a member of the Tech Mahindra Group.

The company's strategy is based on the overall Group's strategy:

By providing comprehensive solutions in the field of engineering services to help customers improve their market position (e.g. by transferring new knowledge and experience, reducing costs, accelerating and streamlining internal processes).

REPORT ON THE COMPANY BUSINESS ACTIVITIES AND MANAGEMENT

Past and projected developments and outlook for the next period

The financial year 2021 was already marked by a gradual increase in the field of aviation which was most negatively affected by the market situation during the Covid-19 pandemic.

This issue concerns mainly a strategic customer Airbus Group and Safran Group.

There is a gradual capacity release regarding designers, who had been due to the incurred crises in aviation successfully and for a temporary period of time involved in projects in areas of Rail and Machinery, and who are currently working on projects in these fields, back into aviation.

Since the company was thus able to maintain namely the same capacities and subsequently return those to aerospace projects according to the customers´ requirements, it created a very good starting position for a successful restart of cooperation that is the basis for further strategic cooperation.

Especially with the company Safran Cabin Germany and Safran Cabin CZ,
TC INTER-INFORMATICS is becoming the only external strategic service provider.
In addition to the standard services we have been providing on a long-term basis, we have successfully launched and thus expanded our cooperation in the field of embedded software engineering, for controlling embedded appliances in Safran´s main production products in Herborn, Germany.

The company also expects a further increase in orders in the fields of Rail + Machinery, which were not negatively affected by Covid situation.

For the new upcoming financial period a new business plan has been created that takes into account the main growth factors, new areas of business interest and the necessary knowledge and capacity to ensure implementation.

This is mainly due to further growth in existing customers such as Škoda Transportation, Safran Group, Airbus Group or Doosan Bobcat.

A further expansion into another new field – Automotive – is expected, which in addition to the three (3) existing business units (Aerospace, Rail and Machinery) will contribute to even greater stability of the company which will be in this way in the future able to cope even more successfully with possible crisis scenarios in the concerned area caused by the negative market situation.

The basis of the expansion is to build a so called core team with the active support of the owner, mainly due to his long-term experience and references in this field.

At the same time, the company also responds to the market situation within its marketing campaign, it uses its local presence and expands its competences.

In line with the new business plan, two main performance indicators of the company, i.e. Revenue and Ebitda, have been defined by the owner as the new target for the financial year 2022.

Among significant events expected to occur during the new business and financial year counts especially the expected announced Airbus CFT for Cabin & Cargo and the presentation of TC INTER-INFORMATICS together with the owner TechM at trade fair Hamburg Interiors Expo 2022.

The company also plans to relocate to new representative premises within the given location, which was unfortunately delayed due to the Covid-19 pandemic.

Also in the new financial year in 2022, the company focuses primarily on **business activities in Europe with the aim of further growth.**

Due to the fact that the company has no business activities, partners or suppliers in Ukraine or, else in Russia, the crisis in Ukraine has no negative impact on the company TC INTER-INFORMATICS.

The management of TC INTER-INFORMATICS a.s. here expresses its thanks and appreciation to all employees for the work done in the past period and at the same time for their trust and loyalty to the company.

Research & Development activities

The company did not spend any Research & Development funds in 2021.

Activities in the field of environment and labour relations

The company adheres to all regulations in the field of labour relations and creates good working conditions. The company has no environmental activities.

Information on facts occurring after the balance sheet date

After the balance sheet date until the date of preparation of the accounts, there were no facts that were material and would had not been described in the notes on the accounts.

Affidavit

The data provided in the Annual Report of TC INTER-INFORMATICS a.s. for the period from 1 April 2021 to 31 March 2022 correspond to facts and no material circumstances that could affect the precise and correct assessment of the company were omitted.

In Prague on May 13, 2022

Ing. Karel Kollert
Member of the Board of Directors

FINANCIAL STATEMENT FOR THE PERIOD 1. APRIL 2021 TO 31. MARCH 2022

Company name:	TC INTER-INFORMATICS a.s.
Registered office of the company:	Kolčavka 3/75, 190 00 Prague 9
Legal form:	Joint-stock company
Identification No:	**270 70 115**

Components of financial statements:

Balance sheet

Income statement

Statement of changes In equity

Statement of cash flows

Notes

The financial statement was prepared on May 13, 2022.

Statutory body of the entity

Ing. Karel Kollert
Member of the Board

CONTENT

1) Controlling entity
2) Controlled entity
3) Connected persons
4) Scheme of indicated persons
5) Structure of relationships, role of the controlled person, method and means of controlling the person or connected persons
6) Overview of mutual contracts concluded with the controlling entity and connected entities
7) Assessment of the injury to the controlled entity and its compensation
8) Assessment of advantages and disadvantages from relations with the controlling entity and connected persons, including related risks
9) Confidentiality of information
10) Conclusion

Board of Directors of TC INTER-INFORMATICS a.s., based in Prague 9, Kolčavka 3/75, as the statutory body of the controlling entity, pursuant to Section 82 of Act No. 90/2012 Coll. on Business Corporations, (hereinafter referred to as the "ZOK"), prepared the following report on relations between the controlling and controlled entity and the persons controlled by this controlling entity (hereinafter referred to as connected persons) for the financial year from 1 April 2021 to 31 March 2022.

1. <u>Controlling entity</u>

a. Company: TECH MAHINDRA LONDON LIMITED

b. Based: Atrium Court, The Ring, Bracknell, Berkshire, RG12 1BW, United Kingdom of Great Britain and Northern Ireland

c. Company existing under the law of England and Wales registered under registration number 4117035

2. <u>Controlled entity</u>

a. Company: TC INTER-INFORMATICS a.s

b. Based: Prague 9, Kolčavka 3/75, Post Code 190 00

c. Registered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 8494

3. <u>Related persons - Persons controlled by the same person</u>

a. Company: none

4. <u>Scheme of indicated persons</u>

TECH MAHINDRA LONDON LIMITED - controlling (mother) company Controlled (subsidiary) companies:

TC INTER-INFORMATICS a.s

- Based in Prague 9, Kolčavka 3/75, Post Code 190 00
- Registered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 8494

5. <u>Structure of relationships, role of the controlled person, method and means of controlling the person or connected persons</u>

a. In the group, individual companies have subsequently divided the following roles:

  i. TECH MAHINDRA LONDON LIMITED - company owner, definition of the scope of the object of the activity

  ii. TC INTER-INFORMATICS a.s . - provision of services to the defined extent

b. All relations between 1 April 2021 and 31 March 2022 were managed and implemented in accordance with the set processes in the group. No specific operations have been carried out which would have been atypical.

6. <u>Overview of mutual contracts concluded with the controlling entity and related persons:</u>

a. In the period from 1 April 2021 to 31 March 2022, no other contracts were concluded between the controlled entity and the controlling entity, which dealt with business relations according to the regular rules in force in the group.

b. The volumes of mutual relations and balances of receivables and liabilities as of 31 March 2022 are shown in the financial statements of TC INTER-INFORMATICS a.s.

c. List of concluded contracts:

   i. The contract service provider agreement of 13 February 2019 between Tech Mahindra Limited and TC INTER-INFORMATICS a.s.

7. <u>Assessment of the injury suffered by the controlled person and its compensation</u>

a. Due to the nature of the business and the relevant contracts concluded, in our opinion there was no harm done to the controlled entity.

8. <u>Assessment of the advantages and disadvantages of relations with the controlling entity and related persons, including possible risks</u>

a. Relations with the controlling entity take place under standard conditions that are advantageous for both individual companies.

9. <u>Confidentiality of Information</u>

a. Confidential information that can't be made publicly available is considered to be information and facts that are part of the business secrets of the Controlling Entity, the Controlled Entity and the Connected Persons, as well as information that has been disclosed as confidential to any of these persons. Furthermore, it is all information from the business dealings that could lead, on its own or in connection with other information and facts, to the detriment of any of those persons.

10. <u>Conclusion</u>

a. Board of Directors of TC INTER-INFORMATICS a.s . states that, with due managerial care, it has made the necessary efforts to identify the circle of connected persons, in particular by questioning the controlling entity about the circle of persons controlled by that person.

b. The Board of Directors of TC INTER-INFORMATICS a.s. considers that the pecuniary benefits or consideration, provided on the basis of the above specified relationships were provided in the usual amount.

c. This report on relations was prepared by the statutory body of the controlled entity TC INTER-INFORMATICS a.s. on 13 May 2022.

Ing. Karel Kollert
Member of the Board of Directors

TC INTER-INFORMATICS a.s.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of TC INTER-INFORMATICS a.s.

Opinion

We have audited the accompanying financial statements of TC INTER-INFORMATICS a.s. (hereinafter also the “Company”) prepared in accordance with accounting principles generally accepted in the Czech Republic, which is comprised of the balance sheet as at 31 March 2022, the income statement, statement of changes in equity and cash flow statement for the period from 1 April 2021 to 31 March 2022 and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information. For details of the Company, see the introductory part of the notes to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of TC INTER-INFORMATICS a.s. as at 31 March 2022, of its financial performance and its cash flows for the period from 1 April 2021 to 31 March 2022 in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation 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 Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical 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.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor’s report thereon. The Statutory Body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. 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 about the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law and regulation, in particular, whether the other information complies with law and regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non¬compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law and regulation.

  In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company’s Statutory bodies for the Financial Statements

Statutory bodies are responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as Statutory bodies 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 Statutory bodies 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 Statutory bodies either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 the above mentioned laws and regulations 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 the above law or regulation, 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 statutory bodies.
- Conclude on the appropriateness of the Statutory bodies' 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 statutory bodies 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.

In Prague, 13 May 2022

Audit Firm:	Statutory Auditor:
HEDLEY AUDIT s.r.o.	Ing. Helena Vojackova
Audit Firm Licence No.545	Auditor Licence No.1910

Translation note

This version of our report is a translation from the original, which was prepared in the Czech language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over this translation.

TC INTER-INFORMATICS a.s.

BALANCE SHEET

full version

As of
3/31/2022
(in CZK thousand)

Kolčavka 3/75,
190 00 Praha 9

		3/31/2022			3/31/2021
		Gross	**Adjustment**	**Net**	**Net**
	TOTAL ASSETS	**415,975**	**326,271**	**89,704**	**101,776**
B.	**Fixed assets**	**324,841**	**324,592**	**249**	**794**
B.I.	**Intangible fixed assets**	**311,718**	**311,625**	**93**	**402**
B.I.2.	Valuable rights	**308,574**	**308,481**	**93**	402
B.I.2.1.	Software	**308,574**	**308,481**	**93**	402
B.I.5.	"Prepayments for intangible fixed assets and intangible fixed assets under construction"	**3,144**	**3,144**		
B.I.5.2.	Intangible fixed assets under construction	**3,144**	**3,144**		
B.II.	**Tangible fixed assets**	**13,123**	**12,967**	**156**	**392**
B.II.1.	Land and structures	**219**	**219**		
B.II.1.2.	Structures	**219**	**219**		
B.II.2.	Tangible movable assets and sets of tangible movable assets	**12,904**	**12,748**	**156**	392
C.	**Current assets**	**88,869**	**1,679**	**87,190**	**98,216**
C.I.	**Inventories**	**16,934**		**16,934**	**25,631**
C.I.2.	Work in progress and semifinished goods	**16,934**		**16,934**	25,631
C.II.	**Receivables**	**42,906**	**1,679**	**41,227**	**39,783**
C.II.1.	Long-term receivables	**5**		**5**	**5**
C.II.1.5.	Receivables - other	**5**		**5**	5
C.II.1.5.2.	Long-term prepayments made	**5**		**5**	**5**
C.II.2.	**Short-term receivables**	**42,901**	**1,679**	**41,222**	**39,778**
C.II.2.1.	Trade receivables	**35,623**	**1,679**	**33,944**	25,580
C.II.2.4.	Receivables - other	**7,278**		**7,278**	**14,198**
C.II.2.4.1.	Receivables from partners	**102**		**102**	
C.II.2.4.3.	State - tax receivables				6,144
C.II.2.4.5.	Estimated receivables	**6,990**		**6,990**	7,893
C.II.2.4.6.	Sundry receivables	**186**		**186**	161
C.IV.	**Cash**	**29,029**		**29,029**	**32,802**
C.IV.1.	Cash on hand	**113**		**113**	164
C.IV.2.	Cash at bank	**28,916**		**28,916**	32,638
D.	**Other assets**	**2,265**		**2,265**	**2,766**
D.1.	Deferred expenses	**2,265**		**2,265**	2,766

		3/31/2022	3/31/2021
	TOTAL LIABILITIES & EQUITY	**89,704**	**101,776**
A.	**Equity**	**59,732**	**-12,401**
A.I.	**Share capital**	**25,500**	**25,500**
A.I.1.	Share capital	**25,500**	25,500
A.II.	**Share premium and capital funds**	**180,827**	**129,977**
A.II.2.	Capital funds	**180,827**	129,977
A.II.2.1.	Other capital funds	**180,827**	129,977
A.III.	**Funds from profit**	**100**	**100**
A.III.1.	Other reserve funds	**100**	100
A.IV.	**Retained earnings (+/-)**	**-167,978**	-149,352
A.IV.1.	Accumulated profits or losses brought forward (+/-)	**-58,352**	**-39,726**
A.IV.2.	Other profit or loss from prior years (+/-)	**-109,626**	-109,626
A.V.	Profit or loss for the current period (+/-)	**21,283**	-18,626
B.+C.	**Liabilities**	**29,972**	**114,177**
B.	**Reserves**	**7,494**	**9,971**
B.IV.	Other reserves	**7,494**	**9,971**
C.	**Payables**	**22,478**	104,206
C.II.	**Short-term payables**	**22,478**	**104,206**
C.II.3.	Short-term prepayments received	**8,288**	**37,164**
C.II.4.	Trade payables	**2,510**	4,289
C.II.6.	Payables - controlled or controlling entity		52,290
C.II.8.	Other payables	**11,680**	10,463
C.II.8.3.	Payables to employees	**5,608**	**5,097**
C.II.8.4.	Social security and health insurance payables	**2,677**	2,430
C.II.8.5.	State - tax payables and subsidies	**1,405**	
C.II.8.6.	Estimated payables	**1,990**	2,936

TC INTER-INFORMATICS a.s.

PROFIT AND LOSS ACCOUNT

structured by the nature of expense method

Year ended Kolčavka 3/75,

3/31/2022 190 00 Praha 9

(in CZK thousand)

		Period from 1.4.2021	Period from 1.4.2020
I.	Sales of products and services	**150,685**	**106,563**
II.	Sales of goods	90	
A.	Purchased consumables and services	**33,534**	**35,205**
A.1.	Costs of goods sold	69	
A.2.	Consumed material and energy	390	375
A.3.	Services	33,075	34,830
B.	Change in internally produced inventory (+/-)	8,697	-10,257
D.	Staff costs	**90,294**	**100,089**
D.1.	Payroll costs	66,677	75,434
D.2.	Social security and health insurance costs and other charges	**23,617**	**24,655**
D.2.1.	Social security and health insurance costs	22,667	24,682
D.2.2.	Other charges	950	-27
E.	Adjustments to values in operating activities	**663**	**281**
E.1.	Adjustments to values of intangible and tangible fixed assets	**692**	**802**
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	696	806
E.1.2.	Adjustments to values of intangible and tangible fixed assets - temporary	**-4**	**-4**
E.3.	Adjustments to values of receivables	-29	-521
III.	Other operating income	**667**	**6,946**
III.3.	Sundry operating income	667	6,946
F.	Other operating expenses	**-2,229**	**-3,487**
F.3.	Taxes and charges	256	293
F.4.	Reserves relating to operating activities and complex deferred expenses	-2,477	-5,410
F.5.	Sundry operating expenses	**-8**	**1,630**
*	**Operating profit or loss (+/-)**	**20,483**	**-8,322**
J.	Interest expenses and similar expenses	**193**	**531**
J.1.	Interest expenses and similar expenses - controlled or controlling entity	193	531
VII.	Other financial income	4,607	8,894
K.	Other financial expenses	3,614	18,667
*	**Financial profit or loss (+/-)**	**800**	-10,304
**	**Profit or loss before tax (+/-)**	**21,283**	**-18,626**
L.	Income tax		
**	**Profit or loss net of tax (+/-)**	**21,283**	**-18,626**
***	**Profit or loss for the current period (+/-)**	**21,283**	**-18,626**
*	Net turnover for the current period	**156,049**	**122,403**

STATEMENT OF CHANGES IN EQUITY

Skupina Inter-Informatics

Kolčavka 3/75,
190 00 Praha 9

Period ended
3/31/2022
(in CZK thousand)

	Share capital	Capital funds	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Profit or loss for the current period	TOTAL EQUITY
Balance at 31 March 2021	**25,500**	**129,977**	**100**	**-149,352**	**-18,626**	**-12,401**
Distribution of profit or loss				-18,626	18,626	
Change in share capital		50,850				50,850
Profit or loss for the current period					21,283	21,283
Balance at 31 March 2022	**25,500**	**180,827**	**100**	**-167,978**	**21,283**	**59,732**

TC INTER-INFORMATICS a.s.

CASH FLOW STATEMENT

Year ended 3/31/2022 (in CZK thousand)

Kolčavka 3/75, 190 00 Praha 9

		Period from 1.4.2021	Period from 1.4.2020
P.	**Opening balance of cash and cash equivalents**	**32,802**	33,236
	Cash flows from ordinary activities (operating activities)		
Z.	Profit or loss before tax	21,283	-18,626
A.1.	Adjustments for non-cash transactions	-1,618	3,262
A.1.1.	Depreciation of fixed assets	696	806
A.1.2.	Change in provisions and reserves	-2,507	-5,935
A.1.3.	Profit/(loss) on the sale of fixed assets		10,225
A.1.5.	Interest expense and interest income	193	531
A.1.6.	Adjustments for other non-cash transactions		-2,365
A.*	**Net operating cash flow before changes in working capital**	**19,665**	-15,364
A.2.	Change in working capital	-21,657	15,725
A.2.1.	Change in operating receivables and other assets	-916	14,144
A.2.2.	Change in operating payables and other liabilities	-29,438	11,838
A.2.3.	Change in inventories	8,697	-10,257
A.**	**Net cash flow from operations before tax**	**-1,992**	361
A.3.	Interest paid	-194	-616
A.***	**Net operating cash flows**	**-2,186**	-255
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	-147	-179
B.***	**Net investment cash flows**	-147	-179
	Cash flow from financial activities		
C.1.	Change in payables from financing	-52,290	
C.2.	Impact of changes in equity	50,850	
C.2.3.	Other cash contributions made by partners	**50,850**	
C.* **	**Net financial cash flows**	**-1,440**	
F.	**Net increase or decrease in cash and cash equivalents**	**-3,773**	-434
R.	**Closing balance of cash and cash equivalents**	**29,029**	32,802

1. DESCRIPTION OF THE COMPANY

TC INTER-INFORMATICS a.s. is a joint stock company seated at Kolčavka 3/75, 190 00 Praha 9, Czech Republic, identification number 270 70 115. The Company was incorporated following its registration in the Register of Companies held by the Court in Prague on 23 June 2003, section B, part 8494.

The principal activities of the Company are production, trade and services not stated in Annexes 1 to 3 in Entrepreneurs Act.

These financial statements are prepared as individual financial statements.

The company complies with the Commercial Act in its entirety.

There are no agreements between shareholders stipulating control without respect to the share on share capital.

There is no profit transfer agreement either agreement to perform control.

These financial statements are presented in thousands of Czech crowns (CZK '000), unless stated otherwise.

The following table shows individuals and legal entities with an equity interest greater than 20 percent and the amount of their equity interest:

Shareholder	**% on share capital**
TECH MAHINDRA LONDON LIMITED	100 %
Total	**100 %**

Changes and amendments made in the period from 1 April 2020 to 31 March 2021 at the Register of Companies:

The change of the name of 100% shareholder was registered in the Commercial Register on February 7, 2022 from MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED to TECH MAHINDRA LONDON LIMITED.

Board of Directors and Supervisory Board at 31 March 2022

	Function	**Name**
Board of Directors	Chairman	Belavadi Krishna Rao Sathisha
	Member	Venkateswara Rao Gajjala
	Member	Karel Kollert

The members of the Supervisory Board have not been appointed.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company's accounting books and records are maintained and the financial statements were prepared in accordance with the Accounting Act 563/1991 Coll., as amended; the Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

Financial statements are prepared as of 31 March 2022 and for the period from 1 April 2021 to 31 March 2022 (hereinafter "year 2021").

3. ACCOUNTING PRINCIPLES AND POLICIES AND THEIR CHANGES

The company used the following measurement basis during preparation of financial statements for 2021:

a) Intangible fixed assets

Intangible fixed assets are measured at costs that include cost of purchase and other costs associated with the acquisition.

Internally generated intangibles are measured at internal costs incurred.

Intangibles with cost exceeding CZK 60 thousand in 2021 are amortized to expenses.

Method of amortization - the company amortizes intangibles in accordance with Income Tax Act.

Capital expenditure increases the cost of intangible assets. Repairs and maintenance expenditure is expensed when incurred.

Provisioning

Provisions were made against impaired/obsolete intangible fixed assets based on the results of the inventory taking, to the extent that the valuation temporarily does not correspond with the actual balance.

b) Tangible fixed assets

Tangible fixed assets are measured at costs that include cost of purchase and other costs associated with the acquisition.

Tangibles with cost exceeding CZK 20 thousand in 2021 are depreciated.

Method of depreciation – the company depreciates tangibles in accordance with Income Tax Act.

Capital expenditure increases the cost of tangible assets. Repairs and maintenance expenditure is expensed when incurred.

c) Cash

Cash consists of stamps, cash in hand and cash at bank. Cash is measured at nominal value.

d) Inventory

Inventory is accounted for under method B.

Work is measured at costs incurred. Costs incurred are measured at actual costs determined by the entity. Costs incurred include direct costs and may include also attributable indirect costs related to the period.

e) Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate provisions for doubtful and bad amounts. Receivables acquired for consideration or as an investment to the equity are stated at cost less provisions for doubtful and uncollectible amounts.

The Company recognizes provisions for receivables based on ageing analysis and individual assessment.

Estimated receivables are measured based on best professional estimates and judgements.

f) Equity

Share capital is recognized in the amount registered at the Commercial Register of the City Court of Prague. Contributions exceeding share capital are recognized as other capital funds. They consist of monetary contributions exceeding the amount of share capital.

The company can create other capital funds based on the resolution of annual meeting.

g) Liabilities

Long-term and current liabilities are measured at nominal values.

Estimated liabilities are measured based on best professional estimates and judgements.

h) Reserves

Reserves to cover liabilities and expenditure the nature of which is clearly defined and which are either likely to be incurred or certain to be incurred as of the balance sheet date but uncertain as to their amount or as to the date on which they will arise.

The company creates reserves for known risks for which a future probable liability is assumed, in particular a restructuring reserve, a reserve for outstanding vacation days and anniversaries, a reserve for repairs under warranty.

i) Leasing

Lease repayments are expensed as incurred. The initial lump-sum payment related to leases is amortised and expensed over the lease period.

j) Foreign currency translation

Assets and liabilities acquired for foreign currency are measured at Czech crowns at an exchange rate ruling at the date of the transaction. Monetary items were translated as of the balance sheet using Czech National Bank exchange rates as at 31.3.

All exchange gains and losses are recognized as financial income or financial expenses in the income statement.

k) Accounting for revenue and expenses

Revenue and expenses are recognized on an accrual basis in the period to which they relate.

l) Income tax

Tax expense is calculated using the actual tax rate and accounting profit increased or decreased by temporarily or permanently non-deductible expenses and non-taxable income. Further the tax base is adjusted for gifts, other items like tax losses, research and development incentives and tax reliefs.

Deferred tax represents tax impact of temporary differences between carrying amounts of assets and liabilities and their tax bases taking into account the moment of realization. In accordance with the prudence principle the entity does not recognize deferred tax assets.

m) Subsequent events

The impact of events occurring between the balance sheet date and the date of preparation of financial statements is recognized if these events provided additional information about transactions existing at balance sheet date.

The impact of significant events occurring between the balance sheet date and the date of preparation of financial statements is disclosed in the notes to the financial statements if these events relate to transactions occurring after the balance sheet date.

4. NON-CURRENT ASSETS

a) Intangible non-current assets (CZK thousand)

COST

	Balance b/f 1 April 2021	Additions	Disposals	Transfers	Balance c/f 31 March 2022
Software	308 521	53	-	-	308 574
Assets under course of constructions	3 144	-	-	-	3 144
Total	**311 665**	**53**	**-**	**-**	**311 718**

Accumulated depreciation and provisions

	Balance b/f 1 April 2021	Additions	Disposals	Transfers	Balance c/f 31 March 2022
Software	308 119	362	-	-	308 481
Assets under course of constructions	3 144	-	-	-	3 144
Total	**311 263**	**362**	**-**	**-**	**311 625**

Carrying amount

	At 1 April 2021	At 31 March 2022
Software	402	93
Assets under course of construction	-	-
Total	**402**	**93**

b) Tangible non-current assets (CZK thousand)

COST

	Balance b/f 1 April 2021	Additions	Disposals	Transfers	Balance c/f 31 March 2022
Land and buildings	219				219
Plant and equipment	12 810	94			12 904
Total	**13 029**	**94**			**13 123**

Accumulated depreciation and provisions

	Balance b/f 1 April 2021	Additions	Disposals	Transfers	Balance c/f 31 March 2022
Land and buildings	219	4	-	-4	219
Plant and equipment	12 418	330	-	-	12 748
Total	**12 637**	**334**	**-**	**-4**	**12 967**

Carrying amount

	At 1 April 2021	At 31 March 2022
Land and buildings	0	0
Plant and equipment	392	156
Total	**392**	**156**

Total cost of tangibles not recognized in balance amounted to:

At 31 March 2022: CZK 0 thousand (at 1 April 2021: CZK 6 thousand).

5. INVENTORY

The company recognized own products at 31 March 2022 in the amount of CZK 16,934 thousand (at 1 April 2021: CZK 25,631 thousand).

6. RECEIVABLES

Overdue receivables (CZK thousand)

	At 31 March 2022	At 31 March 2021
Up to 30 days overdue	102	9 373
Up to 60 days overdue	1 146	2 475
Up to 90 days overdue	0	163
Up to 365 days overdue	0	0
Over 365 days overdue	1 162	4 510
Total overdue receivables	**2 410**	**16 521**

Provision for bad debts (CZK thousand):

As of 31 March 2021	1 707
Release of provisions	-546
Creation of provisions	518
As of 31 March 2022	1 679

There are no receivables more due in more than 5 years.

Estimated receivables consist mainly of expected receivables for unbilled services.

7. PREPAYMENTS

Prepayments include mostly rent of licences, rent of hardware, training. They are expensed in a period they relate to.

8. EQUITY

Share capital consists of 51 shares fully paid up with a nominal value of CZK 500,000 each. Other capital funds in the amount of CZK 180,827 thousand as of 31 March 2022 represent contributions beside share capital (as of 1 April 2021: CZK 129,977 thousand). The shareholder approved the provision of a voluntary contribution to the Other Capital Funds in the amount of CZK 50,850,000 see the Resolution dated August 16, 2021. This contribution has been repaid by capitalizing the loan provided by the parent company from the loan.

9. PROVISIONS

	Balance b/f 1 April 2021	Additions	Release	Balance c/f 31 March 2022
Restructuralization	4 696	0	-2 020	2676
Unused vacation	3 224	3 088	-3 374	2 938
Other employee benefits	268	147	-268	147
Reserve for repairs under warranty	1 784	283	-334	1 733
Total	**9 972**	**3 518**	**-5 996**	**7 494**

10. LIABILITIES

The Company has no liabilities due in more than 5 years.

Long-term liabilities at 31 March 2022 amount to CZK 0 thousand (at 31 March 2021: CZK 0 thousand). Current liabilities at 31 March 2022 amount to CZK 22,478 thousand, including trade payables of CZK 2,510 thousand (at 31 March 2021: CZK 104,206 thousand, including trade payables of CZK 4,289 thousand).

Accruals represent mainly subcontracts and services provided in 2021.

Related party liabilities are presented in note 15.

11. INCOME TAX

Analysis of deferred tax asset:

- difference between carrying amount and tax base of non-current assets: CZK 635 thousand
- provisions related to non-current assets: CZK 319 thousand
- provisions: CZK 1,424 thousand
- unused tax losses: CZK 15,389 thousand

Deferred tax asset amounts to CZK 17,767 thousand. The company does not recognize the deferred tax asset in accordance with the principle of prudence.

12. REVENUE

Revenue from sale of services (CZK thousand)	**31 March 2021**	**31 March 2022**
1. Domestic sales	73 687	109 230
2. EU sales	27 369	32 290
3. Third countries	5 507	9 165
Revenue from sale of goods (CZK thousand)	0	90
Total	**106 563**	**150 775**

Other operating revenues represent mainly subsidies received in relation to the COVID-19 pandemic.

13. STAFF COSTS

Analysis of staff costs (in CZK thousand):

	Total as at 31 March 2021	**Including: Board of directors**	**Total as at 31 March 2022**	**Including: Board of directors**
Average number of employees	125	3	103	3
Salaries	75 434	3 821	66 677	3 967
Social contribution and health insurance	24 682	1 415	22 667	1 452
Other	-27	0	950	27
Total staff costs	**100 089**	**5 236**	**90 294**	**5 446**

In 2021 no remuneration was paid to members of the management, control or administrative body by virtue of their function.

During 2021 no advances, payments, loans or credits were provided to the members of the management, control or administrative body by virtue of their function. During 2021, no pension liabilities arose for current or former members of the governing body.

14. FINANCIAL REVENUES AND EXPENSES

Other financial revenues mainly include foreign exchange gains. Oher financial expenses include mainly exchange rate losses.

15. RELATED PARTIES

Receivables and liabilities (CZK thousand):

Receivables	**Balance at 1 April 2021**	**Balance at 31 March 2022**
(Mahindra Engineering Services) TECH MAHINDRA LONDON LIMITED	0	102
Tech Mahindra Limited	4 166	2 578
Total	**4 166**	**2 680**
Liabilities		
(Mahindra Engineering Services) TECH MAHINDRA LONDON LIMITED	52 290	0
Tech Mahindra Limited	2 499	1 154
Total	**54 789**	**1 154**

Revenues and expenses (CZK thousand)

	Revenue	**Expenses**
Tech Mahindra Limited	8 388	352
(Mahindra Engineering Services) TECH MAHINDRA LONDON LIMITED	0	193
Total	**8 388**	**545**

16. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

No events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

In late February 2022 ongoing political tension between Russia and Ukraine escalated in a conflict with a military invasion of Russian forces in Ukraine. The worldwide reaction to Russia's violation of international law and aggression against Ukraine was the imposition of extensive sanctions and limitations on business activity. We consider these acts as non-adjusting post balance sheet events. Overall effect of the recent development is increased volatility in the financial and commodity markets, as well as consequences on the economy in general. Business risks comprising adverse effects of economic sanctions imposed on Russia, business interruptions (including supply chain), increased occurrences of cyber-attacks, legal and regulatory compliance risk and many other are difficult to assess and the full nature and possible effects of these are unknown.

17. STATEMENT OF CHANGES IN EQUITY

	Share capital	**Other capital funds**	**Revaluation fund**	**Reserve fund**	**Retained earnings**	**Total**
Balance at 31 March 2021	**25 500**	**129 977**	**-**	**100**	**-167 977**	**-12 400**
Liquidation of the controlled company	-	50 850	-	-	-	50 850
Net income for the current period	-	-	-	-	21 283	21 283
Balance c/f 31 March 2022	**25 500**	**180 827**	**-**	**100**	**-146 694**	**59 733**

18. GOING CONCERN ASSUMPTION

The financial statements as of 31 March 2022 have been prepared under going concern assumption.

Signed on: May 13, 2022

Name and signature of the The Company Representative: Ing. Karel Kollert, Member of the Board of directors

TECH MAHINDRA (THAILAND) LIMITED

Board of Directors
Mr. Pranab Roy Choudhury
Mr. Amitava Ghosh
Mr. Ashish Inamdar
Mr. Hrishikesh Pandit

Registered Office

BB Building, 13th Floor, Unit No. 1304, Sukhumvit 21 Road (Asok), North Klongteoy Sub-district, Wattana District, Bangkok, Thailand

Bankers

HSBC Limited

Auditors

KPMG Phoomchai Audit Ltd

DIRECTORS' REPORT

Your directors present their report together with the audited accounts of your company for the year ended March 31, 2022.

Financial Results

For the years ended March 31	2022 THB	2021 THB
Income	1,117,370,026	674,523,165
Profit/(Loss) before tax	(167,606,181)	(545,916,537)
Profit/(Loss) after tax	(167,606,181)	(550,831,300)

Review of Operations:

The income for the year reported as THB 1,117,370,026. The (loss) /profit before tax for the year recorded as THB (167,606,181)

Directors:

The following are the directors of the company

Mr. Pranab Roy Choudhury

Mr. Amitava Ghosh

Mr. Ashish Inamdar

Mr. Hrishikesh Pandit

Outlook for the Current Year:

The Company is optimistic of increasing its local business in future.

Acknowledgments:

Your Directors thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholders for the cooperation and assistance received from them.

For **Tech Mahindra (Thailand) Limited**

Pranab Roy Choudhury
Chairman

Place: Bangkok, Thailand
Date : June 24, 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tech Mahindra (Thailand) Limited

Opinion

I have audited the financial statements of Tech Mahindra (Thailand) Limited (the "Company"), which comprise the statement of financial position as at 31 March 2022, the statements of income and changes in equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022 and its financial performance for the year then ended in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS for NPAEs, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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 TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the 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.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

(Marisa Tharathornbunpakul)
Certified Public Accountant
Registration No. 5752

KPMG Phoomchai Audit Ltd.
Bangkok
24 June 2022

TECH MAHINDRA (THAILAND) LIMITED

STATEMENT OF FINANCIAL POSITION

(in Baht)

	Note	31 March 2022	31 March 2021
Assets			
Current assets			
Cash and cash equivalents		267,029,293	-
Trade and other receivables	4	531,901,331	352,806,352
Current portion of lease receivables	5	4,459,959	11,036,847
Total current assets		**803,390,583**	**363,843,199**
Non-current assets			
Leasehold improvement and equipment	6	7,838,916	6,383,199
Lease receivables	5	19,944,984	24,404,944
Prepaid witholding tax refunable		50,279,611	30,544,854
Other non-current assets		1,260,440	295,800
Total non-current assets		**79,323,951**	**61,628,797**
Total assets		**882,714,534**	**425,471,996**
Liabilities and equity			
Current liabilities			
Bank overdrafts		-	8,255,037
Trade and other payables	7	638,041,141	439,462,945
Short-term loans from related parties	8	48,161,991	81,761,990
Advance received for share capital	11, 15	165,750,000	-
Current provision for anticipated losses	9	93,152,920	210,746,650
Current provisions for retirement benefits	10	5,611,968	4,085,070
Other current liabilities		40,343,157	34,202,058
Total current liabilities		**991,061,177**	**778,513,750**
Non-current liabilities			
Non-current provision for anticipated losses	9	117,915,039	179,916,498
Non-current provisions for retirement benefits	10	15,122,731	6,884,980
Total non-current liabilities		**133,037,770**	**186,801,478**
Total liabilities		**1,124,098,947**	**965,315,228**
Equity			
Share capital	11, 15		
Authorised share capital		472,065,000	6,000,000
Issued and paid-up share capital		472,065,000	6,000,000
Deficit		(713,449,413)	(545,843,232)
Total equity		**(241,384,413)**	**(539,843,232)**
Total liabilities and equity		**882,714,534**	**425,471,996**

STATEMENT OF INCOME

(in Baht)

	Note	For the year ended 31 March	
		2022	**2021**
Revenues			
Revenue from rendering of services	12	1,105,825,734	671,877,152
Other income		11,544,292	2,646,013
Total revenues		**1,117,370,026**	**674,523,165**
Expenses			
Cost of rendering of services		1,200,073,781	1,150,254,180
Administrative expenses		83,810,706	69,464,276
Total expenses		**1,283,884,487**	**1,219,718,456**
Loss before finance costs and income tax expense		**(166,514,461)**	**(545,195,291)**
Finance costs		1,091,720	721,246
Loss before income tax expense		**(167,606,181)**	**(545,916,537)**
Tax income (expense)	13	-	(4,914,763)
Loss for the year		**(167,606,181)**	**(550,831,300)**

STATEMENT OF CHANGES IN EQUITY

(in Baht)

	Note	Issue and paid - up share capital	Retained earnings (deficit)	Total equity
Year ended 31 March 2021				
Balance at 1 April 2020		**6,000,000**	**4,988,068**	**10,988,068**
Loss for the year		-	(550,831,300)	(550,831,300)
Balance at 31 March 2021		**6,000,000**	**(545,843,232)**	**(539,843,232)**
Year ended 31 March 2022				
Balance at 1 April 2021		**6,000,000**	**(545,843,232)**	**(539,843,232)**
Issue of ordinary shares	11	466,065,000	-	466,065,000
Loss for the year		-	(167,606,181)	(167,606,181)
Balance at 31 March 2022		**472,065,000**	**(713,449,413)**	**(241,384,413)**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the

Thai language statutory financial statements, and were approved and authorized for issue by the director on 24 June 2022.

1 General information

Tech Mahindra (Thailand) Limited, the "Company", is incorporated in Thailand on August 26, 2005 and has its registered office at 54 BB Building, 13th Floor, Room 1304, Sukhumvit 21 Road (Asoke), Kwang Klongtoey Nua, Khet Wattana, Bangkok and the principal businesses of the Company are providing IT services and development for computer software.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs); guidelines promulgated by the Federation of Accounting Professions (TFAC). In addition, the Company has complied with Thai Financial Reporting Standard for Publicly Accountable Entities (TFRS for PAEs).

TFRS	Topic
TAS 12	Income Taxes

The financial statements are prepared and presented in Thai Baht. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Going concern

As 31 March 2022, the Company has net loss of Baht 167.61 million for the year ended 31 March 2022 (2021: Baht 550.83 million) and, as of that date, the Company's current liabilities exceeded its current assets by Baht 187.67 million (2021: Baht 414.67 million), deficit of Baht 713.45 million (2021: Baht 545.84 million) and capital deficiency of Baht 241.38 million (2021: Baht 539.84 million). The condition indicates the existence of uncertainty which may cast doubt about the Company's ability to continue as a going concern. The Company's management, however, believes that the going concern basis of financial statement presentation is appropriate to prepare its financial statements since the Company's shareholders provided financial support to the Company and are major debtors of the Company. Moreover, the management believe that the Company will has sufficient working capital from its future operation to be used in their operations in the next 12 months from 31 March 2022. Moreover, after the reporting period, the Company increased its authorised share capital from Baht 472.06 million to Baht 637.81 million to use in operation (note 15). The financial statements do not include any adjustments relating to the recoverability and classification of the recorded assets amounts or to amounts and classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the exchange rates at that date. Gains or losses arising on translation are recognised in the statement of income.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

(c) Trade, lease and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

Receivable under finance lease contracts are carried at outstanding amount, net of unearned interest income less allowance for doubtful accounts.

Unbilled trade accounts receivable represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised for the portion of work performed, less progress billings and recognised losses.

The allowance for doubtful accounts is provided at the estimated collection losses on receivables at the end of the year. Such estimates are assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(d) Leasehold improvement and equipment

Leasehold improvement and equipment are measured at cost less accumulated depreciation and losses on decline in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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

Any gains and losses on disposal of an item of leasehold improvement and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold improvement and equipment are recognised in the statement of income.

Subsequent costs

The cost of replacing a part of an item of leasehold improvement and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of leasehold improvement and equipment are recognised in the statement of income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each component of an item of leasehold improvement and equipment. The estimated useful lives are as follows:

Office equipment	2	years
Computer	3	years
Leasehold improvement	Period of lease 2	years

(e) Losses on decline in value

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised if the carrying amount exceeds its recoverable amount. A loss on decline in value is recognised in the statement of income.

(f) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate method.

Provision for retirement benefits

Provision for retired benefits are recognised using the best estimate method at the reporting date.

The Company derecognises the provision when actual payment is made.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting the Company's obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

(g) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Service contracts revenue

Services contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a service contract can be estimated reliably, contract revenue and expenses are recognised in the statement of income in proportion to the stage of completion of the contract.

The stage of completion is assessed based on the proportion of total labour hours incurred to date to the estimated total labour hours of each contract. When the outcome of a service contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the statement of income.

Other income

Interest and other income are recognised in the statement of income as it accrues.

(h) Operating lease

Payments made under operating leases are recognised on a straight-line basis over the term of the lease.

(i) Finance costs

Interest expenses and similar costs are recognised on accrual basis.

(j) Income tax

Income tax expense for the year comprises current and deferred tax. Which is recognised in the statements of income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow 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, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4 Trade and other receivables

	2022	2021
		(in Baht)
Trade and other receivables	324,762,183	290,730,163
Unbilled receivables	237,194,697	95,480,004
Total	**561,956,880**	**386,210,167**
Less allowance for doubtful accounts	(30,055,549)	(33,403,815)
Net	**531,901,331**	**352,806,352**
Bad and doubtful debts (Reversal)	(3,348,266)	33,403,815

5 Lease receivables

(in Baht)

	Within one year		After one year but within five years		Total	
	2022	2021	2022	2021	2022	2021
Lease receivables	5,870,150	12,718,658	22,502,241	28,372,391	28,372,391	41,091,049
Less unearned interest income	(1,410,191)	(1,681,811)	(2,557,257)	(3,967,447)	(3,967,448)	(5,649,258)
Total lease receivables	**4,459,959**	**11,036,847**	**19,944,984**	**24,404,944**	**24,404,943**	**35,441,791**

6 Leasehold improvement and equipment

(in Baht)

	Leasehold improvement	Office equipment	Computer	Total
Cost				
At 1 April 2020	1,098,524	16,262	839,497	1,954,283
Additions	-	-	7,681,500	7,681,500
At 31 March 2021 and 1 April 2021	**1,098,524**	**16,262**	**8,520,997**	**9,635,783**
Additions	1,281,800	396,300	4,031,880	5,709,980
At 31 March 2022	**2,380,324**	**412,562**	**12,552,877**	**15,345,763**
Depreciation				
At 1 April 2020	1,098,524	16,262	699,343	1,814,129
Depreciation charge for the year	-	-	1,438,455	1,438,455
31 March 2021 and 1 April 2021	**1,098,524**	**16,262**	**2,137,798**	**3,252,584**
Depreciation charge for the year	1,183,200	79,262	2,991,801	4,254,263
At 31 March 2022	**2,281,724**	**95,524**	**5,129,599**	**7,506,847**
Net book value				
At 31 March 2021	**-**	**-**	**6,383,199**	**6,383,199**
At 31 March 2022	**98,600**	**317,038**	**7,423,278**	**7,838,916**

7 Trade and other payables

	2022	2021
	(in Baht)	
Trade payables		
Related parties	342,577,317	314,760,566
Other parties	75,713,267	19,558,516
Other payables		
Accrued expenses	211,769,561	97,162,867
Unearned revenue	7,980,996	7,980,996
Total	**638,041,141**	**439,462,945**

8 Short-term loans from related parties

In 2021 - 2022, the Company enter into loan agreements with related parties amounting to Baht 48.16 million. The said loan agreements have interest rate of 1.26% - 1.59% with repayment schedule during June and September 2022.

9 Provision for anticipated losses

	(in Baht)
At 1 April 2020	-
Provisions made	390,663,148
At 31 March 2021 and 1 April 2021	**390,663,148**
Provisions used	(179,595,189)
At 31 March 2022	**211,067,959**
Current	93,152,920
Non-current	117,915,039
Total	**211,067,959**

Provisions for anticipated losses occur from service agreement with other party and is towards the additional delivery costs. The said loss was on account of developments in certain delivery aspects due to COVID and due to scope creep.

10 Provisions for retirement benefits

	(in Baht)
At 1 April 2020	1,544,898
Additions	11,910,464
Paid	(2,485,312)
At 31 March 2021 and 1 April 2021	**10,970,050**
Additions	14,290,034
Paid	(4,525,385)
At 31 March 2022	**20,734,699**
Current	5,611,968
Non-current	15,122,731
Total	**20,734,699**

11 Share capital

	Par value per share	2022		2021	
		Number	Baht	Number	Baht
	(in Baht)	(shares /in Baht)			
Authorised					
At 1 April					
- ordinary shares	100	60,000	6,000,000	60,000	6,000,000
issue new shares	100	4,660,650	466,065,000	-	-
At 31 March					
- ordinary shares	100	**4,720,650**	**472,065,000**	**60,000**	**6,000,000**
Issued and paid-up shares					
At 1 April					
- ordinary shares	100	60,000	6,000,000	60,000	6,000,000
issue new shares	100	4,660,650	466,065,000	-	-
At 31 March					
- ordinary shares	100	**4,720,650**	**472,065,000**	**60,000**	**6,000,000**

At the Extraordinary general meeting of shareholders of the Company held on 9 July 2021, the shareholders approved to increase the authorised share capital from Baht 6 million (60,000 shares at Baht 100 par value) to Baht 472 million (4,720,650 shares at Baht 100 par value), by issuing 4,660,650 new shares at Baht 100 par value. The increase of share capital was registered with the Ministry of Commerce on 2 August 2021.

Moreover, during the year, the Company received advance money transfer for the increase in share capital amounting to Baht 165.75 million. After the reporting period, the Company registered the increase in share capital according to note 15.

12 Promotional privileges

The Company has been granted promotional certificates by the office of the Board of Investment relating to the investment in enterprise software and digital content with certificate no. 1044(7)/2556, dated January 15, 2013. The Company has been granted several privileges including the exemption of import duty on machinery that approved by the Board and the exemption of corporate income tax for net profit from the promoted activities for a period of eight years from the date when income is first derived.

In accordance with the Notification of the Board of Investment No. Por. 14/2541 dated December 30, 1998, regarding revenue reporting of a promoted industry, the Company is required to report revenues separately for domestic and export and from the promoted and non-promoted businesses. For the years ended March 31, all sales were domestic sales and such information is as follows:

	2022			2021		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
			(in Baht)			
Local sales	646,603,065	459,222,669	1,105,825,734	319,552,551	352,324,601	671,877,152

As a promoted company, the Company must comply with certain conditions and restrictions provided in the promotional certificate.

13 Income tax

	2022	2021
	(in Baht)	
Current tax expense		
Adjustment for prior years	-	(126,648)
	-	**(126,648)**
Deferred tax expense		
Movements in temporary differences	-	5,041,411
Total	**-**	**4,914,763**

Reconciliation of effective tax rate

	2022		2021	
	Rate (%)	(in Baht)	Rate (%)	(in Baht)
Loss before income tax expense		(167,606,181)		(545,916,537)
Income tax using the Thai corporation tax rate	20	(33,521,236)	20	(109,183,307)
Current year tax losses from promotional privileges for which no deferred tax assets was recognised		10,674,185		114,224,718
Current year losses for which no deferred tax asset was recognised		55,719,291		-
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net and others		(32,872,240)		-
Under provided in prior years		-		(126,648)
Total	**-**	**-**	**1**	**4,914,763**

Movements in deferred tax asset and liability during the year were as follows:

	At 1 April 2020	(Charged)/ credited to statement of income	At 31 March 2021
		(in Baht)	
Deferred tax assets			
Other payable - accrued costs and expenses	4,759,594	(4,759,594)	-
Provision for retirement benefits	298,949	(298,949)	-
Total	**5,058,543**	**(5,058,543)**	**-**
Deferred tax liability			
Depreciation charge	(17,132)	17,132	-
Total	**(17,132)**	**17,132**	**-**
Net	**5,041,411**	**(5,041,411)**	**-**

Deferred tax assets arising from temporary differences not recognised in the financial statements are as follows:

	2022	2021
	(in Baht)	
Deductible temporary differences - provisions	52,371,642	87,007,403
Loss carry forward	100,667,755	34,389,800
Total	**153,039,397**	**121,397,203**

The tax losses expire in 2026 - 2027. The deductible temporary differences do not expire under current tax legislation. The Company has not recognised these items as deferred tax assets because it is not probable that the Company will have sufficient future taxable profit to utilise the benefits therefrom.

14 Commitments

As at March 31, the Company has non-cancellable lease commitments for building rental to be paid in the future as follows:

	2022	2021
	(in Baht)	
Non-cancellable operating lease commitments		
Within one year	98,600	1,331,100
Total	**98,600**	**1,331,100**

Rental agreement

The Company has entered into lease and service agreement for the office space, the terms of the agreement is 2 years. The contract will be terminated within 2022. However, company has renewed the lease arrangement on 16 May 2022 for one year.

Bank guarantees

In 2021, the Company has letter of guarantees without collateral issued by a bank on behalf of the Company in respect of the contractual compliance with a company amounting to Baht 27.16 million.

15 Events after the reporting period

At the Extraordinary general meeting of shareholders of the Company held on 1 April 2022, the shareholders approved to increase the authorised share capital from Baht 472 million (4,720,650 shares at Baht 100 par value) to Baht 638 million (6,378,150 shares at Baht 100 par value), by issuing 1,657,500 new shares at Baht 100 par value. The increase of share capital was registered with the Ministry of Commerce on 20 April 2022.

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Board of Directors
Mr. Amitava Ghosh
Mr. Ravi Yallajosula
Mr. Mukesh Sharma

Registered Office
2201, 22nd Floor, Building 8, No. 25
(Phase 3), Ganlu Garden, Chaoyang
District, Beijing, PRC.

Bankers
HSBC Bank Limited

Auditors
Beijing Zhong Sheng Jia Hua
Certified Public Accountants Co.,Ltd

DIRECTORS' REPORT

Your directors present their report together with the audited accounts of your company for the year ended December 31,2021.

Financial Results

For the years ended December 31	**2021 RMB**	2020 RMB
Income	**33,049,347.2**	22,361,639.09
Profit/(Loss) before tax	**-105,577.31**	2,922,119.79
Net Profit	**-105,577.31**	2,679,292.2

Review of Operations:

During the year under review, your Company recorded an income of RMB 33,049,347.2 and Net profit of RMB -105,577.31.

Directors:

Mr. Amitava Ghosh, Mr. Ravi Yellajosula and Mr. Mukesh Sharma are directors of the Company

Outlook for the Current Year:

The Company is optimistic of increasing its business in near future.

Acknowledgments:

Your Directors gratefully acknowledge the co-operation and assistance received from the employees, bankers, State and other Government Authorities and support from the shareholder.

For TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Amitava Ghosh
Chairman

Ravi Yellajosula
Director

Place: Beijing, China
Date : April 29, 2022

AUDIT REPORT

All shareholders of Tech Mahindra (Beijing) IT Services Limited. :

I. Audit Opinion

We have audited the financial statements of Tech Mahindra (Beijing) IT Services Limited. (hereinafter referred to as "Mahindra Company"), including the balance sheet as at December 31, 2021, the income statement, the cash flow statement and the relevant notes to the financial statements of year 2021.

In our opinion, the attached financial statements were prepared in accordance with the provisions of the accounting standards for enterprises in all major aspects, and fairly reflected the financial situation of Mahindra Company as at December 31, 2021, as well as the operating results and cash flow of the year 2021.

II. Basis of Forming Audit Opinions

We conducted the audit work in accordance with the auditing standards for Chinese Certified Public Accountant. The "Responsibility of Certified Public Accountant for Auditing Financial Statements" part of the audit report further elaborated our responsibilities under these standards. In accordance with the code of ethics for Certified Public Accountant in China, we were independent of Mahindra Company and have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained was sufficient and appropriate and provided a basis for issuance of audit opinions.

III. Other Information

The management layer of Mahindra Company (hereinafter referred to as management) was responsible for other information. Other information included information covered in Mahindra Company's 2021 annual report, but not the financial statements and our audit report.

Our audit opinions on the financial statements didn't cover other information, nor did we publish any form of verification conclusions on other information.

In combination with our audit of the financial statements, it was our responsibility to read other information and, in the process, considering whether there was material inconsistency or seemed to be material misstatement between the other information and the financial statements or situation that we learned during the audit.

Based on the work we have performed, we should report the fact if we confirmed that there was a material misstatement in other information. In this respect, we had nothing needed to report.

IV. Responsibilities of Management and Those Charged with Governance

The management was responsible for preparing financial statements in accordance with the provisions of the accounting standards for enterprises to achieve fair reflection and to design, implement and maintain necessary internal control, so as to make the financial statements free from material misstatement caused by fraud or error.

In preparing the financial statements, management was responsible for assessing the continuing business ability of the Mahindra company, disclosing matters related to the continuing business (if applicable), and applying the continuing business assumption, unless management planned to liquidate the Mahindra company, terminate operations or have no other realistic options.

Those Charged with Governance was responsible for supervising the financial reporting process of Mahindra Company.

V. The Responsibility of Certified Public Accountants for Auditing Financial Statements

Our goal was to obtain reasonable assurance on whether the financial statements as a whole were free from material misstatement caused by fraud or error, and to issue an audit report containing audit opinions. Reasonable assurance was a high level of assurance, but it did not guarantee that the audit executed in accordance with the audit standards having a material misstatement can always be found. A misstatement may be caused by fraud or error, and was generally considered to be significant if it was reasonably expected that the misstatement, individually or collectively, may affect the economic decisions made by the users of the financial statements based on the financial statements.

In the process of performing the audit according to the audit standards, we exercised professional judgment and maintained professional skepticism. At the same time, we also carried out the following works.

(1) Identifying and assessing material misstatement risks in financial statements due to fraud or error, designing and implementing audit procedures to address these risks, and obtaining sufficient and appropriate audit evidence as the basis for the issuance of audit opinions. Since fraud may involve collusion, forgery, willful omission, misrepresentation or overriding internal control, the risk of a material misstatement resulting from failure to detect fraud was higher than the risk of a material misstatement resulting from failure to detect error.

(2) Understanding internal controls related to audit to design appropriate audit procedures.

(3) Evaluating the appropriateness of accounting policies adopted by management and the rationality of accounting estimates and relevant disclosures.

(4) Drawing conclusions about the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, a conclusion can be drawn on whether there was significant uncertainty in matters or situations that may lead to significant doubts about the continuing operation ability of Mahindra Company. If we concluded that there was significant uncertainty, as the requirements of the audit standards, we should draw the attention of statement users to the relevant disclosures in the financial statements in the audit report; if the disclosure was insufficient, we should express a non-unqualified opinion. Our conclusions were based on information available as of the audit report date. However, future events or circumstances may cause the unsustainable operation of the Mahindra Company.

(5) Evaluating the overall presentation, structure and content (including disclosure) of the financial statements, and assessing whether the financial statements fairly reflected relevant transactions and events.

We made communication with governance layer on planned audit scope, time arrangement, major audit findings and other matters, including the internal control deficiencies of concern that we identified during the audit.

Beijing Zhong Sheng Jia Hua Certified Name of CPA:

Public Accountants Co.,Ltd

Beijing China Name of CPA:

April 29, 2022

BALANCE SHEET (AS OF 31 DECEMBER 2021)

Prepared by Tech Mahindra (Beijing) IT Services Limited RMB Yuan

Assets	No.	End of period	Beginning of period	Liabilities and Shareholders Equity	No.	End of period	Beginning of period
Current assets				Current liabilities:			
Cash and bank	VI.1	12,198,534.78	9,863,982.33	Short-term loans			
Short-term investment				Accounts payable	VI.8		86,697.82
Dividend receivable				Advances on sales	VI.9		1,609,491.09
Interest receivable				Employee benefits payable	VI.10	166,576.70	32,151.21
Accounts receivable	VI.2	6,300,805.40	1,550,656.89	Staff welfare fund unpaid			
Prepayments	VI.3	327.51	460,197.20	Dividend unpaid			
Other receivables	VI.4	602,241.02	481,201.74	Taxes payable	VI.11	172,149.43	253,340.70
Subsidy receivable				Other payables	VI.12	9,213,980.27	1,723,344.89
Inventories				Other expenses			
Deferred expenses				Contingent liabilities			
Long-term investment in bonds to be expired within one year							
Other current assets	VI.5	1,065,483.17	9,892.70	Long-term liabilities to be expired within one year			
Total current assets		20,167,391.88	12,365,930.86	Other current liabilities			
Long-term investment:							
Long-term investment in stocks				Total current liabilities		9,552,706.40	3,705,025.71
Long-term investment in bonds to be expired within one year				Long-term liabilities:			
Total long-term investment				Long-term loans			
Fixed assets				Bonds payable			
Fixed assets,at cost		1,737,466.22	1,737,466.22	Long-term accounts payable			
Less:Accumulated depreciation		1,719,384.40	1,123,953.83	Specific payable			
Fixed assets, net value	VI.6	18,081.82	613,512.39	Other long-term liabilities			
Less:Provision for devaluation of fixed assets				Total long-term liabilities			
Fixed assets, net amount	VI.6	18,081.82	613,512.39	Deferred taxation:			
Construction materials				Deferred tax, credit			
Construction in progress				Total liabilities		9,552,706.40	3,705,025.71
Disposal of fixed assets							
Total fixed assets		18,081.82	613,512.39	Shareholders' Equity:			
Intangible and other assets:				Share capital	VI.13	5,574,666.02	5,574,666.02
intangible assets				Less:Investment Returned			
Long-term prepaid expenses	VI.7	34,496.80	1,498,423.87	Paid-up capital (stock)		5,574,666.02	5,574,666.02
Other deferred expenses				Capital reserve	VI.14	12,639.68	12,639.68
Total intangible and other assets	VI.7	34,496.80	1,498,423.87	Surplus reserve			
				Including: Staff welfare fund			
Deferred taxation:				Undistributed profit	VI.15	5,079,958.40	5,185,535.71
Deferred taxation, debit				Shareholders' Equity:		10,667,264.10	10,772,841.41
Total Assets		**20,219,970.50**	**14,477,867.12**	**Total Liabilities and Shareholders' Equity**		**20,219,970.50**	**14,477,867.12**

Legal Representative:Mr. Jagdish Mitra Person in charge of accounting: Ms. Daisy Xia
Head of Accounting Department: Ms. Daisy Xia

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

INCOME STATEMENT(FOR THE YEAR 2021)

Prepared by Tech Mahindra (Beijing) IT Services Ltd — RMB Yuan

Item		No.	Current year cumulative	Last year cumulative
1.	**Principal operating revenues**	**VI. 16**	**33,049,347.20**	**22,361,639.09**
	Less:operating cost			
	operating tax and subsidies		158,967.26	231,848.30
2.	**Principal operating profit**		**32,890,379.94**	**22,129,790.79**
	Add:Other operating profit			
	Less:Operating expense			
	Administration expense		33,017,452.61	18,965,235.16
	Financial expense		8,247.75	244,227.89
3.	**Operating profit**		**-135,320.42**	**2,920,327.74**
	Add:Investment income			
	Other income	VI. 17	27,233.73	42,569.95
	Subsidy income			
	Non-operating income	VI .18	2,509.38	
	Less:Non-operating expense	VI .19		40,777.90
4.	**Total profit**		**-105,577.31**	**2,922,119.79**
	Less:Income tax	VI .20		242,827.59
5.	**Net profit**		**-105,577.31**	**2,679,292.20**
	Six, Net profit		-105,577.31	2,679,292.20
	plus:(one)Beginning balance of Retained Earnings		5,185,535.71	2,506,243.51
	(two) Surplus to compensate for loss			
	(three) Other adjustment factor			
	Seven, Profit available for distribution		5,079,958.40	5,185,535.71
	Less: (one) statutory surplus reserve			
	(two) The statutory public welfare fund			
	(three) Staff bonus and welfare fund			
	(four)Withdrawal reserve fund			
	(five)Appropriation of Enterprise Expansion Fund			
	(six) Profit capitalized on return of investment			
	(seven)Supplementary current capital			
	(eight)Single retained profit			
	(nine)Other			
	Eight, Distributable profit for investors		5,079,958.40	5,185,535.71
	Less: Dividend payable on preferred stock			
	(two)Discretionary surplus reserve			
	(three)Common stock dividends payable (profits payable)			
	(four)Transferred to capital (capital stock) common stock dividend			
	(five)Other			
	Nine, Undistributed profits		5,079,958.40	5,185,535.71
	Aong which: Annual pre-tax profits after irreparable loss.			
	Supplementary information			
	One, sale, disposal or investment sector units proceeds			
	Two, the loss of natural disasters (loss to "+" to fill a column)			
	Three, changes in accounting policies influence the profit total amount			
	Four, change in accounting estimate affects the profit total amount			
	Five, debt recombination losses (loss to "+" to fill a column)			
	Six, other non-recurring gains and losses (gains with "+" to fill a column)			

Legal representative: Mr. Jagdish Mitra — Person in charge of accounting: Ms. Daisy Xia

Head of Accounting Department: Ms. Daisy Xia

CASH FLOW STATEMENT (FOR THE YEAR ENDED DECEMBER 31,2020)

Prepared by Tech Mahindra (Beijing) IT Services Ltd RMB Yuan

Items		No.	Amount
1.	**Cash flows from operating activities**		
	Cash inflow from sale of goods and provision of services	1	28,165,927.43
	Repayment of tax received	2	8,652.50
	Other cash inflow relating to operating activities	3	8,636,525.94
	Total cash inflow	4	36,811,105.87
	Payments for purchase of goods and receipt of services	5	
	Payments to and for staff	6	15,127,336.34
	Taxation paid	7	1,663,743.79
	Other Payments relating to operating activities	8	17,641,239.95
	Total cash outflow	**9**	**34,432,320.08**
	Net cash inflow/outflow generated from operations	10	2,378,785.79
2.	**Cash flow from investing activities**	**11**	
	Cash inflow from retirement of investment	12	
	Cash inflow from profit of investment	13	
	Cash gain of disposal of fixed assets, intangible assets, and other long-term investment	14	
	Other proceeds relating to investment activities	15	
	Total cash inflow	16	
	Purchase of fixed assets, intangible assets and other long-term assets	17	
	Cash paid for investment	18	
	Other cash paid relating to investment activities	19	
	Total cash outflow	**20**	**-**
	Net cash inflow/outflow generated from investment activities	**21**	**-**
3.	**Cash flows from financing activities:**	**22**	
	Absorption of investment	23	
	Borrowings raised	24	
	Other cash inflow relating to financing activities	25	
	Total cash inflow	**26**	**-**
	Borrowings repaid	27	
	Dividend, interest and profit paid	28	
	Other cash outflow relating to financing activities	29	
	Total cash outflow	**30**	**-**
	Net cash inflow/outflow generated from financing activities	**31**	**-**
4.	**Influence of fluctuation of echange rate**	32	-44,233.34
5.	**Net increase in cash and cash equivalents**	33	2,334,552.45

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Prepared by Tech Mahindra (Beijing) IT Services Ltd RMB Yuan

		No.	Amount
1.	**Adjustment of net profit to cash flows generated from operations:**		
	Net profit	34	-105,577.31
	Add:Provision for devaluation of assets	35	
	Depreciation of fixed assets	36	969,747.26
	Amortization of intangible assets	37	
	Amortization of long-term expense	38	1,089,610.38
	Decrease of deferred expenses (Less: increase)	39	
	Increase of pre-paid expense (Less: decrease)	40	
	Loss on disposal of fixed assets, intangible assets and other long-term assets (less: gain)	41	
	Loss on retirement of fixed assets	42	
	Financial expense	43	104,473.67
	Investment loss (less:investment gain)	44	
	Deferred tax, credit (less: debit)	45	
	Decrease of inventories (less: increase)	46	
	Decrease of receivables in operations (less: increase)	47	-4,402,040.61
	Increase of payables in operations (less: decrease)	48	4,722,572.40
	Others	49	-
	Net cash inflow/outflow generated from operations	50	2,378,785.79
2.	**Investing and financing activities not relating to cash flows**	51	
	Capital transferred from liabilities	52	
	Transferable bonds to be expired within one year	53	
	Fixed assets transferred from financing activities	54	
3.	**Net increase in cash and cash equivalents**	55	
	Cash and bank balances at end of period	56	12,198,534.78
	Less: Cash and bank balances at beginning of period	57	9,863,982.33
	Cash equivalent at end of period	58	-
	Less: Cash equivalent at beginning of period	59	-
	Net increase in cash and cash equivalents	**60**	**2,334,552.45**

Legal representative: Mr. Jagdish Mitra Person in charge of accounting: Ms. Daisy Xia
Head of Accounting Department: Ms. Daisy Xia

NOTES TO FINANCIAL STATEMENTS 31 DEC. 2021

(The currency are presented in RMB except otherwise stated)

I. The Company's General Profile

As a wholly foreign-owned enterprises, Tech Mahindra (Beijing) IT Services Limited was invested and established by Tech Mahindra Limited. The Company was approved to be established by Beijing Municipal Government according to policy document SWZJZZ[2007]No.05422, obtained Enterprise's Legal Person Registration in the Industry and Commerce Administration Bureau of Beijing on Sep.24, 2007 with the Business License 91110105666903783P.The registered capital of the company is US$2,500,000.00.The Company's registered address is 2201 room, Building 8, No. 25 Ganluyuan nanli, Chaoyang District, Beijing. Legal representative: Mr. Jagdish Mitra.

Scope of Business: Technical services, technical advice, design, development, production and computer networking, telecommunications and electronic technology-related applications; product sales of assets.

II. Basis of Preparation

1 Basis of preparation

The financial statement is prepared under going concern assumption based on the actual transactions taking place which is required by ASBE (Accounting Standards for Business Enterprise) and its application guidelines, explanatory notes and other relevant regulations issued by the Ministry of Finance of PRC.

According to the relevant rules in the ASBE, accounting measurement of our company is based on accrual basis. This financial statement use historical cost as the measurement basis, except for the financial assets. If impairment is taking place, our company will account for the impairment according to relevant rules.

2 Going concern

This financial statement is presented under going concern assumption, our company has the ability to operate continuously at least 12 months from balance sheet date.

III. Compliance of Accounting Standards of Business Enterprises

The financial statements prepared by the Company are subject to requirements from the Accounting Standards and present fairly the Company's financial position, operation results, cash flow and other related information.

IV. Significant Accounting Policies and Accounting Estimates

1. Accounting period

The accounting period of the Company is from 1 January to 31 December.

2. Operating period

Normal operating period is the period from acquiring asset for processing to the realization of cash and cash equivalent. Our company use 12 months as an operating period and use this as a standard to categorize the liquidity of asset and liability.

3. Book-keeping Currency

The company's financial records and the financial statements are stated in Renminbi.

4. The categorization standard of cash and cash equivalent

Cash and cash equivalent in our company include cash, cash in bank that can be used at any time and investment we held which is short period, usually 3 months from purchase to maturity, strong liquidity, easy to transfer to any pre-determined amount of cash and low risk of value fluctuation.

5. Foreign exchange translation

(1) The translation method of foreign transaction

The foreign transaction in our company, in initial recognition, should be translated to presentation currency according to the exchange rate on the transaction date, however, the foreign currency exchange or other transactions involved foreign currency exchange business should be translated using actual exchange rate in the transaction.

(2) The translation method involving foreign currency monetary and non-monetary items

At balance sheet date, for foreign currency monetary items, we use exchange rate at balance sheet date, and for the exchange rate differences, we accounted for in profit and loss, except: a. foreign currency borrowing cost related to acquire asset that can be capitalized should be treated under borrowing cost capitalization rules; b. for foreign currency monetary items available for sale, apart from the exchange differences caused by other current amount changes than amortized cost that should be accounted for in other comprehensive income, other differences should also be accounted for in profit and loss

For foreign currency non-monetary items measured by historical cost, we still use presentation currency translated by the exchange rate at transaction date. For foreign currency non-monetary items measured by fair value, we use the exchange rate at the fair value determination date. The differences between the presentation currency after translation and the original presentation currency should be accounted for in profit and loss or other comprehensive income as fair value changes (including exchange rate changes.

(3) Translation method of foreign currency financial statements

When consolidated financial statements involve overseas operation, if the operation is foreign currency monetary items due to net investment in overseas operation, the exchange differences due to exchange rate fluctuation should be accounted for in other comprehensive income as foreign currency financial statements exchange differences; in the case of overseas operation disposal, the differences should be accounted for in the profit and loss

The foreign currency financial statement of overseas operation should be translated to Renminbi financial statements using the following method: for assets and liabilities in the Statement of Financial Position, we use exchange rate at balance sheet date; for shareholder's equity, apart from retained earnings, other items should use the exchange rate at the date when it is happened. For income and expenses items in the income statement, we use weighted average exchange rate at the transaction date. The opening balance of retained earnings is the ending balance of the previous year after translation; the ending balance of retained earnings is presented by calculation under profit distribution items after translation; the differences between total asset and total liability and equity should be accounted for in other comprehensive income as foreign currency financial statements exchange differences. When we dispose of overseas operation and lose control, the foreign currency financial statements exchange differences related to overseas operation presented under shareholder's equity in the Statement of Financial Position should be, all or in proportion according to the percentage of overseas operation disposed of, transferred into profit and loss.

For foreign currency cash flow, we use weighted average exchange rate at the date of cash inflow or outflow to translate and the differences should be presented in the Statement of cash flows as an adjusted item.

The opening balance and the actual amount of the previous period should be presented using the amount after translation of the financial statement of previous period.

When we dispose of all shareholder's equity of overseas operation or lose control due to disposal of partial investment or other reasons, the foreign currency financial statements exchange differences of shareholder's equity belongs to the parent company under shareholder's equity in the Statement of Financial Position should be transferred into profit and loss in full.

When we dispose partial investment or other reason that results of lower percentage of shareholding of overseas operation without losing control, the differences of foreign currency financial statement should be accounted for as minority shareholding rather than profit and loss. When the disposal of overseas operation is partial investment of associate or joint venture, the differences of foreign currency financial statement related to this operation should be transferred into profit and loss in proportion to the percentage of disposal.

6. Financial Instrument

A financial asset or financial liability is recognized when the Company becomes a party to a financial instrument contract.

(1) Classification, confirmation and measurement of financial assets

According to the business mode of managing financial assets and the contractual cash flow characteristics of financial assets, the Company divides financial assets into: Financial assets measured at amortized cost. Financial assets measured at fair value with changes included in other comprehensive income. Financial assets are measured at fair value and whose movements are included in the current profits and losses.

Financial assets are measured at fair value at initial recognition. For financial assets measured at fair value and whose changes are included in current profits and losses, relevant transaction costs are directly included in current profits and losses. For other types of financial assets, relevant transaction costs are included in the initial recognition amount. Accounts receivable or notes receivable arising from the sale of products or the provision of labor services that do not contain or take into account significant financing components shall be initially recognized by the Company in accordance with the amount of consideration that the Company is expected to be entitled to receive.

Financial assets measured at amortized cost

The Company's business model of managing financial assets measured in amortized cost is aimed at collecting contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements, that is, the cash flow generated on a specific date is only the payment of principal and interest based on the unpaid principal amount. For such financial assets, the Company adopts the effective interest rate method and carries out subsequent measurement according to amortized cost. The profits or losses arising from amortization or impairment are included into the current profits and losses.

Financial assets measured at fair value with changes included in other comprehensive income

The Company's business model for managing such financial assets is to collect and sell contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements. The Company measures these financial assets at fair value and their changes are included in other comprehensive income, but impairment loss or gain, exchange gain or loss and interest income calculated according to the effective interest rate method are included into the current profit and loss.

In addition, the Company designates some non-tradable equity instrument investments as financial assets measured at fair value with changes included in other comprehensive income. The Company shall record the relevant dividend income of such financial assets into the current profits and losses, and the change of fair value into other comprehensive income. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income to retained income and will not be included in current profits and losses.

Fair value through Profit and Loss Financial assets

The Company classifies the above financial assets measured at amortized cost and financial assets measured at fair value with changes included in other comprehensive income into financial assets measured at fair value with changes included in current profits and losses. In addition, during initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Company designated part of financial assets as financial assets measured at fair value with changes included in current profit and loss. For such financial assets, the Company adopts fair value for subsequent measurement, and the changes in fair value are included into the current profit and loss.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities upon initial recognition are classified as financial liabilities which are measured at fair value and whose changes are included in current profits and losses and other financial liabilities. For the financial liabilities measured at fair value with the changes included into the current profits and losses, the relevant transaction costs are directly included into the current profits and losses, and the relevant transaction costs of other financial liabilities are included in the initial recognition amount.

Fair value through Profit and Loss Financial liabilities

Financial liabilities measured at fair value with changes included in current profits and losses, which include transactional financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated to be measured at fair value with changes included in current profits and losses at initial recognition.

Trading financial liabilities (including derivatives belonging to financial liabilities) are subsequently measured according to their fair values. Except for those related to hedge accounting, changes in fair values are included in current profits and losses.

Financial liabilities designated to be measured at fair value with changes included in current profits and losses. Changes in the fair value of this liability caused by changes in the Company's own credit risk are included in other comprehensive income. When the liability is derecognized, the accumulated change in fair value caused by changes in its own credit risk included in other comprehensive income is transferred to retained earnings. Changes in fair value are accounted into current profits and losses. If the above-mentioned treatment of the impact of changes in the credit risk of these financial liabilities will cause or expand accounting mismatch in profits and losses, the Company will include all profits or losses of the financial liabilities (including the impact amount of changes in the credit risk of the enterprise itself) into the current profits and losses.

Other financial liabilities

Except for financial liabilities and financial guarantee contracts formed by the transfer of financial assets that do not meet the conditions for termination of recognition or continue to be involved in the transferred financial assets, other financial liabilities are classified as financial liabilities measured at amortized cost and subsequently measured at amortized cost. Gains or losses arising from termination of recognition or amortization are included in current profits and losses.

(3) Basis of Confirmation and Calculation of financial instruments

Financial assets shall be derecognized if they meet one of the following conditions: (1) The termination of the contractual right to receive cash flow from the financial asset. (2) The financial asset has been transferred, and almost all risks and rewards related to the ownership of the financial asset have been transferred to the transferee. (3) The financial asset has been transferred. Although the enterprise has neither transferred nor retained almost all risks and rewards in the ownership of the financial asset, it has given up its control over the financial asset.

If the enterprise neither transfers nor retains almost all the risks and rewards of the ownership of the financial assets, and does not give up the control over the financial assets, the relevant financial assets shall be recognized according to the extent of continuous involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly. The degree of continuous involvement in the transferred financial assets refers to the risk level faced by the enterprise due to the change in the value of the financial assets.

If the overall transfer of financial assets meets the conditions for termination of recognition, the difference between the book value of the transferred financial assets and the sum of the consideration received due to the transfer and the accumulated amount of changes in fair value originally included in other comprehensive income shall be included into the current profits and losses.

If the partial transfer of financial assets meets the conditions for termination of recognition, the book value of the transferred financial assets shall be apportioned according to its relative fair value between the derecognized part and the non-derecognized part, and the difference between the sum of the consideration received due to the transfer and the accumulated change in fair value originally included in other comprehensive income that shall be apportioned to the derecognized part and the allocated aforesaid book amount shall be included into the current profits and losses.

For financial assets sold by the Company with recourse, or for endorsement and transfer of held financial assets, it is necessary to determine whether almost all risks and rewards in the ownership of the financial assets have been transferred. If almost all risks and rewards in the ownership of the financial asset have been transferred to the transferee, the recognition of the financial asset shall be terminated. If almost all risks and rewards on the ownership of a financial asset are retained, the recognition of the financial asset shall not be terminated. If almost all risks and rewards related to the ownership of financial assets have not been transferred or retained, it shall continue to judge whether the enterprise retains control over the assets and carry out accounting treatment according to the principles mentioned in the preceding paragraphs.

(4) Termination of recognition of financial liabilities

If the current obligation of the financial liability (or part thereof) has been relieved, the Company terminates the recognition of the financial liability (or part thereof). The Company (the borrower) and the lender sign an agreement to replace the original financial liabilities by assuming new financial liabilities. If the contract terms of the new financial liabilities and the original financial liabilities are substantially different, the original financial liabilities shall be derecognized and a new financial liability shall be recognized at the same time. If the Company makes any substantial modification to the contract terms of the original financial liability (or part thereof), the original financial liability shall be derecognized and a new financial liability shall be recognized in accordance with the modified terms.

If financial liabilities (or part thereof) are derecognized, the Company shall include the difference between its book value and the consideration paid (including transferred non-cash assets or liabilities assumed) into the current profits and losses.

(5) Offset of financial assets and financial liabilities

When the Company has the legal right to offset the recognized amount of financial assets and financial liabilities, and such legal right is currently enforceable, and the Company plans to settle the financial assets on a net basis or realize the financial assets and settle the financial liabilities at the same time, the financial assets and financial liabilities are listed in the balance sheet at a net amount after mutual offset. In addition, financial assets and financial liabilities shall be listed separately in the balance sheet and shall not be offset against each other.

(6) The fair value determination method of financial assets and financial liabilities

Fair value refers to the price that market participants can receive from selling an asset or pay to transfer a liability in an orderly transaction on the measurement date. Where there is an active market for financial instruments, the Company adopts quotations in the active market to determine their fair values. Quoted price in active market refers to the price easily obtained from exchanges, brokers, industry associations, pricing service agencies, etc. on a regular basis, and represents the price of market transactions actually occurred in fair trading. If there is no active market for financial instruments, the Company uses evaluation techniques to determine their fair values. Evaluation techniques include reference to prices used in recent market transactions by parties familiar with the situation and willing to trade, reference to current fair values of other financial instruments that are substantially the same, discounting cash flow technique, option pricing model, etc. In valuation, the Company adopts valuation techniques that are applicable under current circumstances and are supported by sufficient available data and other information, selects input values that are consistent with the characteristics of assets or liabilities considered by market participants in transactions related to assets or liabilities, and gives priority to the use of relevant observable input values as much as possible. If the relevant observable input value cannot be obtained or it is not impracticable to obtain it, the non-input value shall be used.

(7) Equity instruments

Equity instruments refer to contracts that can prove ownership of the Company's residual equity in assets after deducting all liabilities. The issuance (including refinancing), repurchase, sale or cancellation of equity instruments by the Company are treated as changes in equity, and transaction costs related to equity transactions are deducted from equity. The Company does not recognize changes in the fair value of equity instruments.

Dividends (including "interest" generated by instruments classified as equity instruments) distributed by the Company's equity instruments during their existence shall be treated as profit distribution.

7. Receivables

Receivables include notes receivables, trade receivables and other receivables, etc.

(1) Standards for confirming doubtful debt

- The death or bankruptcy of the debtor, whose receivables still cannot be recovered after the debt has been paid off by his/her bankruptcy assets or heritage.
- Debt still cannot be recovered after three years of overdue debt owed by the debtor.

(2) The measurement method we use is allowance method.

8. Fixed Assets

(1) Confirmation conditions for fixed assets

Fixed Assets refer to tangible assets held for the purpose of producing goods, providing labor services, renting or operating management, and having a service life of more than one fiscal year. Fixed assets are recognized only when the economic benefits associated with them are likely to flow into the Company and their costs can be reliably measured. Fixed assets are initially measured at cost and taking into account the impact of projected abandonment costs.

(2) Categorization of fixed assets

Fixed assets can be divided into Property, Plant and Equipment, Transportation vehicle, Land, Office equipment, Electronic devices, etc.

(3) Initial Measurement of fixed asset

Fixed asset will be measured at historical cost.

(4) Depreciation methods for various types of fixed assets

a . Fixed assets are depreciated over their useful lives using the straight-line method from the month following the scheduled availability. The service life, estimated net residual value and annual depreciation rate of various fixed assets are as follows:

Category	Depreciation Method	Depreciation period (Year)	Residual rate(%)	Annual depreciation rate (%)
Electronic equipment	**straight-line depreciation**	**3**	**5**	**33.37**

b. The estimated net residual value refers to the expected state after the estimated useful life of the fixed assets has expired and is at the end of its useful life. The amount currently obtained by the Company from the disposal of the assets after deducting the estimated disposal expenses.

c. Impairment test method and Impairment provision method for fixed assets

For details of Impairment test method and impairment provision method for fixed assets, please refer to "Long-Term Asset Impairment".

d. Recognition basis and valuation method of fixed assets acquired by finance lease

A finance lease is a lease that transfers substantially all the risks and rewards associated with ownership of an asset, and its ownership may or may not be transferred. If it is reasonable to determine the ownership of the leased asset at the expiration of the lease term, the depreciation shall be calculated within the useful life of the leased asset; If it is not reasonable to determine the ownership of the leased asset at the expiration of the lease term, depreciation shall be calculated within a relatively short period of the lease term and the service life of the leased assets.

e. Others

The subsequent expenses related to fixed assets, if the economic benefits related to the fixed assets are likely to flow in and their costs can be reliably measured, are included in the cost of fixed assets and the book value of the replaced part should be terminated. The subsequent expenditures other than mentioned as above are recognized in profit or loss in the period in which they are incurred.

The fixed asset is derecognized when the fixed asset is in disposal or is not expected to generate economic benefits by using or disposal. The difference between the disposal income from the sale, transfer, retirement or damage of the fixed assets less the carrying amount and related taxes is recognized in profit or loss for the current period.

The Company reviews the useful life, estimated net residual value and depreciation method of fixed assets at least at the end of the year, and changes as an accounting estimate if changes occur.

9. Construction in progress

The cost of construction in progress is determined based on actual project expenditure, including various project expenditures incurred during the construction period, capitalized borrowing costs before the project reaches the expected usable status, and other related expenses. Construction in progress is carried forward to fixed assets when it is ready for its intended use.

For details of the impairment test method and impairment provision method for construction in progress, please refer to "Long-Term Asset Impairment".

10. Intangible Assets

(1) Intangible assets

Intangible assets refer to identifiable non-monetary assets without physical form owned or controlled by the Company.

Intangible assets are initially measured at cost. Expenditure related to intangible assets is included in the cost of intangible assets if the relevant economic benefits are likely to flow to the Company and its costs can be measured reliably. Expenditure on other items other than this is recognized in profit and loss when incurred.

The acquired land use rights are usually accounted for as intangible assets. The related land use rights and building construction costs of self-developed and constructed buildings are accounted for as intangible assets and fixed assets, respectively. In the case of purchased houses and buildings, the relevant price is distributed between the land use rights and the buildings. If it is difficult to allocate them reasonably, all of them are treated as fixed assets.

Since the intangible assets with limited useful life are available for use, the original value minus the estimated net residual value and the accumulated amount of impairment reserve shall be amortized by the straight-line method during their expected service life. Intangible assets with uncertain service life shall not be amortized.

At the end of the period, the useful life and amortization methods of intangible assets with limited useful life are reviewed, and if any change occurs, it is treated as a change of accounting estimate. In addition, the useful life of intangible assets with uncertain service life is also reviewed. If there is evidence that the period for which the intangible assets bring economic benefits to the enterprise is foreseeable, the useful life of intangible assets is estimated and amortized according to the amortization policy of intangible assets with limited useful life

(2) Research and development expenditure

The company's expenditure for internal research and development project is divided into research phase expenditure and development phase expenditure.

Expenditures for the research phase shall be recognized in profit or loss when incurred.

Expenditures for the development phase that meet the following conditions shall be recognized as intangible assets, and expenditures in the development stage that fail to meet the following conditions are included in current profit and loss:

a. It is technically feasible to complete the intangible asset to enable it to be used or sold.

b. The intent to complete the intangible asset and use or sell it;

c. The way in which intangible assets generate economic benefits, including the ability to prove that the products produced from the intangible assets having a market or the intangible assets having a market, and the intangible assets will be used internally, which can prove its usefulness;

d. sufficient technical, financial resources and other resources for supporting the development of the intangible assets and the ability to use or sell the intangible assets.

e. Expenditure attributable to the development phase of the intangible asset can be reliably measured.

(3) Impairment test method and Impairment provision method for intangible assets

For details of the impairment test method and impairment provision method, please refer to "Long-Term Asset Impairment".

11. Long-term deferred expenses

The long-term deferred expenses are all expenses that have occurred but shall be borne by the reporting period and subsequent periods with amortization period of more than one year. The company's long-term deferred expenses mainly include lease of land use right and renovation costs of factory building. Long-term deferred expenses are amortized on a straight-line basis over the estimated benefit period.

12. Employee Compensation

The Company's employee compensation mainly includes short-term employee remuneration, Post-employment Benefits, Termination Benefits and benefits for other long-term employee. Among them:

Short-term employees remuneration mainly includes wages, bonuses, allowances and subsidies, employee welfare fees, medical insurance premiums, maternity insurance premiums, work injury insurance premiums, housing fund, labor union funds, employee education funds, and non-monetary benefits. The Company recognizes the actual short-term employee's remuneration as a liability in the accounting period in which employees provide services to the Company and recognizes them in profit or loss or related asset costs. Non-monetary benefits are measured at fair value.

Post-employment Benefits mainly include basic retirement security, unemployment insurance, and annuities. The Post-employment Benefit Scheme includes a Defined Contribution Plan and a Defined Benefit Plan. If a Defined Contribution Plan is adopted, the corresponding amount of the deposit shall be included in the relevant asset cost or current profit and loss as incurred. (1) The Defined Contribution Plan is recognized as a liability based on a fixed fee paid to an independent fund and is included in the current profit and loss or related asset costs; (2) The Defined Benefit Plan is accounted for using the expected cumulative benefits unit method Specifically, the Company will convert the welfare obligation arising from the Defined Benefit Plan into the final value of the departure time according to the formula determined by the expected cumulative benefits unit method; then it is attributed to the employee's in-service period and is included in the current profit and loss or related asset cost.

If the labor relationship with the employee is terminated before the employee's labor contract expires, or if the employee is encouraged to accept the reduction voluntarily, when cannot withdrawing unilaterally the dismissal benefits provided by the termination of the labor relationship plan or the reduction proposal, and when confirming the costs associated with the restructuring involving the payment of the dismissal benefits, whichever is earlier, the Company will recognize the employee compensation liabilities arising from the dismissal benefits, and included in the current profit and loss. However, if the dismissal benefits are not expected to be fully paid within 12 months after the end of annual reporting period, they shall be treated in accordance with other long-term employee compensations.

The internal retirement plan for employees shall be treated in the same way as the above-mentioned dismissal benefits. The company will pay the internal retired staff the salary and the social insurance premiums from the employee's lay-off to normal retirement, and will include in the current profit and loss (dismissal benefits) when the conditions of the estimated liabilities are met.

If the other long-term employee benefits provided by the Company to the employees are in line with the Defined Contribution Plan, they shall be accounted for Defined Contribution Plan, and otherwise accounted for the Defined Benefit Plan.

13. Income

The company confirms the realization of the business revenue as per the following regulations, keeps accounts as per the realized income and records into the current profits and losses.

(1) Commodity Sales Revenue

When the main risks and rewards of commodity ownership is transferred to the buyer without retaining the continuing management rights usually associated with the ownership and without effectively controlling of the sold commodity, if the amount of revenue can be reliably measured, and the relevant economic benefits are likely flow into enterprise and the relevant costs incurred or will be incurred can be reliably measured, the sales revenue of commodities shall be confirmed.

(2) Income from labor services

In the case the results of the labor service transaction can be reliably estimated, the labor income provided is confirmed on the balance sheet date according to the percentage of completion method. The completion progress of the labor transaction is determined by the ratio of the completed work or the proportion of the labor service provided to the total labor service, or by the ratio of labor costs incurred to the estimated total cost.

Reliable estimates of results of the labor transactions provided mean that it can be simultaneously met a.) The amount of income can be measured reliably; b.) Relevant economic benefits are likely to flow into the enterprise; c.) The degree of completion of the transaction can be determined reliably, d.) The costs that have occurred and will occur in the transaction can be measured reliably.

(3) Revenue from charge for use

Revenue shall be recognized on an accrual basis in accordance with the relevant contract or agreement.

14. Government grants

Government grant refers to the company's acquisition of monetary and non-monetary assets from the government free of charge, excluding the capital invested by the government as an investor and enjoying the corresponding owner's rights and interests. Government grants include assets-related grants and revenue-related grants.

Government grants related to assets are recognized as deferred earnings and are divided into current profits and losses in a reasonable and systematic way during the service life of the assets concerned. The government grants related to revenue, which are used to compensate for the related cost or loss in the subsequent period, shall be recognized as deferred income, and shall be recognized in profit or loss in the period in which the related costs or losses are recognized; if it is used to compensate the related costs or losses that has occurred, it shall be directly recognized in the current profit and loss.

Government grants related to the daily activities of the Company shall be included in other income or cost deductions according to the nature of the economic business; government subsidies unrelated to daily activities shall be included in the non-operating revenues and expenses.

When the recognized government grants need to be returned, if there are relevant deferred earnings balances, the book balance of related deferred earnings shall be deducted, and the excess part shall be included in the current profits and losses or the book value of assets shall be adjusted, otherwise, the book value of assets shall be directly included in the current profits and losses.

15. Deferred Income Tax Assets / Deferred Income Tax Liabilities

(1) Current Income Tax

On the balance sheet date, the current income tax liabilities (or assets) formed in the current and previous periods are measured by the expected amount of income tax payable (or returned) in accordance with the provisions of the Tax Law. The amount of taxable income on which current income tax expenses are calculated is based on the corresponding adjustment of pre-tax accounting profits in the reporting period in accordance with the relevant tax laws.

(2) Deferred Income Tax Assets and Deferred Income Tax Liabilities

The difference between the book value of certain assets and liabilities and their tax basis, and the temporary difference between the book value of items that are not recognized as assets and liabilities but which can be determined as their tax basis according to the tax law, are confirmed by the balance sheet liability method.

Taxable temporary differences which related to the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction that is neither a business combination nor an accounting profit or taxable income (or deductible loss), relevant deferred income tax liabilities shall not be recognized. In addition, for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, if the Company is able to control the turnaround time of temporary differences, and the temporary difference is unlikely to be reversed in the foreseeable future, the related deferred income tax liabilities shall not be recognized. Except for the above exceptions, the Company recognizes all other deferred income tax liabilities arising from taxable temporary differences.

Taxable temporary differences which related to the initial recognition of an asset or liability arising from a transaction that is neither a business combination nor an accounting profit or taxable income (or deductible loss), relevant deferred income tax liabilities shall not be recognized. In addition, for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, if the temporary difference is unlikely to be reversed in the foreseeable future, or the amount of taxable income used to offset the temporary difference is unlikely to be obtained in the future, the deferred income tax assets concerned shall not be recognized. Except for the above exceptions, the Company recognizes other deferred income tax assets that can offset temporary differences, subject to the amount of taxable income that is likely to be obtained to offset temporary differences.

For deductible losses and tax credits that can be carried forward in subsequent years, the corresponding deferred income tax assets are recognized to the extent that it is probable that the future taxable income shall be used to offset the deductible losses and tax credits.

On the balance sheet date, the deferred income tax assets and deferred income tax liabilities shall be measured at the applicable tax rates in the period in which the related assets are recovered or the related liabilities are recovered in accordance with the tax laws.

On the balance sheet date, the book value of deferred income tax assets is reviewed. and the book value of deferred income tax assets is written down if it is likely that sufficient taxable income will not be available to offset the benefits of deferred income tax assets in the future. When it is possible to obtain sufficient taxable income, the amount written down shall be reversed.

(3) Income tax expenses

Income tax expenses include current income tax and deferred income tax.

In addition to recognizing that the current income tax and deferred income tax related to other transactions and matters directly included in shareholder’s rights and interests shall be recognized in other comprehensive income or shareholder’s rights and interests, and the book value of adjusted goodwill from deferred income tax resulting from the merger of enterprises, the other current income tax and deferred income tax expenses or gains shall be recognized in profit or loss for the current period.

(4) Offset of Income Tax

When the company has legal rights to settle on a net basis, and intends to settle on a net basis or acquire assets and pay off liabilities at the same time, the company’s current income tax assets and current income tax liabilities shall be presented on a net basis after the offset.

When it has the legal right to settle current income tax assets and current income tax liabilities on a net basis, and deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax administration department on the same tax payer or to different tax payers, but in the future, during each important period of deferred income tax assets and liabilities being reversed, the taxpayer involved intends to settle the current income tax assets and liabilities on a net basis, or acquire assets and pay off liabilities simultaneously, the deferred the income tax assets and deferred income tax liabilities of the Company shall be presented on a net basis after offset.

16. Changes in significant accounting policies and estimates

(1) Changes of accounting policies

There is no changes of accounting policies for the current year.

(2) Changes of significant accounting estimates

There is no significant accounting estimates this year.

V. Taxation

1. The company mainly taxes and tax rates

Tax	Specific tax rate
Value-added tax (VAT)	Taxable income is calculated as output tax at the rate of 6%, and VAT is calculated as the difference after deducting the input tax allowed to be deducted in the current period.
City construction tax	According to the actual payment of turnover tax 7%
Surcharge for education	According to the actual payment of turnover tax 3%
Local education surcharge	According to the actual payment of turnover tax 2%
Enterprise Income Tax	According to 25% of taxable income
Individual income tax	Excess progressivity

According to the "Notice on Implementing Inclusive Tax Reduction and Exemption Policies for Small and Micro Enterprises" (Cai Shui [2019] No. 13) issued by the Ministry of Finance and the State Administration of Taxation, the Company will enjoy preferential tax policies for small and micro enterprises in 2021.

VI. Main Notes to the Financial Statements

The following notes (including notes of major items in the company's financial statements) refer to December 31, 2021 as the beginning of the year, December 31, 2021 as the end of the year, 2021 in the current period and 2020 in the previous period unless otherwise specified.

1. Cash and bank

Item	Closing balance	Beginning balance
Cash in bank	12,198,534.78	9,863,982.33
Total	**12,198,534.78**	**9,863,982.33**

2. Accounts receivable

Item	Closing balance	Beginning balance
Accounts receivable	6,300,805.40	1,550,656.89
Total	**6,300,805.40**	**1,550,656.89**

1. Accounts receivable
2. Classified disclosure of accounts receivable

Category	Closing balance				
	Book balance		Bad-debt provision		Book value
	Amount	Proportion%	Amount	Total proportion%	
Receivables with significant single amount and provision for bad debts separately					
Receivables with provision for bad debts according to the combination of credit risk characteristics	6,300,805.40	100.00			6,300,805.40
Receivables for which single amount is not important and bad debt reserves are boldly withdrawn separately					
Total	**6,300,805.40**	**100.00**			**6,300,805.40**
Category	**Beginning balance**				
	Book balance		**Bad-debt provision**		**Book value**
	Book balance	**Proportion%**	**Amount**	**Total proportion%**	
Receivables with significant single amount and provision for bad debts separately					
Receivables with provision for bad debts according to the combination of credit risk characteristics	1,550,656.89	100.00			1,550,656.89
Receivables for which single amount is not important and bad debt reserves are boldly withdrawn separately					
Total	**1,550,656.89**	**100.00**			**1,550,656.89**

In the portfolio, accounts receivable for which bad debt provision is accrued according to aging analysis

Aging	Closing balance		
	Accounts receivable	Bad-debt provision	Total proportion %
Within one year	6,300,805.40		
Total	**6,300,805.40**		

Continued:

Aging	Beginning balance		
	Accounts receivable	Bad-debt provision	Total proportion(%)
Within one year	1,550,656.89		
Total	**1,550,656.89**		

3. Prepayments

(1) Prepayments are presented by age

Aging	Closing balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion(%)
Within one year	327.51	100.00	455,284.74	98.93
1 to 2 years			4,912.46	1.07
Total	**327.51**	**100.00**	**460,197.20**	**100.00**

4. Other receivables

Item	Closing balance	Beginning balance
Other receivables	602,241.02	481,201.74
Total	**602,241.02**	**481,201.74**

(1) Classification by nature of funds

Nature of payment	Closing balance	Beginning balance
Office rental deposit	479,701.74	479,701.74
Petty cash	2,340.00	1,500.00
Deposit interest	36,827.63	
Deposit	83,371.25	
Others	0.40	
Sub Total	602,241.02	481,201.74
Less: impairment		
Total	**602,241.02**	**481,201.74**

5. Other current assets

Item	Closing balance	Beginning balance
Input tax to be deducted	1,065,483.17	9,892.70
Total	**1,065,483.17**	**9,892.70**

6. Fixed assets

Item	Closing balance	Beginning balance
Fixed assets	18,081.82	613,512.39
Total	**18,081.82**	**613,512.39**

(1)Fixed assets

(2)Status of fixed assets

Item	Beginning book balance	Increase this year	Decrease this year	Closing book balance
I. Total Original Price	**1,737,466.22**			**1,737,466.22**
Electronic equipment	1,737,466.22			1,737,466.22
II. Total Accumulated Depreciation	**1,123,953.83**	**595,430.57**		**1,719,384.40**
Electronic equipment	1,123,953.83	595,430.57		1,719,384.40
III. Total Amount of Impairment Reserve				
Electronic equipment				
IV. Total book value	**613,512.39**			**18,081.82**
Electronic equipment	613,512.39			18,081.82

7. Long-term prepaid expenses

Item	Beginning balance	Increase in current period	Amortization amount in current period	Other reduced amounts	Closing balance
Renovation costs	1,498,423.87		1,463,927.07		34,496.80
Total	**1,498,423.87**		**1,463,927.07**		**34,496.80**

8. Accounts payables

Items	Closing balance	Beginning balance
Consultation fee		86,697.82
Total		**86,697.82**

9. Advances on sales

Items	Closing balance	Beginning balance
Advance Service fee		1,609,491.09
Total		**1,609,491.09**

10. Employee benefits payable

(1) Salary payable to employees listed

Item	Opening balance	Amount withdrawn this year	Amount paid this year	Ending balance
I. Wages, bonuses, allowances and subsidies	32,151.21	10,319,748.29	10,329,804.22	22,095.28
II. Employee benefits				
III. Social insurance fee		1,601,544.54	1,457,063.12	144,481.42
IV. Housing fund		1,402,022.34	1,402,022.34	
Total	**32,151.21**	**13,323,315.17**	**13,188,889.68**	**166,576.70**

11. Taxes payable

Item	Closing balance	Beginning balance
Value-added tax		49,980.55
Personal income tax	172,149.43	48,990.84
Enterprise Income Tax		148,882.15
City construction tax		3,200.84
Surcharge for education		1,371.79
Local education surcharge		914.53
Total	**172,149.43**	**253,340.70**

12. Other payables

Item	Closing balance	Beginning balance
Other payables	9,213,980.27	1,723,344.89
Total	**9,213,980.27**	**1,723,344.89**

(1) Other payables

(2) Other payables by nature

Item	Closing balance	Beginning balance
Service fee	261,244.74	754,548.82
Advance prepayment from Headquarters	8,885,038.86	563,860.09
Accrued expense		20,874.09
Rental and service of network equipment		165,061.89
Decoration quality deposit		219,000.00
Interest on loan		
Personal loan	50,714.69	
Others	16,981.98	
Total	**9,213,980.27**	**1,723,344.89**

13. Paid-in capital

Item	Beginning balance	Increase in current period	Decrease in current period	Closing balance
Tech Mahindra Limited	5,574,666.02			5,574,666.02
Total	**5,574,666.02**			**5,574,666.02**

14. Capital premium

Item	Beginning balance	Increase in current period	Decrease in current period	Closing balance
Capital (equity) premium	12,639.68			12,639.68
Total	**12,639.68**			**12,639.68**

15. Retained earnings

Item	Current amount	Amount of previous period
Undistributed profit at the end of last year before adjustment	5,185,535.71	2,506,243.51
Adjust the total undistributed profit at the beginning of the period (increase +, decrease -)		
Adjusted undistributed profits at the beginning of the period	5,185,535.71	2,506,243.51
Plus: net profit attributable to shareholders of the parent company in the current period	-105,577.31	2,679,292.20
Minus: Withdraw statutory surplus reserve		
Unallocated profit at the end of the period	5,079,958.40	5,185,535.71

16. Operating income and operating costs

Item	Current amount		Amount of previous period	
	Income	Cost	Income	Cost
Principal business	33,049,347.20		22,361,639.09	
Total	**33,049,347.20**		**22,361,639.09**	

17. Other income

Item	**Current amount**	**Amount of previous period**
Input tax plus deduction	27,233.73	34,497.74
Service fees paid for withholding IIT		8,072.21
Total	**27,233.73**	**42,569.95**

18. Non-operating income

Item	**Current amount**	**Amount of previous period**
Others	2,509.38	
Total	**2,509.38**	

19. Non-operating expense

Item	**Current amount**	**Amount of previous period**
Uncollectible other accounts receivable		40,777.90
Total		**40,777.90**

20. Income tax

Item	**Current amount**	**Amount of previous period**
Current income tax		242,827.59
Total		**242,827.59**

VII. Contingent Events

Without any contingent events in this year.

VIII. Events after the balance sheet date

Without the need for disclosure of events after the balance sheet date this year.

IX. Other significant events declaration

This financial statement has already been approved by Board of Director of the company.

X. The approval of financial statement

This financial statement has already been approved by Board of Director of the company.

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED
April 29, 2022

Legal Representative: Mr. Jagdish Mitra
Person in charge of accounting: Ms. Daisy Xia
Head of Accounting Department: Ms. Daisy Xia

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Foreign rights and interests of foreign-invested enterprises confirmation form audit report

Shengjiawaishenzi [2022] 006□

Tech Mahindra (Beijing) IT Services Limited:

We have audited the accompanying Tech Mahindra (Beijing) IT Services Limited (hereinafter referred to as the Company) foreign shareholding rights and interests of foreign-invested enterprises confirmation form for 2021. In accordance with the relevant provisions of the foreign exchange management, true and complete preparation of foreign-invested enterprises in foreign interests confirmation form is the responsibility of the Company's management. While our responsibility is to perform the audit work on the basis of the foreign shareholding interests of foreign-invested enterprises confirmation form and reach a conclusion on whether the form in all material respects, abides the relevant requirements of the national foreign exchange management. We are not providing assurance to the compliance on the Company's foreign exchange balance to relevant rules of the country.

We perform the audit work in accordance with the "foreign-invested enterprises by the Chinese Institute of CPAs guidance" which developed by the Chinese Institute of CPAs. In the audit process, we ask to check the records and documents, recalculations and other procedures as we considered necessary. We believe that our audit provides a reasonable basis for the audit conclusions.

We believe that the foreign interests confirmation table of the foreign-invested enterprises in all material respects comply with the requirements of the national foreign exchange management.

This report is intended for your confirmation form submitted to the foreign shareholding interests of foreign-invested enterprises to the national foreign exchange management departments and may not be used for any other purpose.

Beijing Zhong Sheng Jia Hua Certified Public **Name of CPA:**
Accountants Co.,Ltd

Beijing China Name of CPA:
April 29, 2022

Foreign shareholding Rights and Interests of Foreign-invested Enterprises Confirmation Form

Prepared by: TECH MAHINDRA (BEIJING) IT SERVICES LIMITED Fill time: April 29, 2022

Organization Code: 91110105666903783P		Unit: RMB Yuan
Indicators	**Beginning**	**Ending**
1 The actual investment of the foreign investor	5,574,666.02	5,574,666.02
Of which: foreign real to the registered capital	5,574,666.02	5,574,666.02
2 Amount of reserve and retained earnings of foreign enjoyed	5,198,175.39	5,092,598.08
2.1 Capital reserve	12,639.68	12,639.68
2.2 Surplus reserve		
2.3 Undistributed profit	5,185,535.71	5,079,958.40
3 Foreign dividend that allocated but not yet exported outside		
4 Foreign currency account balances (Including regular items and capital items)	1,958,065.85	1,913,832.51

Note:

1. This year has been to export the amount of foreign profits is: 0.00Yuan.
2. The external guarantees new adding amount is 0.00 U.S.dollars this year, reducing amount of the guarantee is 0.00 U.S. dollars, year-end balance is $ 0.00.

Person in charge of unit: Ms. Daisy Xia

Person in charge of accounting: Ms. Daisy Xia

Lister: Ms. Cui Jingwen

TECH MAHINDRA BUSINESS SERVICES LIMITED

Board of Directors
Mr. Birendra Sen
Mr. Sujit Baksi
Ms. Kunal Jesrani

Registered Office
Spectrum Towers,
Mindspace Complex,
Off Link Road,
Malad (West), Mumbai- 400 064

Bankers
Kotak Mahindra Bank Limited
HSBC Bank Limited
Bank of Ireland

Statutory Auditors
B S R & Co. LLP
Chartered Accountants

BOARD'S REPORT

Your Directors present their Seventeenth Annual Report together with the audited Accounts of the Company for the year ended March 31, 2022.

FINANCIAL SUMMARY / RESULTS

(Amount in ₹)

For the year ended	March 31st 2022	March 31st 2021
Income	9,087,269,212	7,950,037,126
Expenditure	6,041,630,468	5,642,773,615
Depreciation	734,843,291	741,584,992
Profit/(Loss) Before Tax & Extra Ordinary items	2,310,795,453	1,565,678,519
Provision for Taxation	354,400,528	357,808,858
Deferred Taxes Charge/ (Credit)	(38,662,570)	7,650,690
Profit/ (Loss) after Tax	1,995,057,495	1,200,218,971
Profit /(Loss) Carried forward to Balance Sheet	1,995,057,495	1,200,218,971

DIVIDEND

The Board of Directors declared an Interim Dividend @ ₹ 1000/- per equity share on the Face Value of ₹ 10/- during the financial year 2021-22. The dividend pay-out was ₹ 1,000 million. Your Directors are of the opinion that the said Interim Dividend be treated as final dividend for the financial year 2021-22.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there is no unpaid/unclaimed Dividend as on 31st March, 2022, the provisions of Section 125 of the Companies Act, 2013, read with rules framed there under, does not apply.

RESERVES

The Board does not propose to carry any amount to General Reserves of the Company.

BUSINESS OVERVIEW / STATE OF COMPANY'S AFFAIRS

The operational income during the financial year 2021-22 is ₹ 8,892 million against the previous year ₹ 7,855 million. The profit before tax is ₹ 2,310 million against the previous year ₹ 1,566 million.

The head count of the Company was 6925 in March 2022 vis a vis 7801 in March 2021.

During the year the Company has earned a mutual fund gain of ₹ 98 million. The Company invests all its surplus funds in debt (Liquid, Growth, Low duration schemes) funds which provide slightly better post tax yield than a traditional FDs or ICDs.

There are no changes in the nature of the business carried out by your Company during the period under review nor there any material changes or commitments affecting the financial position of the Company after the closure of the financial year of the Company and till the date of the subject Board's Report.

MERGER SCHEME RELATED UPDATES

On January 29, 2021, the Board of Directors of the Company passed a resolution to consider and approve the Scheme of Merger by Absorption of the Company and Born Commerce Private Limited (Fellow Subsidiary) with its holding company Tech Mahindra Limited and their respective shareholders under the provisions of section 230 to 232 of the Companies Act, 2013. Accordingly, the Company has filed the application before Hon'ble National Company Law Tribunal ("NCLT"), Mumbai. The appointed date under the proposed scheme is April 1, 2021. However, as the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") is yet to approve the same, the Scheme is not yet effective. The Company has filed petition with Mumbai NCLT for sanctioning the scheme on January 22, 2022. The petition admission hearing is pending with NCLT.

There are no material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Further no application against the Company has been filed or is pending under the Insolvency and Bankruptcy Code, 2016, nor the Company has done any one time settlement with any Bank or Financial institutions.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

STATUTORY AUDITORS

The members at their meeting held on 12th July, 2018 appointed M/s B S R & Co. LLP, Chartered Accountants, [ICAI Firm Registration No. 101248W/W-100022] as the Statutory Auditors of the Company for the period of five years with effect from Financial Year 2018-19 i.e. from the conclusion of the thirteen Annual General Meeting held in Financial year 2018-19 till the conclusion of the Annual General Meeting for the Financial Year 2022-23.

Pursuant to the amendment to Section 139 of the Companies Act, 2013 which was notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no longer required.

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2021-22. Further there are no frauds reported by the auditors during the year under review.

The Company has received a certificate from M/s B S R & Co. LLP, Chartered Accountants to the effect that they are eligible in terms of Section 141 of the Companies Act, 2013 to act as statutory auditors of the Company.

SHARE CAPITAL

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 10,000,000/- comprising of 1,000,000 equity shares of Face Value ₹ 10/- each.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the Financial Year ended 31st March, 2022 is uploaded on the website of the Company and can be accessed at https://techmbs.in/about-tech-mahindra-business-services/compliance-and-policies

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed to play its role as an enlightened corporate citizen. The CSR vision of the Company is "Empowerment through Education."

Pursuant to the guidelines prescribed under Section 135 of the Companies Act, 2013, your Board has formed a CORPORATE SOCIAL RESPONSIBILITY (CSR) Committee and the CSR Policy as recommended by the CSR Committee was also approved by the Board. The policy is uploaded on the website of the Company.

The disclosures as per Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time is forming part of the Board's report as **Annexure 1.**

DIRECTORS

During the year Ms. Suchitra Kerkar resigned as Director with effect from 30th April, 2021, Mr. Manoj Bhat resigned as Director with effect from 30th July, 2021 and Mr. Ritesh Idnani resigned as Director with effect from 10th September, 2021.

Pursuant to the provisions of the section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Ms. Kunal Jesrani was appointed as Director with effect from 20th July, 2021.

Pursuant to the provisions of Section 152(6)(c) of the Companies Act 2013, Mr. Sujit Baksi, Director is liable to retire by rotation and being eligible offers himself for reappointment.

BOARD AND COMMITTEES OF BOARD

The Ministry of Corporate Affairs by its Notification dated 13th July, 2017 amended Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014. The provisions in respect of appointment of independent directors on the board of unlisted wholly owned subsidiary Company are no more applicable.

Also such unlisted wholly owned subsidiary Company need not constitute/have Audit Committee and Nomination & Remuneration Committee of the Board.

The CSR Committee of the Company comprises of following members Mr. Sujit Baksi, Mr. Birendra Sen and Ms. Kunal Jesrani. During the Financial year 2021-22, 1 (One) meeting of the CSR Committee was held on 19th April, 2021.

During the Financial Year 2021-22, 6 (six) Board meetings were held on 19.04.2021, 20.07.2021, 18.10.2021, 14.12.2021, 18.01.2022, 28.03.2022 The Governance Policies comprising of Policy on Appointment and removal of Directors, Policy on Remuneration to the Directors and other Employees is available on the website of the Company.

STATEMENT OF COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS

Your Directors state that the Company has complied with the applicable Secretarial Standards during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The particulars of loans/advances, guarantees and investments under Section 186 of the Companies Act, 2013 are given in the notes forming part of the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The particulars of related party transactions in prescribed **Form AOC -2** is annexed herewith as **Annexure 2**.

PARTICULARS OF EMPLOYEES

The information required under Rule 5(2) & of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, pursuant to first proviso to Section 136(1) of the Act, this Report is being sent to the Shareholders excluding the aforesaid information. Any shareholder interested in obtaining said information, may write to the Company at the Registered Office / Corporate Office of the Company and the said information is open for inspection at the Registered Office of the Company.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report given by Mr. Yogesh Kandalgaonkar, Practising Company Secretary, Pune is annexed with the Board's Report as **Annexure 3**. The Secretarial Audit report is unqualified and without any reservation or adverse remark.

COST RECORDS AND AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

RISK MANAGEMENT POLICY

The Company believes that it operates in a business environment that is characterized by increasing globalization of markets, intensifying competition and is exposed to multiple risks in the ordinary course of business. This is inevitable, as there can be no entrepreneurial activity without the acceptance of risks and associated profit opportunities.

The Company's risk management objectives are:

- Identify and manage existing and new risks in a planned and coordinated manner with the minimum of disruption and cost.
- Develop a "risk" culture that encourages all staff to identify risks and associated opportunities and to respond to them with effective action plans.

Risk identification refers not only to the systematic identification of risks but also to the identification of their root causes & impact. It is a continuous process for existing as well as new risks emerging out of evolving business dynamics.

The Company follows a process of identifying any risks and communicates the same to the Risk Management Oversight Committee (RMOC) through Risk Managers for monitoring.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company has an adequate system of internal controls commensurate with its size and the nature of its business. It ensures that transactions are authorized, recorded, and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use and disposition.

The internal control system is supplemented by well documented policies, guidelines and procedures. The Purpose of the internal audit is to provide independent and objective reviews on a continuous basis with assessments of the policies, business activities, operations, systems and controls followed within the Company to add value, improve processes and assist the organisation to achieve its goals and objectives. The Internal audit scope is prepared in accordance with the internal policy and processes as well as external regulatory and other compliances.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134(5) of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the directors have prepared the annual accounts on a going concern basis;

(v) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

HUMAN RESOURCE MANAGEMENT

Employees are the core of our business and are our most valuable assets. Our Focus is to deliver Fantastic People Experience for all our employees. We are proud winners of three consecutive wins of the Gallup Great Workplace Awards. We are amongst the Top 40 organizations worldwide to be recognized for our cutting-edge Best People Practices.

We have successfully sustained and enhanced our organization's culture through employee centric initiatives such as Employee Assistance Program, Helping Hands, Diversity and Inclusive program, Gift a Leave, Fun Days, Celebration of Festivals, Focus on Development, Employee Growth Initiatives, Employee Surveys, Monthly Performance Incentives for advisors and contemporary learning and development initiatives. During the last 2 years we have taken several initiatives like Flexible and Remote Working, Reimbursement of Covid 19 Vaccine for our employees, Reimbursement of Internet Allowance, Antigen Testing @ office, Vaccination Drives @ office, Online Champaign to increase awareness on Covid 19, myths and precautions, Support given to employees who got impacted by Covid 19 etc., and kept employee wellness as our top most priority.

During the year we have hired around 3468 employees, with around 96% sourced through internal channels, this has had a very positive impact of an overall reduction in recruitment costs. Through our multipronged people management strategy we have been able to nurture talent and have created opportunities for both personal and professional growth across the organization and the group for our employees.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The status of complaints received under POSH and redressed by the POSH Committee of the Company, during the financial year under review, are given below:

a) Number of complaints received - 11

b) Number of complaints redressed – 8

c) Number of complaints pending – 3 (received in March 2022)

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

1. **Conservation of Energy & Technology Absorption**

   The Company being in the service industry, the rules pertaining to conservation of energy does not apply to the Company. The Company is constantly acquiring new hardware and software solutions and upgrading its existing hardware and software to provide more and better services to its customers.

2. **Foreign Exchange earnings and outgo**

   The foreign exchange earnings of your Company during the year were ₹ 8,892 million. (Previous Year - ₹ 7,855 million.) while the outgoings were ₹ 720 million. (Previous Year - ₹ 506 million).

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the contributions made by employees towards the success of your Company. Your Directors are also thankful for the co-operation and assistance received from its customers, vendors, bankers, STPI, Excise authorities and other regulatory and governmental authorities in India and abroad and its shareholders.

For and on behalf of the Board of Directors

Birendra Sen **Director**	**Kunal Jesrani** **Director**

Place: Mumbai

Date: April 30, 2022

ANNEXURE 1

Format For The Annual Report on CSR Activities to be Included in the Board's Report For Financial Year Commencing on or After 1st Day of April, 2020

1. Brief outline on CSR Policy of the Company.

   The CSR vision of Tech Mahindra Business Services Limited (TMBSL) is aligned to the CSR vision of its holding Company, Tech Mahindra Limited (TML), which is "Empowerment through Education." Currently the CSR focus area for TMBSL is promotion of Education. Within this broad theme specific areas such as school education, education for employment, and higher education are included.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sujit Baksi	Director	1	1
2	Birendra Sen	Director	1	1
3	Kunal Jesrani	Director	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company. https://techmbs.in/about-tech-mahindra-business-services/compliance-and-policies

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). - Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2018-19	Nil	Nil
2	2019-20	Nil	Nil
3	2020-21	Nil	Nil
Total		**Nil**	**Nil**

6. Average net profit of the Company as per section 135(5). ₹ 1,22,03,85,429

7. (a) Two percent of average net profit of the Company as per section 135(5) ₹ 2,44,07,709

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. ₹ Nil

   (c) Amount required to be set off for the financial year, if any ₹ Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 2,44,07,709

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
FY 2021-22	Amount in ₹	Date of transfer	Name of the Fund	Amount in ₹	Date of transfer
2,52,92,815	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	NA	NA	NA	NA	NA	Nil	NA	NA	NA
	Total					**Nil**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹.)	Amount spent in the current financial Year (in ₹.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹.)	Mode of Implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District						Name	CSR registration number
1.	Navjeevan Lokvikas Sanstha	Special Education & Employment enhancing	Yes	Maharashtra	Mumbai	12 months	34,51,032	34,51,032	-	No	TMF	CSR00001814
2.	Shield Foundation		Yes	Maharashtra	Mumbai	12 months	31,77,002	31,77,002	-	No	TMF	CSR00001814
3.	Utkarsh Mandal	Promoting Education	Yes	Maharashtra	Mumbai	12 months	3,58,997	3,58,997	-	No	TMF	CSR00001814
4.	Mahindra Educational Institutions	Technical Education	No	Telangana	Rangareddy	12 months	1,83,05,784	1,83,05,784	-	No	MEI	CSR00001815
	Total						**2,52,92,815**	**2,52,92,815**	**-**			

(d) Amount spent in Administrative Overheads : ₹ Nil

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 2,52,92,815

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	2,44,07,709
(ii)	Total amount spent for the Financial Year	2,52,92,815
(iii)	Excess amount spent for the financial year [(ii)-(i)]	8,85,106
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	8,85,106

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-19	Nil	Nil	NA	Nil	NA	Nil
2.	2019-20	Nil	Nil	NA	Nil	NA	Nil
3.	2020-21	Nil	Nil	NA	Nil	NA	Nil
	Total	**Nil**	**Nil**		**Nil**		**Nil**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
1	NA	NA	NA	NA	Nil	Nil	Nil	NA
	Total				**Nil**	**Nil**	**Nil**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details)**

(a) Date of creation or acquisition of the capital asset(s). : **31st March 2022**

(b) Amount of CSR spent for creation or acquisition of capital asset. : ₹ **1,83,05,784**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : **Mahindra Educational Institutions**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : **Construction of 450 rooms**

Phase II Hostel Building Buildings,

Survey No 62/1A,Bahadurpally Jeedimetla, Hyderabad, India

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : **Not Applicable**

For and on behalf of the Board of Directors

Birendra Sen
Director

Kunal Jesrani
Director

Place: Mumbai
Date: April 30 , 2022

ANNEXURE 2

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto :

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

(a) Name(s) of the related party and nature of relationship:

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts/arrangements/transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

(e) Justification for entering into such contracts or arrangements or transactions

(f) Date(s) of approval by the Board

(g) Amount paid as advances, if any:

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

	Transaction No 1	**Transaction No 2**	**Transaction No 3**	**Transaction No 4**	**Transaction No 5**	**Transaction No 6**
(a) Name(s) of the related party and nature of relationship :	Tech Mahindra Limited (Holding Company)	Tech Mahindra Foundation (Associate Company)	Mahindra Engineering & Chemical Products Ltd (Subsidiary Company of Mahindra and Mahindra Limited)	vCustomer Philippines (Cebu) Inc (Associate Company)	Mahindra Educational Institutions (Associate Company)	Mahindra Educational Institutions (Associate Company)
(b) Nature of contracts/ arrangements/transactions	Reimbursement of Costs/ Revenue billings/ ESOP / Dividend/ Asset	CSR Contribution	Expenses	Expenses	CSR Contribution	Inter Company Loan
(c) Duration of the contracts / arrangements/transactions	April 21 - March 22	April 21 - March 22	April 21 - March 22	April 21 - March 22	April 21 - March 22	December 21 - March 22
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Reimbursement of Costs	CSR Contribution – ₹7 Mn	Staff welfare Expenses -₹ 64Mn	Subcontracting Expenses	CSR Contribution – ₹18 Mn	Loan given and Loan Repaid ₹ 250 Mn
	- TMBS to TML - ₹ 299 Mn	as per Companies Act, 2013		Vcustomer to TMBS- ₹59 Mn	as per Companies Act, 2013	Interest received ₹ 2Mn
	- TML to TMBS - ₹ 174 Mn					
	- Revenue billings					
	TMBS to TML - ₹416 Mn					
	- ESOP					
	TML to TMBS ₹ 10 Mn					
	- Software Licences ₹ 5Mn					
	- Interim Dividend					
	TMBS to TML ₹1,000 Mn					
(e) Date(s) of approval by the Board, if any:	19-Apr-21	19-Apr-21	19-Apr-21	19-Apr-21	19-Apr-21	14-Dec-21
(f) Amount paid as advances, if any:	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Birendra Sen
Director

Kunal Jesrani
Director

Place: Mumbai

Date: April 30, 2022

ANNEXURE 3

Form No. MR-3
Secretarial Audit Report
For the Financial Year Ended 31.03.2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Tech Mahindra Business Services Limited
Spectrum Towers, Mindspace Complex,
Off Link Road, Malad (West),
Mumbai 400064.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tech Mahindra Business Services Limited (CIN: U72900MH2006PLC159149)**, (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2022** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (Not applicable to the Company during the audit period);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (The Company is an Unlisted Company and the shares of the Company are not in dematerialized form therefore provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable to the Company during the audit period);

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the audit period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the audit period as the Company is an unlisted Company:-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) As informed to me, the Company has complied with the following laws applicable specifically to the Company during the audit period:

   (a) the Information Technology Act, 2000;

   (b) the Indian Telegraph Act, 1885.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s) and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Not applicable to the Company during the audit period as the Company is an unlisted Company.)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, (except for two board meetings conducted at a shorter notice, for which all the directors consented unanimously), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings and Committee Meeting were carried out unanimously as recorded in the minutes of the respective meetings.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Board of Directors of the Company had in its meeting held on 29th January, 2021 approved the Scheme for Merger by Absorption of the Company (the “Transferor Company”) with its holding Company, Tech Mahindra Limited (the “Transferee Company”) and their respective Shareholders with Appointed Date as 1st April, 2021 in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, subject to the approvals of the Hon’ble National Company Law Tribunal (“NCLT”), Mumbai. The Transferor Company is a Wholly Owned Subsidiary of the Transferee Company. The Company subsequently filed the petition with the Hon’ble National Company Law Tribunal (“NCLT”) Mumbai and the same is pending with the Tribunal.

Yogesh Kandalgaonkar
Company Secretary
FCS No. 6197, C.P. No. 20316
Unique Document Identification Number (UDIN): F006197D000245172

Place: Pune
Date: April 30, 2022

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure

To,
The Members,
Tech Mahindra Business Services Limited
Spectrum Towers, Mindspace Complex,
Off Link Road, Malad (West), Mumbai 400064.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on audit..
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Yogesh Kandalgaonkar
Company Secretary
FCS No. 6197, C.P. No. 20316
Unique Document Identification Number (UDIN): F006197D000245172

Place: Pune

Date: April 30, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Tech Mahindra Business Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tech Mahindra Business Services Limited (hereinafter referred to as "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 the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 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 23 to the Financial statements.

b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long term contracts including derivative contracts. Refer Note 25 to the financial statements.

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, 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, 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; 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 (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

iv. 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 & Co. LLP
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Ashish Gupta
Partner
Membership No: 215165
UDIN: 22215165AIEDBX4436

Place: Pune
Date: 30 April 2022

Annexure A to the Independent Auditor's report on the financial statements of Tech Mahindra Business Services Limited for the year ended 31 March 2022

(Referred to in our report of even date)

(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 two 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 material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause3(i)(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 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 voice based call centre services. Accordingly, it does not hold any physical inventories and thus, 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 not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point in time during the year. Accordingly, clause 3(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 has not provided any guarantee or security or granted advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties. The Company has made investments and extended a loan to one entity during the year in respect of which the requisite information is given in (a) below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted a loan to a party other than subsidiaries as below:

Particulars	Loans (INR million)
Aggregate amount during the year	250
- Other related party (Mahindra Educational Institutions)	
Balance outstanding as at balance sheet date	-
- Other related party (Mahindra Educational Institutions)	

(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 investments made and the terms and conditions of the grant of loans 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 a loan given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular (it may be noted that the loan has also been repaid during the year). 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.

(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 records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion, the provisions of section 185 and 186 of the Companies Act, 2013 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 of the Act, for any of the services rendered by the Company. Accordingly, the provisions of paragraph 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 July 1, 2017, these statutory dues has been subsumed into GST. 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, Employees' State Insurance, Income-Tax, Goods and Services Tax (GST), Duty of Customs and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-Tax, GST, Duty of Customs and other statutory dues were 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 (₹ in Million)	Period to which the amount relates	Due Date	Date of payment
The Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Employer and employee contribution to Provident fund	0.20	July 2017 to September 2021	Various	Not yet paid

(b) According to the information and explanations given to us, statutory dues relating to Provident Fund, Employees State Insurance, Income-Tax, GST, Service tax, Duty of excise, Sales tax, Value added tax, Duty of Customs or other statutory dues which have not been deposited on account of any dispute, except for the following:

Name of statute	Nature of dues	Amount unpaid (₹ in Million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	377	A.Y. 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	17	A.Y. 2016-17	Income Tax Appellate Tribunal
Finance Act, 1994	Service tax	86*	F.Y. 2007-08 to 2017-18	Commissioner of Service Tax

* excluding interest but includes penalties

(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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(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 did not have any loans or borrowings during the year and accordingly, has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(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 have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not hold any investment in subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) The Company does not hold any investment in subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

(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, considering the principles of materiality outlined in Standards on Auditing, we report that 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 Companies Act, 2013 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) Based on the information and explanations provided to us, the Company is not required to have a vigil mechanism as per Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(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) According to the information and explanations given to us, the provisions of Section 177 of the Act are not applicable to the Company and accordingly, the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Section 188 of the Act, where applicable, and the details of such 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 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. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

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

(c) 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.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CIC as part of the Group.

(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 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 and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN: 22215165AIEDBX4436

Place: Pune
Date: 30 April 2022

Annexure B to the Independent Auditor’s Report on the financial statements of Tech Mahindra Business Services Limited for the year 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 paragraph 2(A)(f) 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 Tech Mahindra Business Services Limited (“the Company”) as of 31 March 2022 in conjunction with our audit of the financial statements of the Company as at and 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’ Responsibilities for Internal Financial Controls

The Company’s Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the 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 the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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.

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 & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ashish Gupta
Partner
Membership No: 215165
UDIN: 22215165AIEDBX4436

Place: Pune
Date: 30 April 2022

BALANCE SHEET AS AT MARCH 31, 2022

₹ in Million

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	3	**616**	704
(b) Right-of-Use of asset	4	**731**	630
(c) Capital Work-In-Progress (Refer note 35)		**38**	19
(d) Intangible Assets	5	**147**	47
(e) Financial Assets			
(i) Other Financial Assets	6	**88**	143
(f) Advance Income Taxes (Net of Provisions)		**1,554**	1,421
(g) Deferred Tax Assets (net)	7	**195**	196
(h) Other Non-current Assets	8	**507**	629
Total Non-Current Assets		**3,876**	3,789
2 Current Assets			
(a) Financial Assets			
(i) Investments	9	**2,854**	1,989
(ii) Trade Receivables (Refer note 36)	10		
- Billed		**1,198**	1,312
- Unbilled		**29**	-
(iii) Cash and Cash Equivalents	11	**529**	504
(iv) Other Financial Assets	12	**370**	53
(b) Other Current Assets	13	**264**	219
Total Current Assets		**5,244**	4,077
TOTAL ASSETS		**9,120**	7,866
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	**10**	10
(b) Other Equity	15	**5,343**	4,228
Total equity		**5,353**	4,238
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities		**515**	348
(b) Provisions	16	**303**	195
Total Non-Current Liabilities		**818**	543
2 Current Liabilities			
(a) Financial Liabilities			
(I) Lease Liabilities		**285**	369
(II) Trade Payables (Refer note 37 and 38)			
i) Dues of micro and small enterprises		**34**	15
ii) Dues to trade payables other than micro and small enterprises		**354**	361
(III) Other Financial Liabilities	17	**382**	507
(b) Provisions	18	**555**	483
(c) Current Tax Liabilities (Net)		**120**	217
(d) Other Current Liabilities	19	**1,219**	1,133
Total Current Liabilities		**2,949**	3,085
TOTAL EQUITY AND LIABILITIES		**9,120**	7,866
See accompanying notes to the financial statements	2 to 42		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited

Ashish Gupta
Partner
Membership No : 215165
Place : Pune
Dated : 30 April 2022

Birendra Sen
Director
DIN No: 07956092
Place : Mumbai
Dated : 30 April 2022

Kunal Jesrani
Director
DIN No: 09234267
Place : Mumbai
Dated : 30 April 2022

STATEMENT OF PROFIT AND LOSS

₹ in Million except earnings per Share

	Particulars	Note No.	For the year ended March 31,2022	For the year ended March 31,2021
I	**Revenue from Operations**		**8,892**	7,855
II	Other Income	20	**194**	95
III	**Total Income (I + II)**		**9,086**	7,950
IV	EXPENSES			
	(a) Employee Benefit Expense	21	**4,915**	4,786
	(b) Finance Costs		**41**	62
	(c) Depreciation and Amortisation Expense	3,4 & 5	**735**	742
	(d) Other Expenses	22	**1,085**	794
	Total Expenses		**6,776**	6,384
V	**Profit Before Tax (III - IV)**		**2,310**	1,566
VI	**Tax Expense**			
	(1) Current Tax	31	**354**	358
	(2) Deferred Tax	32	**(39)**	8
	Total Tax Expense		**315**	366
VII	**Profit After Tax (V - VI)**		**1,995**	1,200
VIII	**Other Comprehensive Income**			
A	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities		**(23)**	(10)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**6**	2
B	(i) Items that will be reclassified to profit or loss			
	Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		**183**	(110)
	(ii) Income tax on items that will be reclassified to profit or loss		**(46)**	28
	Total Other Comprehensive Income (A + B)		**120**	(90)
IX	**Total Comprehensive Income (VII + VIII)**		**2,115**	1,110
	Earnings per Equity Share			
	Basic and Diluted [In ₹.] [Face Value ₹10]	27	**1,995**	1,200
	See accompanying notes to the financial statements	2 to 42		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited

Ashish Gupta
Partner
Membership No : 215165
Place : Pune
Dated : 30 April 2022

Birendra Sen
Director
DIN No: 07956092
Place : Mumbai
Dated : 30 April 2022

Kunal Jesrani
Director
DIN No: 09234267
Place : Mumbai
Dated : 30 April 2022

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

		For the year ended March 31,2022	For the year ended March 31,2021
A.	**Cash flow from Operating Activities:**		
	Profit before tax	**2,310**	1,566
	Adjustments for:		
	Depreciation and Amortisation Expense	**735**	742
	Interest Income	**(10)**	(12)
	Interest Expenses	**41**	62
	Net gain on disposal of Property, Plant and Equipment	**(5)**	(2)
	Unrealised Exchange (gain) / loss	**(94)**	38
	Gain on sale of Investments (net)	**(98)**	(69)
	Operating profit before working capital changes	**2,879**	2,325
	Changes in working capital:		
	Trade Receivables and Other Assets	**37**	(171)
	Trade Payables, Other Liabilities and Provisions	**300**	23
	Cash generated from operations	**3,216**	2,177
	Income taxes paid	**(584)**	(468)
	Net cash flow from operating activities (A)	**2,632**	1,709
B.	**Cash flow from Investing activities:**		
	Purchase of Property, plant and Equipment and Intangible assets (Including Capital Work-in-progress)	**(407)**	(541)
	Disposal of ROU Assets	**-**	66
	Purchase of Mutual Funds	**(8,770)**	(7,179)
	Proceeds from sale of Mutual Funds	**8,002**	7,322
	Proceeds from other investments	**-**	5
	Proceeds from Sale of Property, Plant and Equipment	**10**	2
	Net cash flow (used in) / from investing activities (B)	**(1,165)**	(325)
C.	**Cash flow from financing activities:**		
	Repayment of Lease Liabilities	**(392)**	(469)
	Interest Payment on Lease Liabilities	**(41)**	(62)
	Interim Dividend Paid	**(1000)**	(900)
	Net cash flow used in financing activities (C)	**(1,433)**	(1,431)
D.	**Net (decrease) / increase in Cash and Cash Equivalents (A+B+C)**	**34**	(47)
E.	**Effect of exchange rate changes on Cash and Cash Equivalents**	**(9)**	(7)
F.	**Cash and Cash Equivalents at beginning of the year**	**504**	558
G.	**Cash and Cash Equivalents at end of the year (D+E+F)**	**529**	504
	Cash and Cash Equivalents comprises of		
	Cash in hand	**0**	0
	Balances with Banks:		
	- Current Accounts	**527**	503
	- Deposit Accounts	**2**	1
	Cash and Cash Equivalents as per Balance Sheet (refer note 11)	**529**	504

See accompanying notes to the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited

Ashish Gupta
Partner
Membership No: 215165
Place : Pune
Dated : 30 April 2022

Birendra Sen
Director
DIN No: 07956092
Place : Mumbai
Dated : 30 April 2022

Kunal Jesrani
Director
DIN No: 09234267
Place : Mumbai
Dated : 30 April 2022

STATEMENT OF CHANGES IN EQUITY

a. Equity Share Capital

Particulars	Number of Shares	Equity Share Capital ₹ in Million
Balance at April 1, 2021	**1,000,000**	**10**
Changes in equity share capital during the year	-	-
Balance at March 31, 2022	**1,000,000**	**10**
Balance at April 1, 2020	**1,000,000**	**10**
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	**1,000,000**	**10**

b. Other Equity

₹ in Million

Particulars	Reserves & Surplus		Items of Other Comprehensive Income	Total
	Capital Redemption Reserve	Surplus in Statement of Profit and Loss	Cash Flow Hedge Reserve	
Balance as of April 1, 2021	**666**	**3,633**	**(71)**	**4,228**
Profit for the year	-	1,995	-	1,995
Other Comprehensive Income	-	(17)	137	120
Total Comprehensive income	**-**	**1,978**	**137**	**2,115**
Interim Dividend	-	(1,000)	-	(1,000)
Balance at March 31, 2022	**666**	**4,611**	**66**	**5,343**
Balance as of April 1, 2020	**666**	**3,341**	**11**	**4,018**
Profit for the year	-	1,200	-	1,200
Other Comprehensive Income	-	(8)	(82)	(90)
Total Comprehensive income	**-**	**1,192**	**(82)**	**1,110**
Interim Dividend	-	(900)	-	(900)
Balance at March 31, 2021	**666**	**3,633**	**(71)**	**4,228**

A description of the purposes of each reserve within equity:

1. Capital Redemption Reserve pertains to nominal value of Redeemable Non Convertible preference shares redeemed out of profits. The nominal value of shares was transferred to Capital Redemption Reserves.
2. Surplus in Statement of Profit and Loss - This represents the undistributed profits of the Company accumulated at the year end.
3. Cash Flow Hedge Reserve pertains to the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge recognised in other comprehensive income.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited

Ashish Gupta
Partner
Membership No : 215165
Place : Pune
Dated : 30 April 2022

Birendra Sen
Director
DIN No: 07956092
Place : Mumbai
Dated : 30 April 2022

Kunal Jesrani
Director
DIN No: 09234267
Place : Mumbai
Dated : 30 April 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Corporate Information:

Tech Mahindra Business Services Limited (the 'Company') head quartered in Mumbai, Maharashtra, India provides voice based call centre services to 'Hutchison 3G UK Limited', 'TPG Telecom Limited' (formerly known as Vodafone Hutchison Australia Pty Limited), 'Hutchison 3G Ireland Limited' and Tech Mahindra Limited.

The Company was converted from a Private Limited Company to a Public Limited Company with effect from December 27, 2012 and the name has been changed from Hutchison Global Services Limited to Tech Mahindra Business Services Limited with effect from July 13, 2013.The Company is now a 100% subsidiary of Tech Mahindra Limited. Also refer note 36 on scheme of merger.

2. Significant accounting policies:

2.1 Statement of Compliance:

These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, and other relevant provisions of the Companies Act, 2013.

Details of the Company's accounting policies are included in paragraph 2.

These financial statements were authorised and issued on April 30, 2022.

2.2 Basis for preparation of financial statements:

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

In estimating the fair value of an asset or 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. Fair value for measurement and / or disclosure purpose in these financials statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 Impairment of Assets.

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:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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

Level 3 inputs are not based on observable market data (unobservable inputs) Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.3 Use of Estimates:

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates

i) Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. The policy for the same has been explained under Note 2.12.

ii) Provisions

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.14.

iii) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2.10.

iv) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment, including assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Refer note 2.5 for detailed accounting policies on leases.

2.4 Property, Plant & Equipment and Other Intangible Assets:

Property, plant & equipment and other intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes

a) material cost, freight, installation cost, non-refundable duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

b) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life that has been assessed as under based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and Equipments	3 to 4 years
Computer Hardware	4 years
Office Equipment	3 to 4 years
Furniture and Fixtures	3 to 6 years
Vehicles	4 years
Leasehold Improvements	Lower of lease period or expected occupancy.

The estimated useful lives and residual values of the Property, Plant & Equipment and Other Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Project specific intangible assets are amortized over their estimated useful lives on a straight line basis or over the period of the license/project period, whichever is lower.

2.5 Leases:

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.

Company as a lessee:

At the 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:

i. 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;

ii. The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period; and

iii. The Company has the right of 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:

a) The Company has the right to operate the asset; or

b) The Company designed the asset in a way that predetermines how and for what purposes it will be used.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost at inception which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjustment for certain remeasurement of the lease liability. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the lease, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company’s incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments included in the measurement of lease liability fixed payments, including in-substance fixed payments, amounts expected to be paid under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise and penalties for early termination of a lease unless the Company is certain not to terminate early. The lease liability is measured at amortised cost using the effective interest method. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset, or is recorded in statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Lease Modification

For lease modifications, the Company has adopted practical expedient given in the amendments to IND AS 116, notified by Ministry of Corporate Affairs on 24 July 2020.

2.6 Impairment of Assets:

i) Financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets.

Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience adjusted for forward looking information.

For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at lifetime expected credit loss.

ii) Non-financial assets

The Company assesses long-lived assets such as property, plant, equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples.

If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

2.7 Revenue recognition:

Revenue from voice based call centre services include revenue earned from services rendered on ‘time and material’ basis and time bound fixed price engagements.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services, net of indirect taxes, discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

Revenue from time and material 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 maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenue is recognized as the services are performed. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight□line basis over the specified period unless some other method better represents the manner in which services are performed.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability arises when there is Company’s obligation to transfer goods or services to a customer for which the entity has received consideration (“Advances from Customer”) or the amount is due from the customer (“Unearned Revenue”).

Disaggregation of revenue is reported under segment reporting.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortised over the tenure of the contract.

Dividend income is recognized when the Company's right to receive dividend is established. Interest income is recognized using effective interest rate method.

2.8 Foreign currency transactions:

The functional currency of the Company is Indian Rupees (₹).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit or loss.

2.9 Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and 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 measured on initial recognition of financial asset or financial liability.

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

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit or loss (FVTPL) on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized to profit or loss.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses on remeasurement recognized in profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and 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) Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities and forecasted cash flows denominated in foreign currency. The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109 Financial Instruments.

The use of foreign currency forward contracts / options is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized in other comprehensive income and accumulated under Hedging Reserve and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Amounts previously recognized in other comprehensive income and accumulated in hedging reserve are reclassified to profit or loss in the same period in which gains / losses on the item hedged are recognized in the Statement of Profit or Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified in hedging reserve is retained there and is classified to Statement of Profit and Loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

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.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

2.10 Employee Benefits:

i) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the balance sheet date using the Projected Unit Credit method.

Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognised in profit or loss in the period of a plan amendment.

ii) Provident Fund:

The eligible employees of the Company are entitled to receive the benefits of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which are charged to the statement of profit and loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

iii) Superannuation and ESIC:

Superannuation fund and employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the statement of profit and loss on accrual basis.

iv) Compensated absences:

The Company provides for compensated absences subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized based on the actuarial valuation as at the balance sheet date.

Actuarial gains and losses are recognised in full in in the Statement of Profit and Loss in the period in which they occur.

The company also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

2.11 Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the statement of profit and loss.

2.12 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

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.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.13 Earnings per Share:

Basic earnings / (loss) per share are calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings / (loss) per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.14 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Contingent liabilities and contingent assets are not recognised in the financial statements.

2.15 Recent Pronouncement :

The Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. On March 23, 2022, MCA amended the Companies (Ind AS) Amendment Rules, 2022, which are applicable from April 1, 2022. The Company does not expect the amendments to have any significant impact on the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3: Property, Plant and Equipment

₹ in Million

Description of Assets	Plant and Equipment	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvement	Vehicles	Total
I. Gross Block							
Balance as at April 1, 2021	282	1,851	104	235	249	4	2,725
Additions for the year	50	113	3	28	34	0	228
Deletion for the year	(74)	(153)	(6)	(12)	(12)	-	(257)
Balance as at March 31, 2022	**258**	**1,811**	**101**	**251**	**271**	**4**	**2,696**
II. Accumulated depreciation							
Balance as at April 1, 2021	254	1,294	91	154	225	3	2,021
Depreciation for the year	22	234	8	28	19	0	311
On deletion	(73)	(149)	(6)	(12)	(12)	-	(252)
Balance as at March 31, 2022	**203**	**1,379**	**93**	**170**	**232**	**3**	**2,080**
Net Block as on March 31, 2022	**55**	**432**	**8**	**81**	**39**	**1**	**616**

₹ in Million

Description of Assets	Plant and Equipment	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvement	Vehicles	Total
I. Gross Block							
Balance as at April 1, 2020	279	1,346	94	243	247	3	2,212
Additions for the year	7	526	17	0	4	1	555
Deletion for the year	(4)	(21)	(7)	(8)	(2)	-	(42)
Balance as at March 31, 2021	282	1,851	104	235	249	4	2,725
II. Accumulated depreciation							
Balance as at April 1, 2020	243	1,094	76	135	211	3	1,762
Depreciation for the year	15	221	22	27	16	0	301
On deletion	(4)	(21)	(7)	(8)	(2)	-	(42)
Balance as at March 31, 2021	254	1,294	91	154	225	3	2,021
Net Block as on March 31, 2021	**28**	**557**	**13**	**81**	**24**	**1**	**704**

Note 4 : Right- of Use of Asset

₹ in Million

Description of Assets	Right-of-use of Asset
I. Gross Block	
Balance as at April 1, 2021	1,309
Additions for the year	475
Deletion for the year	(261)
Balance as at March 31, 2022	**1,523**
II. Accumulated depreciation	
Balance as at April 1, 2021	679
Depreciation for the year	374
On deletion	(261)
Balance as at March 31, 2022	**792**
Net Block as on March 31, 2022	**731**

₹ in Million

Description of Assets	Right-of-use of Asset
I. Gross Block	
Balance as at April 1, 2020	1,431
Additions for the year	-
Deletion for the year	(122)
Balance as at March 31, 2021	1,309
II. Accumulated depreciation	
Balance as at April 1, 2020	335
Depreciation for the year	408
On deletion	(64)
Balance as at March 31, 2021	679
Net Block as on March 31, 2021	**630**

Note 5: Intangible Assets

₹ in Million

Description of Assets	Computer Software
I. Gross Block	
Balance as at April 1, 2021	723
Additions for the year	150
Balance as at March 31, 2022	**873**
II. Accumulated amortisation	
Balance as at April 1, 2021	676
Amortisation for the year	50
Balance as at March 31, 2022	726
Net Block as on March 31, 2022	**147**

₹ in Million

Description of Assets	Computer Software
I. Gross Block	
Balance as at April 1, 2020	710
Additions for the year	13
Balance as at March 31, 2021	723
II. Accumulated amortisation	
Balance as at April 1, 2020	643
Amortisation for the year	33
Balance as at March 31, 2021	676
Net Block as on March 31, 2021	**47**

Note 6: Other Financial Assets : Non- Current

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	**88**	143
TOTAL	**88**	143

Note 7: Deferred Tax Assets (Net)

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Asset / (Liability) arising on account of temporary differences on :		
Property, Plant and Equipment	**72**	67
Leases	**17**	22
Gratuity, Leave Encashment and Bonus	**130**	86
Fair Valuation of Mutual Fund	**(6)**	(7)
MTM on Forward Contracts	**(18)**	28
TOTAL	**195**	196

Note 8: Other Non-Current Assets

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	**4**	7
Deferred Contract Costs	**143**	314
Balances with government authorities	**360**	308
TOTAL	**507**	629

Note 9: Investments : Current

₹ in Million

Particulars	As at March 31, 2022		As at March 31, 2021	
Investment in Mutual Funds - Unquoted (Carried at fair value through Profit and Loss)	**No of Units**	**₹**	**No of Units**	**₹**
Nippon India Liquid Fund Direct Plan Growth Plan -Growth Option-LFAG	**152,568**	**795**	199,190	1,002
Nippon India Low Duration Fund - Direct Growth Plan Growth Option - LPAG	**186,670**	**591**	**-**	-
Aditya Birla Sun Life Low Duration Fund - Growth-Direct Plan	**673,777**	**390**	**-**	-
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	**-**	**-**	62,286	21
Nippon India Arbitrage Fund Direct Growth Plan Growth Option-AFAG	**11,095,093**	**253**	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	**35,407**	**11**	522,677	158
Mahindra Manulife Low Duration Fund-Direct-Growth	**290,219**	**406**	-	-
Mahindra Manulife Liquid Fund- Direct - Growth	**34,643**	**48**	533,503	714
Axis Liquid Fund - Direct Growth - CFDG	**40,926**	**97**	40,926	94
Kotak Low Duration Fund Direct Growth	**71,285**	**207**	-	-
Kotak Equity Arbitrage Fund-Direct Plan-Growth	**1,776,924**	**56**	-	-
TOTAL		**2,854**		1,989

Particulars	₹	₹
Aggregate amount of Quoted investment	-	-
Aggregate amount of Unquoted investment	**2,854**	1,989
Aggregate Market Value of Quoted investment	-	-

Note 10 : Trade Receivables - Billed : Current

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables considered good - Billed (Refer note 36)	**1,198**	1,312
Trade Receivables Billed- Credit impaired	**-**	-
Less: Allowance for expected credit loss	**-**	-
TOTAL	**1,198**	1,312

Note 11: Cash and Cash Equivalents

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	**0**	0
Balances with banks		
(i) In Current Account	**527**	503
(ii) In Deposit Account (original maturities less than three months)	**2**	1
TOTAL	**529**	504

Note 12: Other Financial Assets : Current

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	**55**	0
Interest Accrued on Deposits	**0**	0
Foreign Currency Derivative Assets	**140**	14
Other Receivables from Related Party (Refer note 29)	**175**	39
TOTAL	**370**	53

Note 13: Other Current Assets

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	**61**	38
Deferred Contract Costs	**198**	175
Other Advances	**5**	6
TOTAL	**264**	219

Note 14: Equity Share Capital

Share Capital	As at March 31, 2022		As at March 31, 2021	
	Number	₹ Million	Number	₹ Million
Authorised				
67,650,000 (March 31, 2021: 67,650,000) Equity Shares of ₹10 each	**67,650,000**	**677**	67,650,000	677
	67,650,000	**677**	**67,650,000**	**677**
Issued, Subscribed & Paid up				
1,000,000 (March 31, 2021: 1,000,000) Equity Shares of ₹10 each	**1,000,000**	**10**	1,000,000	10
	1,000,000	**10**	**1,000,000**	**10**

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year :

Equity Shares:

Particulars	**March 31, 2022**		**March 31, 2021**	
	Number	**₹**	**Number**	**₹**
Shares outstanding at the beginning of the year	**1,000,000**	**10,000,000**	1,000,000	10,000,000
Shares issued during the year	**-**	**-**	-	-
Bonus shares issued during the year	**-**	**-**	-	-
Shares outstanding as at end of the year	**1,000,000**	**10,000,000**	1,000,000	10,000,000

b. Rights, Preferences and restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. 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.

c. Shares held by holding Company and its associates

	As at March 31, 2022	**As at March 31, 2021**
	₹ in million	**₹ in million**
Equity Shares :		
Tech Mahindra Limited, the Holding Company		
999,994 (March 31, 2021: 999,994) Equity shares of ₹10 each fully paid	**10**	10
Tech Mahindra Limited jointly with Vishwanath Kini		
1 (March 31, 2021: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Gautam Shirali		
1 (March 31, 2021: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Manoj Bhat		
1 (March 31, 2021: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Manoj Joshi		
1 (March 31, 2021: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Aniruddha Gadre		
1 (March 31, 2021: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Anil Khatri		
1 (March 31, 2021: 1) Equity share of ₹10 each fully paid	**0**	0

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity shares	**As at March 31, 2022**		**As at March 31, 2021**	
	Number	**% holding in the class**	**Number**	**% holding in the class**
Tech Mahindra Limited, the Holding Company (including jointly held shares)	**1,000,000**	**100%**	1,000,000	100%
	1,000,000	**100%**	1,000,000	100%

e. Shares held by promoter at the end of the year

	As at March 31, 2022			**As at March 31, 2021**		
Promoter Name	**Number**	**% of total shares**	**% of change during the period**	**Number**	**% of total shares**	**% of change during the period**
Tech Mahindra Limited (including jointly held shares)	**1,000,000**	**100%**	**Nil**	1,000,000	100%	Nil

Note 15: Other Equity

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Redemption Reserve	**666**	666
Cash Flow Hedge Reserve		
Opening balance	**(71)**	11
Change in fair value of derivatives (Net)	**137**	(82)
Closing Balance	**66**	(71)
Surplus in Statement of Profit and Loss		
Opening Balance	**3,633**	3,341
Add: Transferred from Other Comprehensive Income	**(17)**	(8)
Add: Net Profit for the year	**1,995**	1,200
Less: Interim Dividend	**(1,000)**	(900)
Closing Balance	**4,611**	3,633
TOTAL	**5,343**	4,228

Note 16: Provisions : Non-Current

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
- Gratuity	**241**	155
- Compensated absences	**62**	40
TOTAL	**303**	195

Note 17: Other Financial Liabilities : Current

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Foreign currency Derivative Liabilities	**7**	168
Creditors for Capital Supplies / Services	**50**	60
Accrued Wages and Salaries	**325**	279
TOTAL	**382**	507

Note 18: Provisions : Current

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
- Gratuity	**102**	59
- Compensated absences	**112**	83
Provision for Contingencies (Refer note 23(iii))	**341**	341
TOTAL	**555**	483

Note 19: Other Current Liabilities

₹ in Million

Particulars	As at March 31, 2022	As at March 31, 2021
Contract Liability	**42**	123
Statutory Dues	**118**	92
Advance from Customers	**969**	910
Others	**90**	8
TOTAL	**1,219**	1,133

Note 20: Other Income

₹ in Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income		
- Bank Deposits	**0**	0
- Other financial assets	**10**	13
Net gain on mutual funds carried at FVTPL	**98**	69
Net gain on disposal of Property, Plant and Equipment and Intangible Assets	**5**	2
Foreign Exchange Gain	**78**	-
Miscellaneous Income	**3**	11
TOTAL	**194**	95

Note 21: Employee Benefits Expense

₹ in Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages, including bonus	**4,414**	4,376
Contribution to provident and other funds (Refer note 24(i))	**213**	160
Gratuity (Refer note 24 (ii))	**149**	30
Staff welfare expenses	**139**	220
TOTAL	**4,915**	4,786

Note 22: Other Expenses

₹ in Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power & Fuel	**87**	79
Rent (Refer note 30)	**5**	8
Repairs and maintenance - Machinery	**23**	24
Repairs and maintenance - Others	**124**	230
Insurance charges	**49**	43
Legal and other professional fees	**202**	71
Subcontracting Expenses	**101**	44
Advertisement, Promotion & Selling Expenses	**6**	5
Travelling Expenses	**272**	124
Expenditure on corporate social responsibility (CSR) (Refer note 40)	**24**	22
Recruitment Expenses	**42**	26
Training Expenses	**2**	-
Communication Expenses	**95**	56
Foreign Exchange Loss	**-**	25
Miscellaneous Expenses	**53**	37
TOTAL	**1,085**	794

23. Capital Commitments and Contingent Liabilities

i. Capital commitments

The estimated amount of contracts remaining to be executed on capital account (net of capital advances), and not provided for as at March 31,2022 ₹ 280 million (March 31, 2021: ₹ 38 million).

ii. Contingent liabilities

Amount in ₹ Million

Sr. No	Nature of dues	Period	Grounds of Dispute	As at March 31,2022 (*)	As at March 31, 2021(*)
1	Income-tax	A.Y 2009-10	Income tax order on account of 1. Transfer Pricing Adjustment 2. Disallowance of deduction under section 10A	- (Nil	498 (261)
2	Income-tax	A.Y 2010-11	Income tax order on account of 1. Transfer Pricing Adjustment 2. Disallowance of deduction under section 10A	285 (188)	285 (188)
3	Income-tax	A.Y 2016-17(**)	Income tax order on account of income adjustment	23 (Nil)	23 (Nil)
4	Service Tax	F.Y 2007-08 to 2012-13	Non-payment of service tax for receiving import services (reverse charge basis) for the period 2007-08 to 2012-13	86(#) (11)	86(#) (11)
5	Service Tax	F.Y 2012-13 to 2017-18	Non-payment of service tax on amount received against Notice Pay from employees	- (Nil)	7 (Nil)
6	Service Tax	F.Y 2012-13 to 2017-18	Non-payment of service tax on amount received against non-reversal of Cenvat credit under Rule 6(3) of the Cenvat Credit Rules	- (Nil)	26 (Nil)

* The figures in bracket indicate demands paid under disputes.

** There are no adjustment /addition made in the assessment order by the Assessing Officer. The Assessing Officer has inadvertently erred in computing total income of the Company. Due to incorrect computation of income, a demand has been raised on the Company. The Company has filed petition for rectification u/s 154 of the Income tax Act, 1961 and also filed appeal to the Commissioner of Income tax (Appeals).

excluding interest including penalty.

iii. The Company is subject to legal proceedings and claims including with customer, which have arisen in the ordinary course of business. 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 condition other than those for which provisions are already recorded in the financials statement.

iv. Bank guarantee outstanding as at March 31,2022: ₹ 7 million (March 31, 2021 ₹ 7 million)

24. Details of employee benefits as required by the Ind AS 19 – Employee Benefits are as under:

i. Defined Contribution Plan

Contribution to Defined Contribution Plans recognized as expenses for the year ended are as under:

Amount in ₹ Million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Employer's Contribution to Provident Fund	**176**	119
Employer's Contribution to Employee's State Insurance	**1**	4

In addition to above mentioned defined contribution plan the Company pays employer contribution in Ireland as per local laws.

ii. **Defined Benefit Plan**

The benefit plan comprises of Gratuity. The Gratuity plan is unfunded. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses in respect of defined benefit plans are recognised in other comprehensive income.

a) **Changes in the present value of defined benefit obligation**

Amount in ₹ Million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Defined benefit obligation at the beginning of the period	**214**	186
Interest cost	**16**	12
Current Service Cost	**30**	18
Benefit Paid	**(43)**	(12)
Past Service Cost plan amendments	**103**	-
Actuarial (Gain)/ loss arising from changes in demographic assumptions	**3**	0
Actuarial (Gain)/ loss arising from changes in financial assumptions	**(9)**	8
Actuarial (Gain)/ loss arising from experience adjustments	**29**	2
Projected benefit obligation, at the year ended	**343**	214

b) **Components of expenses recognized in the Statement of Profit and Loss:**

Amount in ₹ Million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Interest cost	**16**	12
Service cost	**30**	18
Past Service Cost	**103**	-
Total	**149**	30

c) **Components of expenses recognized in other comprehensive income**

Amount in ₹ Million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Actuarial (Gain)/ loss arising from changes in demographic assumptions	**3**	-
Actuarial (Gain)/ loss arising from changes in financial assumptions	**(9)**	8
Actuarial (Gain)/ loss arising from experience adjustments	**29**	2
Total	**23**	10

d) **Actuarial Assumptions**

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Discount Rate (per annum)	**6%**	5.4%
Salary Escalation Rate (per annum)	**7%**	7%
Attrition Rate	**0% to 59%**	0% to 58%
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ult**	Indian Assured Lives Mortality (2006-08) Ult

The estimates of future salary escalations considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

e) The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 0.50%, the defined benefit obligations would decrease by 7 million (increase by 8 million) as of March 31,2022

If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligations would increase by 8 million (decrease by 8 million) as of March 31,2022.

f) **Expected benefit payments for the year ended**

Amount in ₹ Million

March 31, 2023	105
March 31, 2024	70
March 31, 2025	52
March 31, 2026	42
March 31, 2027	36
March 31, 2028 to March 31, 2032	137

iii. The 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 on 28 September 2020 and has been published in the Gazette of India. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour And Employment has issued draft rules under the Code on Social Security, 2020 on 13 November 2020 and invited suggestions. The Company will assess the impact and complete the evaluation once the rules are notified and will provide a disclosure of the impact in its financial statements in the period in which, the Code becomes effective and the related rules are notified.

25. Financial Instruments

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit risk and liquidity risk, which may impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential effects on the financial performance of the Company. 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.

Financial instruments by category

The carrying value of financial instruments by categories as of March 31,2022 are as follows:

Amount in ₹ Million

	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised Cost	Total Carrying Value	Total fair Value
Assets:						
Investments	2,854	-	-	-	2,854	2,854
Trade Receivables (Billed and Unbilled)	-	-	-	1,227	1,227	1,227
Cash and Cash equivalents	-	-	-	529	529	529
Other Financial Assets	**-**	**-**	**140**	**318**	**458**	**458**
Total	2,854	-	140	2,074	5,068	5,068
Liabilities:						
Lease Liabilities	**-**	**-**	**-**	**800**	**800**	**800**
Trade Payables	**-**	**-**	**-**	**388**	**388**	**388**
Other Financial liabilities	**-**	**-**	**7**	**375**	**382**	**382**
Total	**-**	**-**	**7**	**1,563**	**1,570**	**1,570**

The carrying value of financial instruments by categories as of March 31, 2021 are as follows:

Amount in ₹ Million

	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised Cost	Total Carrying Value	Total fair Value
Assets:						
Investments	1,989	-	-	-	1,989	1,989
Trade Receivables (Billed and Unbilled)	-	-	-	1,312	1,312	1,312
Cash and Cash equivalents	-	-	-	504	504	504
Other Financial Assets	-	-	14	182	196	196
Total	**1,989**	**-**	**14**	**1,998**	**4,001**	**4,001**
Liabilities:						
Lease Liabilities	-	-	-	717	717	717
Trade Payables	-	-	-	376	376	376
Other Financial liabilities	-	-	168	339	507	507
Total	**-**	**-**	**168**	**1,432**	**1,600**	**1,600**

Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

The different levels have been defined as follows:

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 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). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Amount in ₹ Million

As at March 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets:				
Mutual fund/Bond units	2,854	-	-	2,854
Derivative Financial Assets	-	140	-	140
Total	**2,854**	**140**	**-**	**2,994**
Financial Liabilities:				
Derivative Financial liabilities	-	7	-	7
Total	-	7	-	**7**

Amount in ₹ Million

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	1,989	-	-	1,989
Derivative Financial Assets	-	14	-	14
Total	**1,989**	**14**	**-**	**2,003**
Financial Liabilities:				
Other Financial Liabilities	-	168	-	168
Total	**-**	**168**	**-**	**168**

Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms and conditions.

The Company's financial instruments that are subject to credit risk predominantly consist of trade receivables including unbilled revenue, mutual fund investment, forward contracts, cash and cash equivalent and other financial assets.

The Company invests only in debt mutual funds with top mutual funds houses having very good credit rating and having a good Assets under Management.

The credit terms agreed with the customer is 30-45 days and the average collection period of the Company is around 51 days. Over the last 10 years, the Company has faced no significant credit default from its customers, it has always received full realization of all its invoices.

The counterparty for the forward contracts booked is normally a bank with a high quality credit rating. The Company books plain vanilla forward contract to protect its exchange rate risk.

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹5,068 Million and ₹ 4,001 Million as of March 31,2022 and March 31, 2021 respectively, being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balance with banks, and other financial assets.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called on.

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. As on March 31,2022 and March 31, 2021 expected credit loss provision is ₹ Nil.

Market Risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company exposure to market risk is primarily on account of foreign currency exchange rate risk and mutual fund price risk.

i. Foreign Currency Exposures

The Company's revenue is denominated in GBP, AUD, NZD, USD and EUR. The majority of the costs are in Indian Rupees. This exposes the company to currency fluctuation. The Company monitors and manages the financial risk relating to its operations by analysing its foreign exchange exposure by the level and extent of currency risks.

Amount in ₹ Million

Particulars	Foreign Currency Amount in Million		Indian Rupees Equivalent	
	As at March 31,2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Trade Payable	**USD 0**	USD 0	**12**	27
Trade Payable	**EUR 0**	EUR 0	**1**	8
Trade Payable	**GBP 0**	GBP 0	**12**	30
Trade Receivables	**AUD 5**	AUD 6	**261**	328
Trade Receivables	**EUR 2**	EUR 1	**178**	75
Trade Receivables	**GBP 7**	GBP 9	**704**	863
Trade Receivables	**NZD 1**	NZD 1	**51**	36
Lease Liabilities	**EUR 0**	EUR 0	**36**	57

Forward Exchange / Contracts

The Company's revenue is denominated in GBP, AUD, NZD and EUR. The majority of the costs are in Indian Rupees. This exposes the Company to currency fluctuation.

The Company monitors and manages the financial risk relating to its operations by analysing its foreign exchange exposure by the level and extent of currency risks.

The Company uses derivative financial instruments governed by the policies approved by the Board such as forward to manage and mitigate its foreign currency exposure. The Company has a risk management policy approved and adopted by the Board, which is used to hedge forex fluctuation. The counterparty is generally a bank. The Company can enter into a contract for 1 day to 3 years depending on the nature of forex billing.

The following are outstanding currency exchange forward contracts, which have been designated as cash flow hedges as of:

As at March 31, 2022

Foreign Currency	Amount of contracts (In million)	Fair value (₹ in million) (Gain)/Loss
AUD / INR	**4**	**6**
EUR / INR	**2**	**(3)**
GBP / INR	**27**	**(137)**

As at March 31, 2021

Foreign Currency	Amount of contracts (In million)	Fair value (₹ in million) (Gain)/Loss
AUD / INR	6	(2)
EUR / INR	4	(10)
GBP / INR	32	166

The movement in Hedging Reserve for derivatives designated as Cash Flow Hedges is as follows:

Amount in ₹ Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Credit /(Debit) balance at the beginning of the year	**(71)**	11
Changes in the fair value of the effective portion of cash flow Hedges	**183**	(110)
Tax impact on effective portion of outstanding cash flow hedges	**(46)**	28
Credit / (Debit) balance at the end of the year	**66**	(71)

Net gain on derivative instruments of ₹ 70 smillion recognized in Hedging Reserve as at March 31,2022, is expected to be transferred to the statement of profit and loss by March 31, 2023.

ii. Interest Rate Risk

The Company's investment is primarily in Debt Mutual Funds, hence the Company is not significantly exposed to interest rate risk.

iii. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has always generated sufficient cash flows from its operations to meet its financial obligations as and when they fall due.

As at March 31, 2022

Amount in ₹ Million

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Lease liabilities	285	408	107	-	800
Trade and other payables	388	-	-	-	388
Other financial liabilities	375	-	-	-	375
Total	**1,048**	**408**	**107**	-	**1,563**
Derivative financial liabilities	7	-	-	-	7
Total	**7**	**-**	**-**	**-**	**7**

As at March 31, 2021

Amount in ₹ Million

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Lease liabilities	369	256	92	-	717
Trade and other payables	376	-	-	-	376
Other financial liabilities	339	-	-	-	339
Total	**1,084**	**256**	**92**	-	**1,432**
Derivative financial liabilities	168	-	-	-	168
Total	**168**	**-**	**-**	**-**	**168**

26. Disclosures for Revenue from Contracts with Customers

i. Performance obligations and remaining performance obligations

The remaining performance obligations disclosure provides the aggregate amount of the transaction price yet to be recognized as of 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 remaining performance obligation for contracts where the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in scope of contracts, periodic revalidations, and adjustments for revenue that has not materialized and adjustments for currency.

ii. Contract assets and liabilities

The contract assets primarily relate to Company's rights to consideration for work completed but not billed at the reporting date due to contractual terms. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers. Revenue is recognized from the contract liability amounts as and when services are delivered and related performance obligations satisfied. The unused credit or balance is deferred until used by the customer or expired.

Significant changes in the contract liabilities balances during the year months ended March 31,2022 as follows:

Amount in ₹ Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract liabilities:		
Opening Balance	**123**	35
Less: Revenue recognized during the reporting year	**(118)**	(38)
Add: Invoiced during the year but, not recognized as revenues	**38**	126
Add: Transaction loss / (Gain)	**(1)**	0
Closing Balance	**42**	123

iii. Contract Price

The following table provides information in respect of amount of revenue recognized in the statement of profit and loss with the contracted price showing separately each of the adjustments made to the contract price:

Amount in ₹ Million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contracted transaction	**9,194**	8,051
Less: Adjustment for upfront discount and rebate	**(302)**	(196)
Revenue recognized in the statement of profit and loss	**8,892**	7,855

27. Earnings Per Share is calculated as follows:

₹ in Million except earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit attributable to shareholders	**1,995**	1,200
Equity Shares outstanding as at the year (in nos.)	**1,000,000**	1,000,000
Weighted average Equity Shares outstanding as at the end of the year in nos.)	**1,000,000**	1,000,000
Weighted average number of Equity Shares used as denominator for calculating Basic Earnings Per Share	**1,000,000**	1,000,000
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	**1,000,000**	1,000,000
Nominal Value per Equity Share (in ₹)	**10.00**	10.00
Earnings Per Share		
Earnings Per Share (Basic) (in ₹)	**1,995**	1,200
Earnings Per Share (Diluted) (in ₹)	**1,995**	1,200

28. Segment Reporting

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

Based on the "management approach" as defined in Ind AS 108, the management evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented business segments and geographic segments.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker monitors the operating results of the Company's business as single segment.

Business Segment:

The Company is engaged in the business of providing voice based call centre services. As the Company is engaged in only one business segment, the Balance Sheet as at March 31,2022, Statement of Profit, and Loss for the year ended then pertain to only one business segment.

Geographical Segments:

Amount in ₹ Million

Sr. No	Particulars	Within India	Outside India	Total
1	Segment revenue by location of customers	**9** [23]*	**8,883** [7,832]*	**8,892** [7,855]*
2	Carrying amount of segment asset (Gross)	**7,747** [6,103] *	**1,373** [1,763] *	**9,120** [7,866] *
3	Additions to tangible and intangible assets	**840** [7,889]*	**13** [10]*	**853** [568]*

(*) Figures in bracket refer to amount for the year ended March 31, 2021.

During the year ended March 31, 2022, two customers from total revenue of ₹ 7,722 million individually accounted for more than 10% of the revenue. Geographies contributed more than 10% of total revenue are as below:

Amount in ₹ Million

Sr. No	Countries	For the year ended March 31, 2022	For the year ended March 31, 2021
1	United Kingdom	**6,280**	5,620
2	Australia	**1,442**	1,186
3	Ireland	**1,064**	1,026
4	India	**9**	23
5	Rest of World	**97**	-
	Total	**8,892**	7,855

29. Related Party Disclosures

As required by Ind AS 24 - Related Party Disclosures, following are details of transactions during the year ended March 31,2022 and outstanding balances as of that date with the related parties of the Company as defined in Ind AS 24:

Names of related parties and nature of relationship:

Name of the Related Party(*)	Relationship
Tech Mahindra Limited	Holding Company
Mahindra and Mahindra Limited	Entity having significant influence
Mahindra Engineering & Chemical Products Limited	Subsidiary Company of Mahindra and Mahindra Limited
Tech Mahindra Foundation	Other Related Party**
Mahindra Educational Institutions	Other Related Party**
vCustomer Philippines (Cebu) Inc	Fellow Subsidiary
Tech Mahindra GmbH	Fellow Subsidiary
Birendra Sen	Director
Suchitra Kerkar	Director (Resigned w.e.f. 30th April, 2021)
Kunal Jesrani	Director (Appointed w.e.f. 20th July, 2021)
Ritesh Idnani	Director (Resigned w.e.f. 10th September, 2021)
Manoj Bhat	Director (Resigned w.e.f. 30th July, 2021)
Sujit Baksi	Director

(*) We have disclosed only those related parties with whom the Company has transactions during the year.

(**) Section 25 Companies wholly owned by Tech Mahindra Ltd.

The Following table summarizes related party transactions:

Nature of Transaction	Promoter and its subsidiaries	Subsidiaries	Associate	Others	KMP	Total
Revenue from operations	**616**	**-**	**-**	**-**	**-**	**616**
	[484]	[-]	[-]	[-]	[-]	[484]
Subcontracting Expenses	**101**	**-**	**-**	**-**	**-**	**101**
	[44]	[-]	[-]	[-]	[-]	[44]
Reimbursement of Expenses Net-Incurred / (Recovered)	**(167)**	**-**	**-**	**-**	**-**	**(167)**
	[137]	[-]	[-]	[-]	[-]	[137]
Remuneration to Key Management Personnel	**-**	**-**	**-**	**-**	**33**	**33**
	[-]	[-]	[-]	[-]	[23]	[23]
Staff Welfare	**64**	**-**	**-**	**-**	**-**	**64**
	[93]	[-]	[-]	[-]	[-]	[93]
Purchase of Intangible Assets-Software licences	**5**	**-**	**-**	**-**	**-**	**5**
	[1]	[-]	[-]	[-]	[-]	[1]
Employee Stock Options granted to the Employees	**10**	**-**	**-**	**-**	**-**	**10**
	[15]	[-]	[-]	[-]	[-]	[15]
Interim Dividend Paid	**1,000**	**-**	**-**	**-**	**-**	**1,000**
	[900]	[-]	[-]	[-]	[-]	[900]
Loan given to other related party and repaid during the year	**-**	**-**	**-**	**250**	**-**	**250**
	[-]	[-]	[-]	[-]	[-]	[-]
Interest on loan	**-**	**-**	**-**	**2**	**-**	**2**
	[-]	[-]	[-]	[-]	[-]	[-]
CSR Contribution	**-**	**-**	**-**	**25**	**-**	**25**
	[-]	[-]	[-]	[22]	[-]	[22]

Balance due to / from related parties:

Nature of Transaction	Promoter and its subsidiaries	Subsidiaries	Associate	Others	KMP	Total
Trade Payables (Net)	**47**	**-**	**-**	**-**	**-**	**47**
	[129]	[-]	[-]	[-]	[-]	[129]
Trade Receivable (Net)	**175**	**-**	**-**	**-**	**-**	**175**
	[20]	[-]	[-]	[-]	[-]	[20]
Other Receivable	**160**	**-**	**-**	**-**	**-**	**160**
	[39]	[-]	[-]	[-]	[-]	[39]
Contract Liabilities	**25**	**-**	**-**	**-**	**-**	**25**
	[26]	[-]	[-]	[-]	[-]	[26]
Trade Payables (Net)	**8**	**-**	**-**	**-**	**-**	**8**
	[-]	[-]	[-]	[-]	[-]	[-]

Material Related Party transactions are as follows:

Amount in ₹ Million

Nature of Transactions	**Name of the Party**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Revenue	Tech Mahindra Limited	**616**	482
Revenue	Tech Mahindra GmbH	**-**	2
Subcontracting Expenses	Tech Mahindra Limited	**42**	44
Reimbursement of Expenses (Net)-Incurred / (Recovered)	Tech Mahindra Limited	**(167)**	(137)
Subcontracting Expenses	vCustomer Philippines (Cebu) Inc.	**59**	-
Remuneration to Key Management Personnel	Birendra Sen	**19**	14
- Salary		**18**	13
- Others (PF and other funds)		**1**	1
Remuneration to Key Management Personnel	Suchitra Kerkar	**1**	9
- Salary		**1**	8
- Others (PF and other funds)		**-**	1
Remuneration to Key Management Personnel	Kunal Jesrani	**13**	-
- Salary		**12**	-
- Others (PF and other funds)		**1**	-
Staff Welfare	Mahindra Engineering & Chemical Products Limited	**64**	93
Purchase of Intangible Assets-Software licences	Tech Mahindra Limited	**5**	1
Employee Stock Options granted to the Employees	Tech Mahindra Limited	**10**	15
Dividend Paid	Tech Mahindra Limited	**1,000**	900
Loan given and repaid during the year	Mahindra Educational Institutions (Section 8)	**250**	-
Interest on loan	Mahindra Educational Institutions (Section 8)	**2**	-
CSR Contribution	Mahindra Educational Institutions (Section 8)	**18**	-
CSR Contribution	Tech Mahindra Foundation (Section 8)	**7**	22

Material Related Party Balances are as follows:

Amount in ₹ Million

Balances As on	**Name of the Party**	**As at March 31, 2022**	**As at March 31, 2021**
Trade Payables (Net)	Tech Mahindra Limited	**47**	129
Trade Receivable (Net)	Tech Mahindra Limited	**175**	20
Other Receivable	Tech Mahindra Limited	**160**	39
Contract Liabilities	Tech Mahindra Limited	**25**	26
Trade Payables (Net)	vCustomer Philippines (Cebu) Inc	**8**	-

30. Lease

a) Amount recognised in statement of Profit and loss account

Amount in ₹ Million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Interest on lease liabilities	**41**	62
Short-term lease expense	**5**	8
Depreciation	**374**	408
Total	**420**	478

b) Maturity analysis for lease liabilities

Amount in ₹ Million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Minimum Lease Payments		
For 1 Year	**339**	395
For 2 To 5 years	**514**	371
Above five year	**-**	-

Amount in ₹ Million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Present Value of Minimum Lease Payments		
For 1 Year	**285**	369
For 2 To 5 years	**515**	348
Above five year	**-**	-

31. Income Tax Expense

Amount in ₹ Million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Current Tax:		
In respect of current year	**614**	393
In respect of previous years (*)	**(260)**	(35)
Net current tax		
Deferred Tax		
In respect of current year	**(39)**	8
Total Income Tax Expense recognised	**315**	366

The income tax expense for the year ended can be reconciled to the accounting profit as follows:

Amount in ₹ Million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Profit/(Loss) before income taxes	**2,310**	1,566
Enacted tax rates in India	**25.17%**	25.17%
Income tax expense calculated at enacted rate	**581**	394
Effect of expenses that are not deductible in determining taxable profit	**1**	5
Effect of incomes that are not taxable in		
determining taxable profit	**4**	(2)
Impact of MTM loss on derivative accounting	**-**	-
Effect of taxes pertaining to earlier years *	**(260)**	-
Short / (excess) provision for deferred tax	**-**	4
Previous year tax provision for deferred tax	**(11)**	(35)
Income tax expense recognised in profit or loss	**315**	366

The tax rate used for the above reconciliations are the rates as applicable for the respective year ended payable by corporate entities in India on taxable profits under the India tax laws.

(*) During the year ended March 31, 2022, consequent to a favourable order the Company has reversed Income tax provision amounting to ₹ 260 million relating to earlier periods.

32. The tax effect of significant temporary differences that has resulted in deferred tax assets as at March 31,2022 are given below:

Amount in ₹ Million

Particulars	**As at March 31, 2021**	**Recognised in Profit and Loss**	**Recognised in OCI**	**As at March 31, 2022**
Depreciation	67	5	-	72
Lease	22	(5)	-	17
Gratuity	54	26	6	86
Bonus	1	(1)	-	-
Leave Encashment	31	13	-	44
Fair valuation of Mutual funds	(7)	1	-	(6)
MTM on forward contracts	28	0	(46)	(18)
Net Deferred Tax Assets	**196**	**39**	**(40)**	**195**

As at March 31, 2021

Particulars	**As at March 31, 2020**	**Recognised in Profit and Loss**	**Recognised in OCI**	**As at March 31, 2021**
Depreciation	79	(12)	-	67
Lease	22	-	-	22
Gratuity	47	4	2	53
Bonus	1	-	-	1
Leave Encashment	21	10	-	31
Fair valuation of Mutual funds	3	(10)	-	(7)
MTM on forward contracts	1	-	28	29
Net Deferred Tax Assets	**174**	**(8)**	**30**	**196**

33. Auditor's Remuneration

	Amount in ₹ Million	
Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Audit Fees (including quarterly audits)	5	5
For Other services	2	1
Total	7	6

34. Employee share based Payment - Expense for the year :

The fair value of each option granted for the holding Company's stock option is estimated on the date of the grant using the Black- Scholes option pricing model based on valuation report received from the independent third party consultant. Charge on account of Employee share based payment is ₹ 10 million (March 31, 2021: ₹ 15 millions).

35. Capital work-in-progress ageing

					Amount in ₹ Million
Particulars	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 Years**	**More than 3 years**	
Project in progress	**38**	**-**	**-**	**-**	**38**
	[19]*	[Nil]*	[Nil]*	[Nil]*	[19]*
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*

36. Trade Receivable ageing– Billed current outstanding

								Amount in ₹ Million
Particulars	**Outstanding for following periods from due date of payment**							**Total**
	Not Due	**< 6 Months**	**6 month - 1 year**	**1-2**	**years**	**2-3 years**	**> 3 years**	
i. Undisputed Trade Receivables Billed-considered good	**1,039**	**159**	**-**	**-**	**-**	**-**	**-**	**1,198**
	[836]*	[476]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[1,312]*
ii. Undisputed Trade Receivables – which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
iii. Undisputed Trade Receivables – credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
iv. Disputed Trade Receivables– considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
v. Disputed Trade Receivables – which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
vi. Disputed Trade Receivables – credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
Total	**1,039**	**159**	**-**	**-**	**-**	**-**	**-**	**1,198**
	[836]*	[476]	[-]	[-]	[-]	[-]	[-]	[1,312]*
Trade Receivable-Unbilled								**29**
								[-]*
Total Trade Receivable-Current								**1,227**
								[1,312]*

(*) Figures in bracket refer to amount for the year ended March 31, 2021.

37. Trade Payables ageing

						Amount in ₹ Million
Particulars	**Outstanding for following periods from due date of payment**					**Total**
	Not Due	**< 1 year**	**1-2 year**	**2-4 Year**	**> 3 years**	
i. Micro, Small and Medium Enterprises (MSME)	**19**	**15**	**-**	**-**	**-**	**34**
	[14]*	[1]*	[-]*	[-]*	[-]*	[15]*
i. Others	**44**	**43**	**2**	**-**	**4**	**93**
	[37]*	[126]*	[-]*	[-]*	[5]*	[168]*
i. Disputed dues MSME	**-**	**-**	**-**	**-**	**-**	**-**
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
i. Disputed dues Others	**-**	**-**	**-**	**-**	**-**	**-**
	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*	[Nil]*
Total	**63**	**58**	**2**	**-**	**4**	**127**
	[51]*	[127]*	[-]*	[-]*	[5]*	[183]*
Accrued Expenses						**261**
						[193]
Total Trade Payables						**388**
						[376]

(*) Figures in bracket refer to amount for the year ended March 31, 2021.

38. Compliance with Micro, Small and Medium Enterprises Development Act, 2006

Amount in ₹ Million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
(i) Principal amount due to suppliers under MSMED Act,2006	**34**	15
(ii) Interest accrued and due to supplier on the above amount, unpaid	**-**	-
(iii) Payment made to suppliers (other than Interest) beyond the appointed day during the year / year	**-**	-
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	**-**	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	**-**	-
(vi) Interest due and payable towards suppliers under MSMED Act for payments already made	**-**	-
(vi) Interest accrued and remaining unpaid at the end of the year / year to suppliers under MSMED Act	**-**	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified based on information collected by the Management. The auditors have relied upon this.		

39. Additional Regulatory Information

i. Financial Ratios

Particulars	Numerator (1)	Denominator(2)	March 31, 2022 (3)=(1/2)	March 31, 2021 (3)= (1/2)	Variance %
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	**1.78**	1.32	**35%***
Debt-Equity Ratio (in times)	Total Debt(1)	Total Shareholders' Equity	**0.15**	0.17	**(12%)**
Debt Service Coverage Ratio (in times)	Earnings available for debt service(2)	Debt Service(3)	**6.90**	4.53*	**52%****
Return on Equity Ratio (in %)	Net Profit After Tax	Average Shareholders' Equity	**41.60%**	29.03%	**43%****
Trade Receivable Turnover Ratio (in times)	Revenue from operation	Average Trade Receivable	**7.00**	6.95	**1%**
Trade payable turnover ratio (in times)	Other Expenses	Average Trade Payables	**2.84**	1.93	**47%*****
Net Capital Turnover Ratio (in times)	Revenue from operation	Net Working Capital(4)	**3.87**	7.92	**(51%)***
Net Profit Ratio (in %)	Profit After Tax	Revenue from operation	**22.43%**	15.28%	**47%****
Return on Capital Employed (in times)	Earnings before interest and taxes	Average Capital employed(5)	**42.34%**	32.01	**32%****
Return on investment (in %)	Income generated from invested funds	Average invested in treasury Investments	**4.46%**	3.99%	**12%**

(1) Debt represents only lease liabilities

(2) Net Profit after tax + Non-Cash operating expenses + Interest

(3) Lease payments for the current year

(4) Current Assets – Current Liabilities

(5) Tangible net worth + deferred tax liabilities + lease liabilities

(*) Investment in mutual funds from current year's cash flow from operating activities resulting in Improvement in the ratio.

(**) increase in profits in the current year resulting in improvement in the ratio.

(***) increase in other expenses in the current year resulting in improvement in the ratio.

ii. 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 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 (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.

40. Corporate Social Responsibility (CSR) expenditure

		Amount in ₹ Million
Particulars	**For the year ended March 31,2022**	**For the year ended March 31,2021**
Amount required to be spent by the company during the year	24	22
Amount of expenditure incurred on:		
(i) Construction / acquisition of any asset	18	-
(ii) On purposes other than (i) above	7	22
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities	Special Education & Employment enhancing, Promoting Education	Special Education& Employment enhancing, Promoting Education

Note: The Company contributes to Tech Mahindra Foundation and Mahindra Educational Institutions, associate companies, in relation to CSR expenditure.

41. Proposed Scheme of Merger by Absorption

On January 29, 2021, the Board of Directors of the Company passed a resolution to consider and approve the Scheme of Merger by Absorption of the Company and Born Commerce Private Limited (Fellow Subsidiary) with its Holding Company i.e. Tech Mahindra Limited and their respective shareholders under the provisions of section 230 to 232 of the Companies Act, 2013. Accordingly, the Company has filed the application before Hon'ble National Company Law Tribunal ("NCLT"), Mumbai. The appointed date under the proposed scheme is April 1, 2021. However, as the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") is yet to approve the same, the Scheme is not yet effective.

Once this Scheme comes into effect, the Company will stand dissolved without winding-up. The entire business and whole of the Undertaking of the Company shall be and stand vested in or be deemed to have been vested in the Holding Company, as a going concern.

42. Previous year figures have been regrouped wherever necessary, to correspond with the current year's classification / disclosure.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited

Ashish Gupta
Partner
Membership No : 215165
Place: Pune
Dated: April 30, 2022

Birendra Sen
Director
DIN No: 07956092
Place: Mumbai
Dated: April 30, 2022

Kunal Jesrani
Director
DIN No: 09234267
Place: Mumbai
Dated: April 30, 2022

TECH MAHINDRA (SHANGHAI) CO., LTD.

Board of Directors

Mr. Amitava Ghosh
Mr. Ravi Kumar Yellajosula
Mr. Mukesh Sharma

Registered Office

Suite 23102, 23104, 23204, Pudong Software Park,
No. 498 Guoshoujing Road, Zhangjiang Hi-tech Park,
Shanghai, P.R. China, 201203

Bankers

HSBC Bank Ltd.
China Merchant Bank

Auditors

Shanghai Linfang
Certified Public Accountants Co.,Ltd.

DIRECTORS ' REPORT TO THE SHAREHOLDERS

Your directors present their report together with the audited accounts of your company for the year ended December 31, 2021.

Financial Results(Local Currency RMB)

For the years ended December 31	**2021**	**2020**
	RMB	**RMB**
Income	**130,463,613.02**	166,520,371.42
Profit/(Loss) before tax	**-450,435.52**	-10,493,245.34
Profit/(Loss) after tax	**-450,435.52**	-10,493,245.34

Review of Operations:

During the year under review, your company recorded an income of RMB 130,463,613.02, a decrease of 21.65% over the previous year. Profit after tax was RMB -450,435.52,an increase of 95.7% over the previous year. The Company continues to invest in strengthening its marketing infrastructure in China

Outlook for the Current Year:

Business has been encouraging in China and the Company is optimistic of the future.

Acknowledgments:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

For Tech Mahindra (Shanghai) Co., Ltd.

Amitava Ghosh	**Mukesh Sharma**
Director	Director

Place: Shanghai, China
Date : June 21, 2022

TECH MAHINDRA (SHANGHAI) CO., LTD.

INDEPENDENT AUDITORS' REPORT

TO TECH MAHINDRA (SHANGHAI) CO., LTD.

1. Opinion

We have audited the financial statements of Tech Mahindra (Shanghai) Co., Ltd. (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises and the China "Accounting System for Business Enterprises".

2. Basis for Opinion

We conducted our audit in accordance with China 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 China, and we have fulfilled our other ethical 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.

3. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with China Accounting Standards for Business Enterprises and the China "Accounting System for Business 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.

4. 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 China 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.

During the process of our audit in accordance with China Auditing Standards, we exercise professional judgment and maintain professional skepticism. We also:

(1) 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.

(2) 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 entity's internal control.

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

(4) 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, we shall not express unqualified 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.

(5) 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 those Charged with Governance about planned scope and timing of the audit, as well as significant findings from the audit, including notable internal control weaknesses identified from the audit.

Chen Jie, China Certified Public Accountant

Su Yalan, China Certified Public Accountant

Shanghai Linfang Certified Public Accountants Co., Ltd.
15F, Hechuang Building,
No. 450 Caoyang Road,
Shanghai China
June 21, 2022

TECH MAHINDRA (SHANGHAI) CO., LTD.

BALANCE SHEET AS AT 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

Assets	Notes	Ending balance	Beginning balance
Current assets:			
Cash and cash equivalents	1	41,058,714.46	5,057,840.59
Accounts receivable	2	62,734,474.29	87,560,435.79
Other receivables	3	1,692,974.84	1,955,608.55
Advance to suppliers	4	1,177,939.32	729,287.93
Inventories		-	333,428.12
Prepaid expenses		650,043.26	810,368.33
Other current assets		7,519.56	70,930.49
Total current assets		**107,321,665.73**	**96,517,899.80**
Non-current assets:			
Fixed assets-cost	5	10,005,460.99	9,807,501.24
Less: Accumulated depreciation	6	9,007,106.44	8,211,122.51
Fixed assets-net	7	998,354.55	1,596,378.73
Less: provision for impairment loss on fixed assets"		-	-
Fixed assets		998,354.55	1,596,378.73
Long-term deferred expenses	8	1,849,219.00	5,578,612.03
Total non-current assets		**2,847,573.55**	**7,174,990.76**
Total assets		**110,169,239.28**	**103,692,890.56**
Liabilities and owner's equity (or shareholder's equity)			
Current liabilities:			
Short-term loans	9	-	4,500,000.00
Accounts payable	10	14,476,869.32	22,320,451.83
Advances from customers	11	9,832,161.18	6,582,371.18
Wages payable	12	1,615,379.16	1,649,108.45
Taxes and dues payable	13	782,652.68	617,760.38
Other fees payable	14	52,611.93	74,654.48
Other payables		123,084.33	183,324.09
Accrued expenses	15	25,259,929.27	9,288,233.22
Total current liabilities		**52,142,687.87**	**45,215,903.63**
Non-current liabilities:			
Total non-current liabilities		**-**	**-**
Total liabilities		**52,142,687.87**	**45,215,903.63**
Owner's equity (or shareholder's equity):			
Paid-in capital	16	123,963,336.17	123,963,336.17
Undistributed profits	17	-65,936,784.76	-65,486,349.24
Total owner's equity contributable to parent company		**58,026,551.41**	**58,476,986.93**
Total liabilities and owner's equity (or shareholder's equity)		**110,169,239.28**	**103,692,890.56**

The Notes are the following parts of the statements.

Legal Representative:	AMITAVA GHOSH
Person in charge of accounting function:	XIA MEI
Person in charge of accounting department:	XIA MEI

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

	Notes	Current period	Prior period
I. Main operating income	18	130,463,613.02	166,520,371.42
Less: Main operating cost		105,428,819.61	155,629,156.68
Taxes and additions	19	340,926.28	785,426.32
II. Main operating profit (losses "-")		24,693,867.13	10,105,788.42
Add: Other operating profit (losses "-")		-	-
Less: Selling expenses		6,006,328.68	5,652,539.34
Administrative expenses		18,645,208.19	13,101,106.93
Financial expenses	20	672,569.38	1,740,442.20
III. Operating profit (losses "-")		-630,239.12	-10,388,300.05
Add: Return on investments (losses "-")		-	-
Subsidies income	21	400,386.59	455,890.00
Non-operating income	22	632,905.17	954,829.10
Less: Non-operating expenses	23	853,488.16	1,515,664.39
IV. Total profit (losses "-")		-450,435.52	-10,493,245.34
Less: income tax expenses		-	-
IV. Net profit		-450,435.52	-10,493,245.34

The Notes are the following parts of the statements.

Legal Representative: AMITAVA GHOSH
Person in charge of accounting function: XIA MEI
Person in charge of accounting department: XIA MEI

TECH MAHINDRA (SHANGHAI) CO., LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

Item		Current period	Prior period
I	**Cash flows from operating activities:**		
	Cash received from sale of goods and rendering of services	162,778,940.17	207,502,718.43
	Other cash received relating to operating activities	871,418.70	680,896.97
	Sub-total of cash inflows	**163,650,358.87**	**208,183,615.40**
	Cash paid for goods and services	30,588,323.89	32,560,446.78
	Cash paid to and on behalf of employees	79,483,925.60	143,333,810.23
	Payments of taxes and levies	3,036,769.76	8,101,979.93
	Cash paid relating to other operating activities	9,146,746.13	7,279,326.56
	Sub-total of cash outflows	**122,255,765.38**	**191,275,563.50**
	Net cash flows from operating activities	**41,394,593.49**	**16,908,051.90**
II	**Cash flows from investing activities:**		
	Net cash received from disposal of fixed assets, intangible assets, and other long-term assets	-	12,790.00
	Sub-total of cash inflows	**-**	**12,790.00**
	Cash paid to acquire fixed assets, intangible assets, and other long-term assets	785,301.99	1,684,631.84
	Sub-total of cash outflows	**785,301.99**	**1,684,631.84**
	Net cash flows from investing activities	-785,301.99	-1,671,841.84
III	**Cash flows from financing activities:**		
	Cash received from capital contribution	-	21,144,829.52
	Cash received from borrowings	-	17,500,000.00
	Sub-total of cash inflows	**-**	**38,644,829.52**
	Cash repayments of borrowings	4,500,000.00	54,600,000.00
	Cash payments for dividends, profits, or interest expenses	108,393.54	1,555,311.07
	Sub-total of cash outflows	**4,608,393.54**	**56,155,311.07**
	Net cash flows from financing activities	-4,608,393.54	-17,510,481.55
IV	**Effect of foreign exchange rate changes on cash and cash equivalents**	**-24.09**	**-42,206.30**
V	**Net increase in cash and cash equivalents**	**36,000,873.87**	**-2,316,477.79**
Add: Beginning balance of cash and cash equivalents		5,057,840.59	7,374,318.38
VI	**Ending balance of cash and cash equivalents**	**41,058,714.46**	**5,057,840.59**

The Notes are the following parts of the statements.

Legal Representative: AMITAVA GHOSH

Person in charge of accounting function: XIA MEI

Person in charge of accounting department: XIA MEI

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31 2020

(All amounts in RMB Yuan unless otherwise stated)

	Paid-in capital	Capital reserve	Surplus reserve	Undistributed profit	Total owner's equity
Closing Balance at 31 December 2019	102,818,436.17	-	-	-54,993,103.90	47,825,332.27
Add: Changes in accounting policies	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-
Beginning Balance at 1 January 2020	**102,818,436.17**	**-**	**-**	**-54,993,103.90**	**47,825,332.27**
Net profit	—	—	—	-10,493,245.34	-10,493,245.34
Capital contributions or decreases by owners	21,144,900.00	-	—	—	21,144,900.00
-Capital contributions by owners	21,144,900.00	-	—	—	21,144,900.00
Profit appropriation	—	—	-	-	-
Transfer between equity components	-	-	-	-	-
Movements in 2020	21,144,900.00	-	-	-10,493,245.34	10,651,654.66
Closing Balance at 31 December 2020	**123,963,336.17**	**-**	**-**	**-65,486,349.24**	**58,476,986.93**

	Paid-in capital	Capital reserve	Surplus reserve	Undistributed profit	Total owner's equity
Closing Balance at 31 December 2020	123,963,336.17	-	-	-65,486,349.24	58,476,986.93
Add: Changes in accounting policies	—	—	—	—	—
Corrections of prior period errors	—	—	—	—	—
Beginning Balance at 1 January 2021	**123,963,336.17**	**-**	**-**	**-65,486,349.24**	**58,476,986.93**
Net profit	—	—	—	-450,435.52	-450,435.52
Capital contributions or decreases by owners	-	-	—	—	-
-Capital contributions by owners	-	-	—	—	-
Profit appropriation	—	—	-	-	-
Transfer between equity components	-	-	-	-	-
Movements in 2021	-	-	-	-450,435.52	-450,435.52
Closing Balance at 31 December 2021	**123,963,336.17**	**-**	**-**	**-65,936,784.76**	**58,026,551.41**

The Notes are the following parts of the statements.

Legal Representative:	AMITAVA GHOSH
Person in charge of accounting function:	XIA MEI
Person in charge of accounting department:	XIA MEI

NOTES TO FINANCIAL STATEMENTS OF 2021

(All amounts in RMB Yuan unless otherwise stated)

I. GENERAL INFORMATION OF THE COMPANY.

Tech Mahindra (Shanghai) Co., Ltd. ("the Company") is a limited liability company (wholly-owned foreign corporation) invested by Tech Mahindra Limited. Registered at China (Shanghai) Pilot Free Trade Zone Market Supervision Administration, the Company was established on December 23, 2002 and obtained the business license with Uniform Social Credit Code No. 91310115744229270H. Residential address of the Company is Room 23102, 23104, 23202, 23204, Pudong Software Park, No.498 Guoshoujing Road, China (Shanghai) Pilot Free Trade Zone and the registered capital is USD 16,900,000. The Company has an approved operating period of 20 years.

The approved business scope is: software designing, developing, production, testing and maintenance (including embedded system software, computer aid design, manufactory and engineering service softwares, enterprise resource solution softwares, enterprise integrating softwares, custom relationship management softwares etc.); sales of the self-produced products and related technical consulting services; providing outsourcing design, research and development services in the fields of machinery and electronics; providing comprehensive logistics solution design; wholesale, import & export and agency business(except auction) of electronic equipment, machinery and parts, steel products, computer hardwares and softwares, and providing related technical and auxiliary services. [Goods under state trade control are not included, and activities related to administrative permission should be operated with approval]

II. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and "Accounting System for Business enterprises" as promulgated by the State of the People's Republic of China.

III. COMPLIANCE STATEMENT

The financial statements have been prepared in accordance with "Accounting System for Business Enterprises", and present fairly, in all material respects, the financial position, financial performance, cash flows and the related financial information.

IV. PRINCIPAL ACCOUNTING POLICIES

(a) Accounting period

The Company's accounting year starts on 1 January and ends on 31 December.

(b) Recording currency

The recording currency of the Company is the Renminbi (RMB).

(c) Basis of accounting and measurement bases

The Company follows the accrual basis of accounting. Assets are initially recorded at actual costs on acquisition and subsequently adjusted for impairment, if any.

(d) Foreign currency translation

Except for the accounting treatment of paid-in capital, foreign currency transactions are translated into RMB at the exchange rates stipulated by the People's Bank of China ("the stipulated exchange rates") on the transaction date in which the transactions took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences arising from these translations are expensed, except for those attributable to foreign currency borrowings that have been made specifically for the construction of fixed assets, which are capitalized as part of the fixed asset costs and those arising in the pre-operating period, which are recorded as long-term deferred expenses.

Contributions to paid-in capital made in foreign currencies are translated into the RMB denominated paid-in capital account at the stipulated exchange rates at the contribution dates. Exchange differences arising from foreign currency capital contribution should be recognized as capital surplus.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash refers to all cash in hand and all deposits. Cash equivalents refer to short-term and highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables and provision for bad debts

Receivables comprise accounts receivable and other receivables. The provision method is used to account for potential bad debts identified by management. Receivables are presented at actual amounts net of provision for bad debts.

Accounts receivable

Accounts receivable comprises related party receivables and receivables from non-related parties.

The Company makes specific bad debts provision on an individual basis for accounts receivable that are distinctively different from any other receivable in recoverability. If there are indications that the balances cannot be recovered, the specific provision will be adjusted accordingly. General provision for bad debts is adopted to the other accounts receivable using ageing analysis:

Other receivables

Specific provisions are made for other receivables on an individual basis.

Recognition criteria of bad debts loss

Where evidence exists that balances cannot be recovered due to the debtor's de-registration, bankruptcy, insolvent and death, etc., bad debts are recognized and corresponding provision for bad debts is written off after the approval of the Company's general manager or the board pursuant to the authorization policies established in the Company.

(g) Fixed assets and depreciation

Fixed assets are tangible assets that are used in production, including sales of goods, rendering of services and leases, or held for management purposes, which have useful lives of more than one year and have relatively high unit price.

Fixed assets purchased or constructed by the Company are recorded at cost.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets being provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, estimated residual values expressed as a percentage of cost and annual depreciation rates are as follows:

	Estimated Useful Lives	Estimated Residual Value	Annual Depreciation Rate
Computer	3 yrs	0%	33.33%
Network equipment	5 yrs	0%	20.00%
Offince equipment	3 / 5 yrs	0%	33.33% / 20.00%
Furniture	3 yrs	0%	33.33%

When fixed assets are sold, transferred, disposed of or damaged, gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the assets, adjusted by related taxes and expenses, and are included in non-operating income or expenses.

The repair and maintenance expenses of fixed assets should be expensed directly for the current period. Subsequent expenditures for major reconstruction, expansion, improvement and renovation are capitalized when it is probable that future economic benefits in excess of the original assessment of performance will flow to the Company; the other subsequent expenditures should be recognized as costs or expenses for the current period. Capitalized expenditures arising from major reconstruction, expansion and improvement are depreciated using the straight-line method over the remaining useful lives of the fixed assets. The renovation expenses are depreciated using the straight-line method over the shorter of the interval of renovation and the estimated useful lives.

(h) Long-term deferred expenses

Long-term deferred expenses are expenses paid by an enterprise, for which the amortization period is more than one year (excluding one year), including land royalty and maintenance, etc. long-term deferred expenses should be amortized evenly over the respective beneficial periods and presented at an amount net of accumulated amortization.

Leasehold improvements

Leasehold improvements should be amortized evenly over the shorter of the lease term and the useful live, and presented at an amount net of accumulated amortization.

(i) Impairment of assets

In addition to the recognition of provisions for impairment loss on receivables and inventories which have been described in their respective accounting policies, individual assets for which there are indications that the carrying values are higher than their recoverable amounts, arising from the occurrence of events or changes in circumstances, are reviewed for impairment. If the carrying value of such assets is higher than the recoverable amount, the excess is recognized as an impairment loss.

The recoverable amount of an individual asset is the higher of its net selling price and its value in use. The net selling price is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and will parties, after deducting any incremental direct disposal costs. Value in use is the present value of estimated future cash flows expected being derived from continuing use of the asset and from its disposal at the end of its useful life.

When there is an indication that the need for an impairment provision recorded in a prior period no longer exists or has decreased, the provision for impairment loss is reversed. The increased carrying amount of the assets should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(j) Borrowing costs

Borrowing costs, including interests and ancillary costs, incurred in connection with specific borrowings obtained for the acquisition or construction of fixed assets are capitalized as costs of the fixed assets when capital expenditures and borrowing costs are incurred and the activities have commenced to enable the assets to be ready for their intended use. The capitalization of borrowing costs ceases when the assets are ready for their intended use. Borrowing costs incurred thereafter are expensed.

(k) Revenue recognition

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer, the Company retains neither continuing managerial involvement nor effective control over the goods sold, and it is probable that the economic benefit associated with the transaction will flow to the Company and the relevant revenue and costs can be measured reliably.

Revenue from the rendering of services shall be recognized at the time of service provided and consideration received or receivable.

Interest income should be measured based on the period between the acquisition date and the maturity date and the applicable interest rate.

Subsidy income shall be recognized at the time of receipt.

(l) Employee benefits

The full-time employees of the Company are entitled to staff welfare benefits under existing PRC legislation, including pension benefits, medical care, unemployment insurance, housing fund and other benefits.

The Company is required to accrue for these benefits based on certain percentages of the employees' salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, these benefits are levied by the human resource and social security bodies. The contributions are expensed as incurred.

(m) Accounting for income taxes

The Company accounts for enterprise income taxes using the tax payable method. Under the tax payable method, tax expense is recognized based on current period taxable income and tax rates.

V. TAXATION

Major applicable taxes and tax rate for the Company:

Tax	Tax rate (%)	Tax base
General VAT taxpayer	13.6	Taxable sales
Enterprise income taxes	25	Payable turnover tax
City maintenance tax	7.1	Payable turnover tax
Education surtax	3	Payable turnover tax
Local education surtax	.2	Payable turnover tax

VI. NOTES TO THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

1 CASH AND CASH EQUIVALENTS

	Ending balance	Beginning balance
Cash in bank	41,058,714.46	5,057,840.59
Total	41,058,714.46	5,057,840.59

2 ACCOUNTS RECEIVABLE

	Ending balance	Beginning balance
Accounts receivable	67,056,646.54	91,852,253.08
Provision for bad debt allowance	4,322,172.25	4,291,817.29
Book balance	62,734,474.29	87,560,435.79

Aging analysis of receivables

	Ending balance			Beginning balance		
	Amount	**Rate%**	**Bad debt allowance**	Amount	Rate%	Bad debt allowance
within 1 year	62,734,474.90	93.55	0.61	88,516,776.64	96.37	956,340.85
1-2 years	1,056,110.73	1.58	1,056,110.73	-	-	-
2-3 years	-	-	-	498,236.18	0.54	498,236.18
over 3 years	3,266,060.91	4.87	3,266,060.91	2,837,240.26	3.09	2,837,240.26
Total	**67,056,646.54**	**100.00**	**4,322,172.25**	**91,852,253.08**	**100.00**	**4,291,817.29**

Debtors with large amounts:

Name of debtors	**Amount**	**Nature**	**Aging**
Customer - A	21,796,643.23	Service fee	Within 1 year
Customer - B	15,519,764.14	Service fee	Within 1 year

3 OTHER RECEIVABLES

	Ending balance	Beginning balance
Other receivables	1,692,974.84	1,955,608.55
Provision for bad debt allowance	-	-
Book balance	1,692,974.84	1,955,608.55

Aging analysis of receivables

	Ending balance			Beginning balance		
	Amount	**Rate(%)**	**Bad debt allowance**	**Amount**	**Rate(%)**	**Bad debt allowance**
within 1 year	244,490.76	14.44	-	524,500.67	26.82	-
1-2 years	100,000.00	5.91	-	1,005,210.81	51.40	-
2-3 years	922,587.00	54.49	-	-	-	-
over 3 years	425,897.08	25.16	-	425,897.07	21.78	-
Total	**1,692,974.84**	**100.00**	**-**	**1,955,608.55**	**100.00**	**-**

Debtors with large amounts:

Name of debtors	**Amount**	**Nature**	**Aging**
Customer - C	922,587.00	Deposit	2~3 ys

4 ADVANCE TO SUPPLIERS

	Ending balance		Beginning balance	
	Amount	**%**	**Amount**	**%**
within 1 year	1,177,939.32	100.00	729,287.93	100.00
Total	**1,177,939.32**	**100.00**	**729,287.93**	**100.00**

Name of debtors	**Amount**	**Nature**	**Aging**
Customer - D	505,600.00	Project advance payment	within 1 year
Customer - E	420,000.00	Material advance payment	within 1 year

5 FIXED ASSETS – COST

Item	**Beginning balance**	**Increase**	**Decrease**	**Ending balance**
Network equipment	2,697,646.01	255,607.12	-	2,953,253.13
Computer	4,310,238.22	11,814.16	177,817.02	4,144,235.36
Office equipment	2,458,554.92	108,355.49	-	2,566,910.41
Furniture	341,062.09	-	-	341,062.09
Total	**9,807,501.24**	**375,776.77**	**177,817.02**	**10,005,460.99**

6 ACCUMULATED DEPRECIATION

Item	**Beginning balance**	**Increase**	**Decrease**	**Ending balance**
Network equipment	2,318,175.22	176,796.03	-	2,494,971.25
Computer	3,289,527.69	672,637.15	176,942.72	3,785,222.12
Office equipment	2,266,083.20	120,092.32	-	2,386,175.52
Furniture	337,336.40	3,401.15	-	340,737.55
Total	**8,211,122.51**	**972,926.65**	**176,942.72**	**9,007,106.44**

7 FIXED ASSETS – NET

Item	Ending balance	Beginning balance
Network equipment	458,281.88	379,470.79
Computer	359,013.24	1,020,710.53
Office equipment	180,734.89	192,471.72
Furniture	324.54	3,725.69
Total	**998,354.55**	**1,596,378.73**

8 LONG-TERM DEFERRED EXPENSES

	Beginning balance	Increase	Decrease	Ending balance
Leasehold improvements	5,578,611.03	-	3,729,392.03	1,849,219.00
Software and maintenance	1.00	-	1.00	-
Total	**5,578,612.03**	**-**	**3,729,393.03**	**1,849,219.00**

9 SHORT-TERM LOAN

Bank	Type of loan	Interest rate	Ending balance	Beginning balance
HSBC	Credit	4.785%	-	4,500,000.00
Total			**-**	**4,500,000.00**

Mortgate and guarantee information

(1) As of December 31, 2021, the Company has issued a letter of guarantee of RMB 2 million to Customer - B through HSBC Bank (China) Co., Ltd.

10 ACCOUNTS PAYABLE

Ending balance	Beginning balance
14,813,360.66	22,320,451.83

Creditors with large amounts:

	Ending Balance	Descriptions
Tech Mahindra Limited	14,524,219.05	Service fee

11 ADVANCES

Ending balance	Beginning balance
9,832,161.18	6,582,371.18

Creditors with large amounts:

	Ending Balance	Descriptions
Customer - A	7,145,460.09	Service fee

12 WAGES PAYABLE

Item	Ending balance	Beginning balance
	1,615,379.16	1,649,108.45
Total	**1,615,379.16**	**1,649,108.45**

13 TAXES PAYABLE

Taxes	Ending balance	Beginning balance
Value added tax	397,258.31	-
Individual income tax	385,394.44	617,760.45
Enterprise income tax	-0.07	-0.07
Total	**782,652.68**	**617,760.38**

14 OTHER FEES PAYABLE

Item	Ending balance	Beginning balance
River management fee	-	-
City maintenance tax	20,481.26	30,775.09
Education surcharges and local education surtax	28,067.87	30,110.91
Stamp duty	4,062.80	13,768.48
Total	**52,611.93**	**74,654.48**

15 ACCRUED EXPENSES

Item	Ending balance	Beginning balance
Related party service fee	1,795,282.63	1,995,035.77
Other outsourcing services	23,128,155.30	7,293,197.45
Total	**24,923,437.93**	**9,288,233.22**

16 PAID-IN CAPITAL

Name of Investor	Ending balance		Beginning balance	
	Registered Capital (USD)	Registered Capital (RMB)	Registered Capital (USD)	Registered Capital(RMB)
Tech Mahindra Limited	16,900,000.00	123,963,336.17	16,900,000.00	123,963,336.17
Total	**16,900,000.00**	**123,963,336.17**	**16,900,000.00**	**123,963,336.17**

The paid-in capital of USD 13,900,000 has been verified by Shanghai Linfang CPA Co., Ltd with the Capital Verification Report(2011) No.BY0116. The remaining invested capital has not been verified.

17 UNDISTRIBUTED PROFITS

	Ending balance	Beginning balance
Undistributed profits at beginning of year	-65,486,349.24	-54,993,103.90
Current year net profit	-450,435.52	-10,493,245.34
Distributable profit	-65,936,784.76	-65,486,349.24
Undistributed profits at the end of year	-65,936,784.76	-65,486,349.24

18 REVENUES FROM MAIN OPERATION

Item	Current period	Prior period
Software designing, developing and maintenance (Domestic)	74,938,160.03	143,071,335.93
Software designing, developing and maintenance (Overseas)	47,911,576.27	20,615,478.94
Sales of goods (Domestic)	6,964,851.45	2,318,569.59
Sales of goods (Overseas)	70,016.35	-
Leasing	579,008.92	514,986.96
Total	**130,463,613.02**	**166,520,371.42**

19 TAX AND ITS ADDITIONS

Item	Current period	Prior period
City maintenance tax	158,477.96	352,743.08
Education surcharges	131,647.00	346,403.95
Stamp duty	50,801.32	86,279.29
Total	**340,926.28**	**785,426.32**

20 FINANCE EXPENSES

	Current period	Prior period
Interest expenses	24,788.96	1,208,292.24
Interest income	266,208.65	37,678.25
Bank charges	41,502.34	31,703.43
Exchange losses/gains-net	872,486.73	538,124.78
Total	**672,569.38**	**1,740,442.20**

21 SUBSIDIES INCOME

Item	Current period	Prior period
Government subsidies	400,386.59	455,890.00
Total	**400,386.59**	**455,890.00**

22 NON-OPERATING INCOMES

Item	Current period	Prior period
Additional VAT deduction	428,081.71	732,986.34
IIT refund	196,429.83	187,328.72
Salary payables written off	6,892.60	34,234.04
Insurance claims	1,500.00	-
VAT exemption	-	280.00
Rounding off	1.03	-
Total	**632,905.17**	**954,829.10**

23 NON-OPERATING EXPENSES

Item	Current period	Prior period
Disposal of fixed assets and long-term deferred expenses	848,469.33	1,515,664.24
Loss of input tax	5,018.83	-
Rounding off	-	0.15
Total	**853,488.16**	**1,515,664.39**

VII. RELATED PARTY TRANSACTION

Related party relationships

Name of Entity	Relationship with the Company
Tech Mahindra Limited	Investor
Mahindra & Mahindra Ltd.	Controlled by the same party
Tech Mahindra (Beijing) IT Services Limited	Controlled by the same party
Born Group Pte Ltd	Controlled by the same party

Related party transactions

Name of Entity	Description	Transactions in 2021
Customer - C	Rendering services	CNY 7,828,816.32
Customer - D	Rendering services	USD 125,852.08
Customer - E	Rendering services	CNY 434,692.48
Tech Mahindra Limited	Accepting services	CNY 2,029,058.74
Born Group Pte Ltd	Accepting services	CNY 1,540,620.80

Ending Balance of related party transaction

Name of Entity	Account Name	Description	Ending balance
Customer - C	Accounts receivable	Rendering services	CNY 1,888,856.30
Customer - D	Accounts receivable	Rendering services	USD 87,666.74
Customer - E	Accounts receivable	Rendering services	CNY 76,230.24
Tech Mahindra Limited	Accounts payable	Accepting services	USD1,398,145.07
Tech Mahindra Limited	Accounts payable	Accepting services	CNY 5,645,770.92
Tech Mahindra Limited	Accrued expenses	Accepting services	CNY 870,910.15
Born Group Pte Ltd	Accrued expenses	Accepting services	CNY 924,372.48

VIII. CONTINGENCIES

No disclosure is required.

IX. EVENTS AFTER THE REPORTING PERIOD

No disclosure is required.

X. COMPARISON INFORMATION

The comparison information has been reclassified so as to be in line with the information reported for the year 2021.

XI. OTHERS

No disclosure is required.

TECH MAHINDRA COMMUNICATIONS JAPAN CO. LTD

Board of Directors
Mr. Masato Kawano
Mr. Amitava Ghosh
Ms. Dhanashree Bhat

Registered Office
6-18, Kamiji 1-Chome,
Higashinari-ku, Osaka

Bankers
Mitsui sumitomo
Kansai Mirai Bank
Osaka City Bank
Amagasaki Shinkin Bank
Citibank Tokyo Branch

Auditors
RSM Seiwa Syosankan
4F Shosankan Building,
1 Chome−3−2 ,Iidabashi,
Chiyoda-ku, Tokyo

TECH MAHINDRA COMMUNICATIONS JAPAN CO. LTD

Balance Sheet as at year ended	**31-Mar-22**	**31-Mar-21**
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	2,547,150	4,093,382
(b) Financial Assets		
(i) Investments	-	-
(c) Other Non-Current Assets	2,368,388	2,267,555
Current Assets		
(a) Financial Assets		
(i) Trade Receivables	478,065,635	166,891,034
(ii) Cash and Cash Equivalents	460,381,720	459,721,251
(b) Other Current Assets	536,536	371,500
Total Assets	**943,899,429**	**633,344,722**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	43,000,000	43,000,000
(b) Retained Earnings	349,047,374	162,693857
Total Equity	**392,047,374**	**205,693,857**
Non-Current Liabilities		
(a) Financial Liabilities - Borrowings	100,000,000	100,000,000
(b) Other Non-Current Liabilities	-	-
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Trade Payables	437,240,718	196,975,811
(iii) Statutory Liabilities	112,918,900	128,671,500
(b) Other Current Liabilities	1,692,437	2,003,554
Total Equity and Liabilities	**943,899,429**	**633,344,722**

Signature

Mastao Kawano (Director)

Place : 6-5-27 Nishiyamamoto, Yao, Osaka, Japan

Date : 15 June 2022

Statement of Profit and Loss for the period ended		**31-Mar-22**
I	Revenue from Operations	2,984,825,583
II	Other Income	321,023
III	**Total Revenue (I +II)**	**2,985,146,606**
IV	**EXPENSES**	
	Employee Benefit Expense	89,172,021
	Subcontracting Expenses	2,537,425,234
	Finance Costs	40,822
	Depreciation and Amortization Expense	1,807,432
	Other Expenses	79,249,126
	Forex Gain	(615,346)
	Total Expenses	**2,707,079,289**
V	**Share of (Profit) / Loss of Associates**	-
VI	**Profit/(loss) before Exceptional Item and Tax (III-IV-V)**	**278,067,317**
VII	**Exceptional Item (net)**	
VIII	**Profit/(loss) Before Tax (VI+VII)**	**278,067,317**
IX	**Tax Expense**	
	Current tax	91,713,800
	MAT charge / (credit)	
	Earlier years excess provision written back	
	Deferred Tax	
	Total Tax Expense	**91,713,800**
X	**Profit/(loss) after Tax**	**186,353,517**

Signature

Mastao Kawano (Director)

Place : 6-5-27 Nishiyamamoto, Yao, Osaka, Japan

Date : 15 June 2022

NOTES TO FINANCIAL STATEMENT.

NOTE 1 - DESCRIPTION OF OPERATIONS AND BASIS OF PRESENTATION

Tech Mahindra Communications Japan Co. Ltd (“TMCJ” or “the Company”) incorporated in Japan in 2006 under the name K Vision. On March 14, 2019, Tech Mahindra Limited (“Tech Mahindra”), incorporated in India, through its subsidiary, Tech Tech Mahindra London Limited (Formerly known as Mahindra Engineering Services (Europe) Limited), incorporated in the United Kingdom, completed the acquisition of the shares of the Company.

The Company is supplying all the elements required for the establishment and deployment of communication networks and provides related construction services in Japan.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in Japan (“JGAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Cash and cash equivalents:

Cash and cash equivalents consist of certain highly liquid investments with maturities of three months or less at the date of purchase and consist of money market funds.

Trade receivables:

The Company believes that the concentration of credit risk in its trade receivables is mitigated by the Company’s credit evaluation process, relatively short collection terms, and dispersion of its customer base. Management evaluates the collectability of trade receivables based on a combination of factors. Management regularly analyzes significant customers accounts, and, when management becomes aware of a specific customer’s inability to meet its financial obligations, such as in the case of bankruptcy filings or deterioration in the customer’s operating results or financial position, a specific reserve for bad debts is recorded to reduce the related receivable to the amount management reasonably believes is collectible. Reserves for doubtful accounts for all other customers are also recorded based on a variety of factors including the length of time the receivables are past due, the financial health of the customer, macroeconomic considerations, and historical experience. If circumstances related to specific customer change, estimates of the recoverability of receivables could be further adjusted or the related receivables could be written off to the allowance as uncollectible. The Company has not experienced significant losses on trade receivables from any particular customer or geographic region.

Property and equipment:

Property and equipment are stated at cost and are being depreciated using straight-line and accelerated methods over the estimated useful lives of the related assets.

Fair value of financial instruments:

The fair value of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, and other short-term liabilities approximate the carrying value due to their short-term, highly liquid nature. The carrying amounts of long-term debt approximate fair value, based on interest rates currently available for similar terms and maturities.

Income taxes:

Deferred income tax assets and liabilities are recognized on the differences between the financial statement and tax basis of assets and liabilities and on net operating loss carryovers using enacted tax rates. A valuation allowance is provided to offset deferred income tax assets if, based on available evidence, it is more likely than not that a portion of the deferred income tax assets will not be realized.

Accounting Principles

Cash accounting is being followed as per standard accounting practices followed in Japan. Last year Balance sheet figures has been recasted accordingly.

VCUSTOMER PHILIPPINES, INC.

Board of Directors
Mr. Anand Achuthan
Mr. Narinder Singh Sethi
Ms. Lynette De Guzman
Ms. Ricci Katherine Padre
Ms. Jeane R.T Montes

Registered Office
3rd Floor eCommerce Plaza,
Eastwood City Cyberpark, Bagumbayan,
Quezon City Philippines 1110

Bankers
UNION BANK OF THE PHILIPPINES

Auditors
R.G. MANABAT & CO.

VCUSTOMER PHILIPPINES, INC.

DIRECTORS' REPORT

Your Directors present their Report together with the audited accounts of vCustomer Philippines, Inc. (vCPI) for the year ended March 31, 2022.

Financial Results (PHP):

For the years ended	**March 31, 2022**	March 31, 2021
Revenue	**410,277,483**	333,410,777
Profit	**27,352,039**	12,847,826

Review of Operations:

For the fiscal year ended March 31, 2022, vCPI reported revenue amounted to PHP 410,277,483, an increase of PHP 76,866,706 over the last reporting year ended March 31, 2021. Profit for the fiscal year ended March 31, 2022 amounted to PHP 27,352,039, 113% increase over the last reporting year.

Future Plans and Appropriations:

vCPI made a reversal of the Appropriated Retained Earnings of PHP 296,000,000 intended for the expansion projects due to the completion of the said projects. Additional appropriation of PHP 313,000,000 from its current retained earnings as at March 31, 2022 to be used by the Company for its expansion projects, office renovation and equipment upgrade in the year 2022 until 2024. vCPI is expecting engagement of additional account/clients and increase and employee headcount.

COVID-19

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Anand Achuthan
Director & President

Lynette De Guzman
Director, Chief Finance Officer

Place: Quezon City, Philippines
Date: May13, 2022

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
vCustomer Philippines, Inc.
3rd Floor, eCommerce Plaza, Eastwood Cyberpark
Quezon City, Philippines

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of vCustomer Philippines, Inc., a wholly owned subsidiary of Tech Mahindra Limited, which comprise the separate statements of financial position as at March 31, 2022 and 2021, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at March 31, 2022 and 2021, and its unconsolidated financial performance and its unconsolidated cash flows for the years ended, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the separate financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

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

- Identify and assess the risks of material misstatement of the separate 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 auditors' report to the related disclosures in the separate 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 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 separate financial statements, including the disclosures, and whether the separate 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.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 26 to the basic separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

R.G. MANABAT & CO.

DINDO MARCO M. DIOSO
Partner
CPA License No. 0095177
SEC Accreditation No. 95177-SEC, Group A, valid for five (5) years
covering the audit of 2019 to 2023 financial statements
Tax Identification No. 912-365-765
BIR Accreditation No. 08-001987-030-2019
Issued August 7, 2019; valid until August 6, 2022
PTR No. MKT 8854063
Issued January 3, 2022 at Makati City

Date: June 3, 2022
Place: Makati City, Metro Manila

(A Wholly-owned Subsidiary of Tech Mahindra Limited)

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended March 31 2022	2021
SERVICE REVENUE	14	**P410,277,483**	P333,410,777
COST OF SERVICES	16	**246,593,411**	168,515,183
GROSS INCOME		**163,684,072**	164,895,594
OPERATING EXPENSES	17	**122,743,770**	131,252,299
INCOME FROM OPERATIONS		**40,940,302**	33,643,295
OTHER INCOME (CHARGES)			
Foreign exchange losses		**(2,618,154)**	(9,436,857)
Interest expense	18	**(3,613,349)**	(3,333,225)
Interest income	6	**181,107**	224,928
Others	9, 13	**994,088**	963,437
		(5,056,308)	(11,581,717)
INCOME BEFORE INCOME TAX		**35,883,994**	22,061,578
PROVISION FOR INCOME TAXES	20	**8,531,955**	9,213,752
NET INCOME		**27,352,039**	12,847,826
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement gain on retirement benefits	19	**3,414,800**	2,250,926
TOTAL COMPREHENSIVE INCOME		**P30,766,839**	P15,098,752

See Notes to the Separate Financial Statements.

VCUSTOMER PHILIPPINES, INC.

(A Wholly-owned Subsidiary of Tech Mahindra Limited)

SEPARATE STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended March 31	
		2022	2021
SHARE CAPITAL	15	**P9,500,000**	P9,500,000
ADDITIONAL PAID-IN CAPITAL	15	**156,044**	156,044
RETAINED EARNINGS			
Appropriated:			
Balance at beginning of year		**296,000,000**	285,000,000
Appropriation for business expansion	15	**322,000,000**	296,000,000
Reversal of appropriation	15	**(296,000,000)**	(285,000,000)
Balance at end of year		**322,000,000**	296,000,000
Unappropriated:			
Balance at beginning of the year		**3,539,196**	1,691,370
Net income during the year		**27,352,039**	12,847,826
Appropriation for business expansion	15	**(322,000,000)**	(296,000,000)
Reversal of appropriation	15	**296,000,000**	285,000,000
Balance at end of year		**4,891,235**	3,539,196
		326,891,235	299,539,196
CUMULATIVE REMEASUREMENT GAIN ON RETIREMENT BENEFITS			
Item that will not be reclassified subsequently to profit or loss			
Balance at beginning of year		**23,521,024**	21,270,098
Remeasurement gain during the year	19	**3,414,800**	2,250,926
		26,935,824	23,521,024
		P363,483,103	P332,716,264

See Notes to the Separate Financial Statements.

(A Wholly-owned Subsidiary of Tech Mahindra Limited)

SEPARATE STATEMENTS OF CASH FLOWS

	Note	Years Ended March 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**P35,883,994**	P22,061,578
Adjustments for:			
Depreciation and amortization	9, 11, 18	**51,668,779**	30,483,046
Retirement benefits cost	19	**7,621,000**	9,396,666
Interest expense	18	**3,613,349**	3,333,225
Other income	13	**(994,088)**	(963,437)
Interest income	6	**(181,107)**	(224,928)
Unrealized foreign exchange loss (gain) - net		**1,067,828**	(9,890)
Operating profit before working capital changes		**98,679,755**	64,076,260
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Trade and other receivables		**(37,321,324)**	5,831,447
Prepayments and other current assets		**666,238**	(260,529)
Refundable deposits		**(5,311,596)**	5,311,596
Other noncurrent assets		**272,365**	10,249,613
Increase (decrease) in trade and other payables		**9,229,819**	(5,284,554)
Cash generated from operations		**66,215,257**	79,923,833
Income taxes paid		**(7,892,071)**	(9,713,511)
Retirement benefits paid	19	**(636,000)**	(1,950,188)
Interest received	6	**181,107**	224,928
Net cash generated from operating activities		**57,868,293**	68,485,062
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment	9	**(28,321,306)**	(18,256,101)
Acquisition of intangible asset	11	**(2,046,365)**	(5,162,500)
Cash used in investing activities		**(30,367,671)**	(23,418,601)
CASH FLOWS FROM A FINANCING ACTIVITY			
Repayment of lease liabilities	18	**(38,752,165)**	(21,889,638)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(1,067,828)**	9,890
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(12,319,371)**	23,186,713
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**299,869,878**	276,683,165
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	**P287,550,507**	P299,869,878

See Notes to the Separate Financial Statements.

(A Wholly-owned Subsidiary of Tech Mahindra Limited)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Reporting Entity

vCustomer Philippines, Inc. (the "Company") was registered with the Securities and Exchange Commission (SEC) on February 24, 2010. The primary purpose of the Company is to carry on the business of providing services to customers in any part of the world through any and all medium of communication including internet and telephone including management services, solutions to business problems, web designing, customer relations, development/production of software and software systems, data warehousing, data mining, processing and analysis of software and software systems, consultancy and advisory services in software and software systems, without operating as a public utility; to carry on the business of data processing and analysis including assimilation, sorting, processing and communication of data and graphs, development of computer analysis, software development, data preparation and verification, data analysis, data transmission and computation through the computer or other devices encompassing digital, analog and graphic processes and any other information technology; to undertake merchandising and logistics activities in the areas of electronic commerce, as well as other forms of commerce and commercial transactions; and to undertake the operation and management of e-mail services centers, customer response centers, computer education and training centers for the foregoing operations, loyalty incentive and motivation programmes, direct marketing activities, database management, back office support and all internet and web related work.

The Company is a wholly-owned subsidiary of Tech Mahindra Limited (the "Ultimate Parent"), a corporation organized and existing under the laws of India. The Company's registered business address is at 3rd Floor, eCommerce Plaza, Eastwood Cyberpark, Quezon City, Philippines.

2. Basis of Preparation

Statement of Compliance

The separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). PFRSs which are issued by the Philippine Financial Reporting Standards Council, consist of PFRSs, Philippine Accounting Standards, and Philippine Interpretations.

The Company also prepares and issues consolidated financial statements for the same reporting period as the separate financial statements presented in accordance with PFRSs. The consolidated financial statements may be obtained at the Company's registered address as disclosed in Note 1.

Basis of Measurement

The separate financial statements have been prepared on a historical cost basis of accounting except for retirement benefits obligation which is recognized at the present value of the defined benefit obligation.

Functional and Presentational Currency

These separate financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded in the nearest peso, except when otherwise indicated.

Authorization for the Issuance of the Consolidated Financial Statements

The separate financial statements were approved and authorized for issue by the Board of Directors (BOD) on May 13, 2022.

3. Adoption of Amendments to Standards and Interpretations

The Company has adopted the following amendments to standards starting April 1, 2021 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these new and amendments to standards did not have any significant impact on the Company's separate financial statements. These are as follows:

- COVID-19-Related Rent Concessions (Amendment to PFRS 16, Leases). The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The practical expedient applies if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before June 30, 2021; and,
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose that fact, whether they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and the amount recognized in profit or loss for the reporting period arising from application of the practical expedient. No practical expedient is provided for lessors.

The amendment is effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted. A lessee applies the amendments retrospectively, recognizing the cumulative effect of the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to PFRS 16, Leases). The amendment extends the practical expedient introduced in the 2020 amendment which simplified how a lessee accounts for rent concessions that are a direct consequence of COVID-19, permitting lessees to apply the practical expedient to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

The amendment is effective for annual reporting periods beginning on or after

April 1, 2021. Earlier application is permitted. A lessee applies the amendments retrospectively, recognizing the cumulative effect of the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate. The adoption is mandatory for lessees that chose to apply the practical expedient introduced by the 2020 amendments and may result in reversal of lease modifications that was ineligible for the practical expedient under the 2020 amendments but becomes eligible as a result of the extension.

Amendments Issued but Not Yet Adopted

A number of amendments to standards effective for annual periods beginning after April 1, 2021. However, the Company has not early adopted the following new or amended standards in preparing these separate financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Company's separate financial statements.

Effective January 1, 2022

- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to PAS 16, Property, Plant and Equipment). The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income (loss). This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income (loss).

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

- Onerous Contracts - Cost of Fulfilling a Contract (Amendment to PAS 37 Provisions, Contingent Liabilities and Contingent Assets). The amendments clarify that the cost of fulfilling a contract when assessing whether a contract is onerous includes all costs that relate directly to a contract - i.e. it comprises both incremental costs and an allocation of other direct costs.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated. Earlier application is permitted.

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to four standards:
  - Fees in the ’10 per cent’ Test for Derecognition of Financial Liabilities (Amendment to PFRS 9, Financial Instruments). The amendment clarifies that for the purpose of performing the ’10 per cent’ test for derecognition of financial liabilities, the fees paid net of fees received included in the discounted cash flows include only fees 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.
  - Lease Incentives (Amendment to Illustrative Examples accompanying PFRS 16). The amendment deletes from the Illustrative Example 13 the reimbursement relating to leasehold improvements to remove the potential for confusion because the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in PFRS 16.

Effective January 1, 2023

- Classification of Liabilities as Current or Non-current (Amendments to PAS 1, Presentation of Financial Statements). To promote consistency in application and clarify the requirements on determining whether a liability is current or non-current, the amendments:
  - removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;
  - clarified that a right to defer settlement exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date; and
  - clarified that settlement of a liability includes transferring a company’s own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or non-current.

  The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

  In November 2021, the International Accounting Standards Board issued the Exposure Draft, Non-Current Liabilities with Covenants, after considering stakeholder feedback on the December 2020 tentative agenda decision issued by the IFRS Interpretations Committee about the amendments. The exposure draft proposes to again amend IAS 1 as follows:

  - conditions which the entity must comply within twelve months after the reporting period will have no effect on the classification as current or non-current.
  - additional disclosure requirements will apply to non-current liabilities subject to such conditions to enable the assessment of the risk that the liability could become repayable within twelve months.
  - separate presentation in the statement of financial position will be required for non-current liabilities for which the right to defer settlement is subject to conditions within 12 months after the reporting period.

  The effective date of the amendments will be deferred to no earlier than January 1, 2024. Comments on the Exposure Draft is due on March 21, 2022.

- Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). To clarify the distinction between changes in accounting policies and changes in accounting estimates, the amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an accounting estimate is developed to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both selecting a measurement technique and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remain unchanged. The amendments also provide examples on the application of the new definition. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the amendments are applied.

- Disclosure of Accounting Policies (Amendments to PAS 1, Presentation of Financial Statements and PFRS Practice Statement 2, Making Materiality Judgements). The amendments are intended to help companies provide useful accounting policy disclosures. The key amendments to PAS 1 include:
    - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
    - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
    - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments to PFRS Practice Statement 2 includes guidance and additional examples on the application of materiality to accounting policy disclosures. The amendments are effective from January 1, 2023. Earlier application is permitted.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments clarify that that the initial recognition exemption does not apply to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning obligations.

  The amendments apply for annual reporting periods beginning on or after January1, 2023. Earlier application is permitted.

  For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other appropriate component of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

4. Significant Accounting Policies and Disclosures

The significant accounting policies and practices applied in the preparation of these separate financial statements are set forth to facilitate the understanding of data presented in the separate financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

Current versus Noncurrent Classification

The Company presents assets and liabilities in the statements of financial position based on current or noncurrent classification.

An asset is 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 (12) months after the financial reporting period;
- Expected to be settled on demand; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the financial reporting period.

All other assets are classified as noncurrent. Deferred tax assets are classified as noncurrent assets.

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 (12) months after the financial reporting period;
- It is expected to be settled in demand; or
- There is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the financial reporting period.

All other liabilities are classified as noncurrent. Deferred tax liabilities are classified as noncurrent liabilities.

Financial Instruments

Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets expire, or if the Company transfers the financial asset to another party and does not retain control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the normal course of business are accounted for at settlement date (i.e., the date that the asset is delivered to or by the Company). At initial recognition, the Company measures its financial assets 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 or issue of the financial asset.

Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated as fair value through profit or loss, includes transaction costs.

After initial recognition, the Company classifies its financial assets as subsequently measured at either i) amortized cost, ii) fair value through other comprehensive income or iii) fair value through profit or loss on the basis of both:

The Company's business model for managing the financial assets.

The contractual cash flow characteristics of the financial asset.

Subsequent to initial recognition, financial assets are measured as described below.

At each balance sheet date, the Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes a loss allowance for expected credit losses for financial assets measured at either amortized costs or at fair value through other comprehensive income. If, at the reporting date, 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 months of expected credit losses.

If, at the reporting date, the credit risk on a financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses. The Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if both i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and ii) 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.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction cost directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, less any impairment losses.

Financial assets at amortized cost are classified as current assets when the Company expects to realize the asset within 12 months from reporting date. Otherwise, these are classified as noncurrent assets.

Cash and cash equivalents, trade receivables and refundable deposits are generally included in this category.

Cash includes cash on hand, cash in banks and cash equivalents.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company classifies an investment as cash equivalent if that investment has a maturity of three months or less from the date of acquisition.

Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial liabilities are derecognized when the Company's obligations specified in the contract expire or are discharged or cancelled.

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

The Company generally classifies all financial liabilities as subsequently measured at amortized cost.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade and other payables and lease liabilities are generally included in this category.

Prepayments and Other Current Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Other current assets pertain to resources controlled by the Company as a result of past events and from which future economic benefits are expected to flow to the Company.

Prepayments and other current assets are classified in the separate statements of financial position as current asset when the cost of services related to the prepayments and other current assets are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as noncurrent assets.

Investments in Subsidiary

A subsidiary is an entity, including an unincorporated entity such as a partnership that is controlled by the Company.

Investments in subsidiaries are measured initially at cost. Subsequent to initial recognition, investment in subsidiaries are carried in the Company's separate financial statements at cost less any accumulated impairment losses.

The Company's accounting policy for impairment of financial assets are applied to determine whether it is necessary to recognize any impairment loss with respect to its investment in subsidiary When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with the Company's accounting policy on impairment of tangible and intangible assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The investments in subsidiaries are derecognized upon disposal or when no future economic benefits are expected to arise from the investment. Gain or loss arising on the disposal is determined as the difference between the sales proceeds and the carrying amount of the investment in subsidiary and is recognized in profit or loss.

Property and Equipment

Property and equipment are initially measured at cost. The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; 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.

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

At the end of each reporting period, items of property and equipment are measured at cost less any subsequent accumulated depreciation and impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

	Number of Years
Office equipment	5
Communication equipment	3
Furniture and fixtures	3
Leasehold improvements	3 or lease term, whichever is shorter

Leasehold improvements are amortized over the improvements' useful life of three years or when shorter, the term of the relevant lease.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

At the end of each reporting period, the Company assesses whether there is any indication that any of its property and equipment is impaired. 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, 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 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 as an expense.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Intangible Assets

Intangible Assets Acquired Separately

Intangible assets are initially measured at cost. Subsequent to initial recognition, intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives. The estimated useful life and the amortization 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.

The Company's intangible assets are amortized over a 5-year useful life.

Share Capital

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

Retained Earnings

Retained earnings and deficit represent accumulated profits and losses earned and incurred by the Company. Retained earnings and deficit may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Provisions and Contingencies

Provisions are recognized when the Company has a present obligation, either legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation through an outflow of resources embodying economic benefits, and the amount of the obligation can be estimated reliably.

The amount of the provision recognized is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. 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.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Employee Benefits

Short-Term Benefits

The Company recognizes a liability, net of amounts already paid, and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans 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.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Post-Employment Benefits

Defined Benefit Plan

The Company classifies its retirement benefit as defined benefit plans. Under the defined 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 interest), are reflected immediately in the separate statements of financial position with a charge or credit recognized in other comprehensive income (OCI) in the period in which they occur. Remeasurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in 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 benefits liability or asset. Defined benefits 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
- Remeasurements.

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

The retirement benefits obligation recognized in the separate statements of financial position represents the actual deficit in the Company's defined benefit plans.

Compensated Leave Credits

The Company's net obligation in respect of accumulated leaves is the amount of future benefit that employees have earned in return for their services in the current and prior periods. This benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Revenue Recognition

The Company identifies each distinct performance obligation to transfer services. The Company recognizes revenue when (or as) it satisfies a performance obligation by transferring the control of services to the customer. The transaction price is the amount of consideration the Company expects to receive under the arrangement. The Company concluded that it is acting as principal for its revenue arrangement.

Sale of Services

The Company provides services assistance to its Parent Company in the ordinary course of business. Such services are recognized as a performance obligation satisfied over time.

Expense Recognition

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or increase of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Leases

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 a consideration.

As a Lessee

The Company recognizes a right-of-use assets and a lease liabilities at the lease commencement date. The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove or restore the underlying asset or the site on which it is located, less any incentives received.

The right-of-use assets are 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 assets or the end of lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liabilities are 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 rates as the discount rate.

Lease payments included in the measurement of the lease liabilities 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 liabilities are measured at amortized cost using the effective interest method. This are remeasured if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

The ROU assets and lease liabilities are presented in the separate statements of financial position separately from other assets and liabilities, respectively.

Foreign Currency

Transactions in currencies other than Philippine peso are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated In foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Gains and losses arising on retranslation are included in profit or loss for the year.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities under common control with the reporting enterprises and their key management personnel, directors, or its stockholders. Related parties may be individuals or corporate entities. In considering each possible related party relationships, attention is directed to the substance of the relationship, and not merely the legal form.

Income Taxes

Income tax expense recognized in the separate statement of comprehensive income of the Company represents the current tax expense and deferred tax expense.

Under the Company's registration with the PEZA pursuant to the provisions of R.A. No. 7916, The Special Economic Zone Act of 1995, the Company is subject to 5% final tax on gross income from PEZA-registered activities in lieu of payment of national and local taxes.

Uncertainties related to taxes that are not income taxes are recognized and measured in accordance with PAS 37 unless they are dealt with specifically in another standard.

If there is uncertainty about an income tax treatment, then the Company considers whether it is probable that a tax authority will accept the Company's tax treatment included in its tax filing. The underlying assumption in the assessment is that a tax authority will examine all amounts reported and will have full knowledge of all relevant information.

Current Tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the separate statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using 5% of gross income earned from registered activities. For income other than its registered activities, tax rate is based on the applicable regular income tax rate of the Bureau of Internal Revenue. Income is tax exempt when the activities are included under income tax holiday.

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income 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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Events After the Reporting Period

The Company identifies events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the separate financial statements are authorized for issue. The separate financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the separate financial statements when material.

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and associated assumptions are based on the 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 recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations, that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the separate financial statements.

Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has determined to be the Philippine Peso.

The Philippine Peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the Company's cost of operation, and in effect, its revenue.

Determination of the Term and Discount Rate of Lease Arrangements

Where the Company is the lessee, management is required to make judgments about whether an arrangement contains a lease, the lease term and the appropriate discount rate to calculate the present value of the lease payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases entered into by the Company as lessee, management uses the incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses an approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company and makes adjustments specific to the lease.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated) and, as such, included within lease liabilities.

The Company normally considers in the assessment whether there are significant penalties to terminate, significant remaining value of leasehold improvements and historical lease durations, the costs and business disruption for replacing the leased asset, enforceability of the option, and business and other developments.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the lessee's control.

Key Sources of Estimation Uncertainties

The key estimates concerning the future and other key sources of estimation uncertainty as at end of reporting period that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Impairment of Property and Equipment

The Company assesses at the end of each reporting period whether there is any indication that its property and equipment is impaired. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

Management assessed that there are no indicators of impairment affecting the noncurrent financial assets as at March 31, 2022 and 2021.

As at March 31, 2022 and 2021, the carrying amount of property and equipment amounted to P35,915,641 and P19,103,414, respectively (see Note 9).

Estimating of Retirement Benefits Cost

The present value of the retirement benefits obligation depends on a number of assumptions that are determined on an actuarial basis. The assumptions used in determining the net cost (income) for retirement benefits include the discount rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefits liability. Other key assumptions include future salary, mortality and attrition. Additional information is disclosed in Note 19.

Retirement benefits obligation amounted to P24,595,901 and P21,025,701 as at March 31, 2022 and 2021, respectively (see Note 19).

Provisions and Contingencies

The recognition of provisions on claims requires estimates and judgment regarding the timing and the amount of outflow of resources. Management's assessment supported by internal and external legal counsel, where appropriate, determines whether it is probable that an outflow of resources will be required to settle an obligation. If this is the case, the best estimate of the outflow of resources is recognized.

6. Cash and Cash Equivalents

This account consists of:

	Note	2022	2021
Cash on hand		**P50,000**	P50,000
Cash in banks		**12,187,422**	12,887,878
Time deposits		**275,313,085**	286,932,000
	22, 23	**P287,550,507**	P299,869,878

Interest income on cash in banks and time deposits amounted to P181,107 in 2022 and P224,928 in 2021.

7. Trade and Other Receivables

This account consists of:

	Note	2022	2021
Trade receivables	14, 22, 23	**P73,704,673**	P30,921,753
Advances to employees		**746,315**	446,315
Other receivable	14, 18, 22, 23	**-**	5,761,596
		P74,450,988	P37,129,664

Trade receivables have an average credit terms of 60 days.

8. Prepayments and Other Current Assets

This account consists of:

	2022	2021
Prepaid insurance	**P5,350,559**	P3,034,850
Prepaid management services	**601,401**	2,405,605
Others	**204,198**	1,381,941
	P6,156,158	P6,822,396

Prepaid insurance pertains to the unamortized payments for the Health Maintenance Organization (HMO) coverage of the Company's employees.

Prepaid management services pertain to the payments made in advance by the Parent Company to Cloudwave for services such as recording of calls, media storage, multimedia work routing, etc. As at March 31, 2022 and 2021, the noncurrent portion amounting to P128,569 and P400,934 respectively is presented under "Other noncurrent assets" account in the separate statements of financial position.

Others include payment for the Company' s advance payment for job postings, services and support services subscriptions of the Company.

9. Property and Equipment

The movements in this account are as follows:

2022	**Leasehold Improvements**	**Office Equipment**	**Communication Equipment**	**Furniture and Fixtures**	**Total**
Cost					
Balance at the beginning of year	**P25,349,300**	**P43,005,019**	**P63,296,725**	**P6,044,092**	**P137,695,136**
Additions	**-**	**28,646,439**	**2,436,969**	**-**	**31,083,408**
Disposals	**-**	**-**	**-**	**(219,203)**	**(219,203)**
Balance at end of year	**P25,349,300**	**P71,651,458**	**P65,733,694**	**P5,824,889**	**P168,559,341**
Accumulated Depreciation and Amortization					
Balance at beginning of year	**25,014,307**	**40,425,930**	**47,352,330**	**5,799,155**	**118,591,722**
Depreciation and amortization during the year	**334,993**	**6,537,011**	**7,213,673**	**185,504**	**14,271,181**
Disposals	**-**	**-**	**-**	**(219,203)**	**(219,203)**
Balance at the end of year	**25,349,300**	**46,962,941**	**54,566,003**	**5,765,456**	**132,643,700**
Net Carrying Value	**P -**	**P24,688,517**	**P11,167,691**	**P59,433**	**P35,915,641**

2021	Leasehold Improvements	Office Equipment	Communication Equipment	Furniture and Fixtures	Total
Cost					
Balance at the beginning of year	P25,349,300	P42,433,923	P45,611,720	P6,044,092	P119,439,035
Additions	-	571,096	17,685,005	-	18,256,101
Balance at end of year	25,349,300	43,005,019	63,296,725	6,044,092	137,695,136
Accumulated Depreciation and Amortization					
Balance at beginning of year	24,341,096	37,763,076	39,909,058	5,552,943	107,566,173
Depreciation and amortization during the year	673,209	2,662,854	7,443,272	246,212	11,025,549
Balance at the end of year	25,014,307	40,425,930	47,352,330	5,799,155	118,591,722
Net Carrying Value	P334,993	P2,579,089	P15,944,395	P244,937	P19,103,414

The non-cash investing activity of the Company pertains to the computer equipment purchased by the Company from Techmahindra Limited which is still outstanding as of March 31, 2022 (see Note 14). 2,762,102

Depreciation are allocated as follows:

	Note	**2022**	2021
Cost of services	16	**P6,101,847**	P4,657,095
Operating expenses	17	**8,169,334**	6,368,454
		P14,271,181	P11,025,549

10. Investment in Subsidiary

This account represents investment in vCustomer Philippines (Cebu), Inc. (the Subsidiary), a wholly-owned subsidiary incorporated and domiciled in the Philippines, which is engaged in the same business as the Company. Its principal place of business is located at 90 General Maxilom Avenue, Cebu City, Philippines.

11. Intangible Assets

Intangible assets pertain to capitalized computer software. The movements in this account are as follows:

	Note	**2022**	2021
Cost			
Balance at beginning of year		**P6,965,470**	P1,802,970
Additions during the year		**2,046,365**	5,162,500
Balance at end of year		**9,011,835**	6,965,470
Accumulated amortization			
Balance at beginning of year		**1,802,970**	1,795,192
Amortization during the year	17	**2,175,581**	7,778
Balance at end of year		**3,978,551**	1,802,970
Net carrying value		**P5,033,284**	P5,162,500

12. Refundable Deposits

This account consists of:

	Note	**2022**	2021
Current		**P118,000**	P568,000
Noncurrent	14	**11,847,201**	6,085,605
	18, 22, 23	**P11,965,201**	P6,653,605

These deposits are refundable upon termination of the contracts or cessation of related rental service.

13. Trade and Other Payables

This account consists of:

	Note	**2021**	2020
Trade payables	14, 22, 23	**P1,345,007**	P865,582
Salaries payable	22, 23	**16,318,966**	11,624,011
Accrued expenses	22, 23	**6,172,857**	5,280,704
Payable to government agencies		**3,175,253**	1,743,262
Withholding taxes payable		**1,895,482**	1,158,274
Intercompany payable	14, 22, 23	**2,762,102**	-
		P31,669,667	P20,671,833

Trade payables are normally on a 30-to-90-day credit terms.

The Company derecognized portion of salaries payable relating to long-outstanding unclaimed last pay of separated employees which the legal right to claim prescribed amounting to P994,088 in 2022 and P963,437 in 2021. These are presented as “Others” under “Other income (charges)” in the statements of comprehensive income.

Payable to government agencies pertain to employee payroll premium contributions due to government agencies (i.e. Social Security Services (SSS), Philippine Health Insurance Corporation (Philhealth) and Home Development Mutual Fund (HDMF))

Accrued expenses consist of electricity, legal fees, security services, consultancy, outside services, provision for leave encashment, etc., which are individually insignificant.

14. Related Party Transactions

The summary of the Company’s outstanding balances and transactions with related parties as at and for the years ended March 31, 2022 and 2021 are as follows:

			Outstanding Balance			
Category		**Note**	**Amount**	**Trade and Other Receivables (Payables**	**Terms**	**Conditions/ Commitments**
Ultimate Parent						
Service revenue	**2022**	a, 7	P410,277,483	P73,704,673	60 days; noninterest bearing	Unsecured; to be settled in cash; no impairment
	2021	a, 7	333,410,777	30,921,753		
Purchases	**2022**	b, 13	2,762,102	(2,762,102)	10 days; noninterest bearing	Unsecured; to be settled in cash;
Affiliate	2021	c,12	5,761,596	5,761,596	On demand	Unsecured; no impairment; no commitments
Refundable deposits	**2022**			P70,942,571		
	2021			P36,683,349		

a. The Company entered into a Service Agreement with vCustomer Services LLC (vSLLC), a Company incorporated under the laws of the United States of America (USA), an affiliate, for an indefinite period unless mutually terminated, to provide web-based support (chat, email, fax); telephony support (voice); directory assistance; eCRM database management, eCRM database mining; web-based self-help solutions; remote website administration; remote back office support; remote system administration and technical help desk services in the United States through contact center representatives and such other functions as may be required in relation to the performance of its support function.

In consideration thereof, the Company bills vSLLC ten percent (10%) mark-up rate on all costs (cost and operating expenses) incurred by the Company in providing the services. Contract receivables are billed by the Company in US dollars on a periodical basis and are settled in the same currency. vSLLC was merged with Tech Mahindra (Americas), Inc., a subsidiary of Tech Mahindra Limited (TML), on February 2, 2015. Accordingly, billings were made to TML subsequently as a result of the merger.

b. The Company purchased computer equipment from Techmahindra Limited on September 29, 2021. The full amount is outstanding as of period-end.

c. The Company has a refundable deposit amounting to P5,761,596 related to the additional office space at Ecommerce Building which was cancelled on March 31, 2019. As at March 31, 2020, such refundable deposit is recognized as part of "Refundable deposits - net of current portion" in the separate statements of financial position (see Note 12). As at March 31, 2021, the refundable deposit was transferred to Tech Mahindra Philippines, an affiliate, which subsequently occupied the additional office space (see Note 18).

d. Compensation of key management personnel for the years ended March 31, 2022 and 2021 is as follows:

	2022	2021
Salaries	**P36,406,109**	P32,846,154
Other employee benefits	**11,542,431**	12,070,703
Allowances	**679,000**	630,000
Retirement benefits cost	**3,947,735**	4,836,715
	P52,575,275	P50,383,572

Other employee benefits include 13th month pay, performance bonus, leave encashment and other short-term benefits.

All related party balances are to be settled in cash.

15. Equity

Components of share capital are as follows:

	2022	2021
Authorized 1,000,000, issued, fully paid and outstanding: 950,000 ordinary shares - Php10 par value	**P9,500,000**	P9,500,000

On March 31, 2022, the BOD approved an additional appropriation of P322,000,000 from the current retained earnings as at March 31, 2022 for business expansion projects from 2022 until 2025. Also, on the same date, the BOD approved the reversal of the P296,000,000 appropriation in 2021.

On March 31, 2021, the BOD approved an additional appropriation of P296,000,000 from the current retained earnings as at March 31, 2021 for business expansion projects from 2021 until 2024. Also, on the same date, the BOD approved the reversal of the P285,000,000 appropriation in 2020.

Retained Earnings

In accordance with Section 43 of the Corporation Code of the Philippines (the "Code"), stock corporations are prohibited from retaining surplus profits in excess of one hundred percent (100%) of their paid-in capital, except:

- When justified by definite corporate expansion projects or programs approved by the BOD; or
- When the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not yet been secured; or
- When it can be clearly shown that such retention is necessary under special circumstances, such as when there is a need for reserve for probable contingencies.

16. Cost of Services

This account consists of:

	Note	**2022**	2021
Personnel costs		**P214,308,582**	P142,617,360
Depreciation and amortization	9, 18	**21,241,925**	13,883,147
Electricity		**6,213,453**	5,180,050
IT infrastructure		**4,829,451**	6,834,626
		P246,593,411	P168,515,183

Details of personnel costs are follows:

	Note	**2022**	2021
Salaries and wages and other employee benefits		**P151,983,282**	P85,785,910

Allowance and staff welfare costs		**34,372,796**	37,992,438
13th month pay		**12,059,333**	7,384,189
SSS, PHIC and HDMF premium contributions		**12,960,866**	7,969,576
Retirement benefits cost	19	**2,932,305**	3,485,247
		P214,308,582	P142,617,360

Depreciation and amortization are charged as follows:

	Note	2022	2021
ROU assets	18	**P15,140,078**	P9,226,052
Property and equipment	9	**6,101,847**	4,657,095
		P21,241,925	P13,883,147

17. Operating Expenses

This account consists of:

	Note	2022	2021
Personnel costs		**P52,938,838**	P85,864,729
Depreciation and amortization	9, 11, 18	**30,426,854**	16,599,894
Facilities management and utilities		**8,384,977**	10,449,602
Repairs and maintenance		**7,800,233**	2,909,352
Trainings and recruitments		**6,806,013**	1,960,659
Professional fees		**4,625,648**	2,056,566
Security services		**4,375,390**	4,230,351
Representation expenses		**3,472,825**	51,682
Outside services		**1,470,925**	3,759,838
Insurance		**810,885**	266,492
Taxes and licenses		**828,547**	867,962
Office supplies		**313,334**	248,993
Transportation and travel		**192,299**	224,898
Rent	18	**169,656**	180,000
Bank service charge		**70,587**	-
Miscellaneous		**56,959**	1,581,281
		P122,743,770	P131,252,299

Details of personnel costs are as follows:

	Note	2022	2021
Salaries and wages and other employee benefits		**P28,395,949**	P53,368,167
Allowance and staff welfare costs		**14,005,378**	17,524,126
13th month pay		**2,819,035**	4,357,775
SSS, PHIC and HDMF premium contributions		**3,029,781**	4,703,242
Retirement benefits costs	19	**4,688,695**	5,911,419
		P52,938,838	P85,864,729

Depreciation and amortization are broken down as follows:

	Note	2022	2021
ROU assets	18	**P20,081,939**	P10,223,667

Property and equipment	9	**8,169,334**	6,368,454
Intangible asset	11	**2,175,581**	7,778
		P30,426,854	P16,599,899

18. Lease Agreements as a Lessee

3rd Floor, Ecommerce Plaza Building

On June 12, 2008, vCustomer Services India Pvt. Ltd. ("vCustomer India") entered into a lease agreement for office space located at 3rd Floor, eCommerce Plaza Building Eastwood City Cyberpark, 188 E. Rodriguez Jr. Avenue, Bagumbayan Quezon City. The lease term is 5 years from September 10, 2008 to September 10, 2013 with a free fitting out period of 3 months and an option to renew for an additional 2 lease terms of 5 years each.

Effective April 1, 2010 the vCustomer India subsequently assigned its rights and interest on the lease to the Company.

In 2013, the Company renewed the lease for 5 years from September 10, 2013 to September 9, 2018 and renewed it further in 2018 for another five years from September 10, 2018 to September 9, 2023.

2nd Floor, Ecommerce Plaza Building

On September 15, 2018, the Company entered into a lease agreement for an additional office space. The lease term is for 5 years from September 16, 2018 to November 15, 2023.

The Company and the lessor mutually agreed to cancel this lease effective March 31, 2019. As a result, the Company derecognized the carrying amount of the leasehold improvements. Also, the Company derecognized the related obligation to the lessor amounting to P5,000,000, which represents the cost of leasehold improvements that the Company would pay the lessor under the lease agreement. As at March 31, 2021, refundable deposits from the lease agreement amounted to P5,761,596 (see Note 12.). As at March 31, 2021, this refundable deposits was transferred to Tech Mahindra Philippines which subsequently occupied the additional office space (see Notes 7 and 14).

On July 1, 2021, Tech Mahindra Philippines re-assigned its rights, interests and obligations on the lease office space to the Company. As at March 31, 2022, refundable deposits amounting to P5,761,596 was reclassified by the Company from "Trade and other receivables" to "Refundable deposits - non of current portion" account in the statements of financial position (see Note 12).

The details of right-of-use of assets and lease liabilities for these leases as shown below:

I. Right-of-Use Assets

The movements as at March 31, 2022 and 2021 are as follows:

	Note	**2022**	2021
Cost at beginning of the year		**47,485,530**	P66,935,249
Additions		**47,513,456**	-
Amortization for the year	16, 17	**(35,222,017)**	(19,449,719)
Net carrying value		**P59,776,969**	P47,485,530

Amortization is allocated as follows:

	Note	**2022**	2021
Cost of services	16	**P15,140,078**	P9,226,057
Operating expenses	17	**20,081,939**	10,223,662
		P35,222,017	P19,449,719

II. Lease Liabilities

The movements in lease liabilities as at March 31, 2022 and 2021 are as follows:

	2022	2021
Balance at the beginning	**P54,822,339**	P73,378,752
Additions	**47,513,456**	-
Accretion of interest expense	**3,613,349**	3,333,225
Repayments	**(38,752,165)**	(21,889,638)
Net carrying value	**67,196,979**	54,822,339
Current portion	**43,864,177**	19,497,979
Noncurrent portion	**P23,332,802**	P35,324,360

III. Amount to be Recognized in Profit or Loss

Amounts recognized in separate statements of comprehensive income are as follows:

	Note	**2022**	2021
Amortization on right-of-use of assets	16, 17	**35,222,017**	P19,449,719
Interest expense on lease liabilities	16, 17	**3,613,349**	3,333,225
Rent expense relating to short-term leases	17	**169,656**	180,000

IV. Future Minimum Lease Payments

	2022	2021
Maturity Analysis - Contractual Undiscounted Cash Flows		
Not more than 1 year	**P46,260,756**	P22,631,482
More than 1 year but less than 5 years	**23,688,554**	35,934,378
Total undiscounted lease liabilities	**P69,949,310**	P58,565,860

The Company also entered into lease agreements for residential condominium units to be used by its visitors. The lease term is 1 year, which is renewable upon mutual agreement and consent of both parties. The recognition exemption for right-of-use asset and lease liability is applied on these short-term leases.

There are no significant restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.

19. Retirement Benefits

The Company does not have an established retirement plan as at March 31, 2022 and 2021 but it recognizes retirement benefits costs in accordance with the minimum regulatory benefit under Republic Act No. 7641 which is a defined benefit type. Retirement benefits are based on employees' years of service and compensation levels during employment period. Actuarial valuations are made with sufficient regularity. The most recent actuarial valuation which was made for the year ended March 31, 2022. The principal actuarial assumptions used to determine retirement benefits were as follows:

Regulatory Framework in which the Retirement Plan Operates

In accordance with the provisions of the RA 7641, the Company is required to pay eligible employees at least minimum regulatory benefit upon normal retirement, subject to age and service requirements.

Responsibilities of Trustee

Since the Company does not have a formal, trusteed Retirement Plan, there are no Trustees yet.

Description of Plan Characteristics and Associated Risks

The calculations were based on the provisions of the minimum mandated benefit under RA 7641. However, it should be noted that in the event a benefit claim arises, the benefit shall immediately be due and payable from the Company.

Amounts Recognized in the Separate Financial Statements

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2022	2021
Discount rate	**5.75%**	4.50%
Salary increase rate	**6.00%**	6.00%

Maturity Profile of Expected Future Benefit Payments

The Company's expected future benefit payments is shown below:

	2022	2021
Beyond one year not later than 5 years	**P7,997,800**	P4,692,800
Beyond 5 years (6 to 10 years)	**11,211,500**	5,488,500

The movement of the present value of defined benefit obligation (DBO) follows:

	2022	2021
Balance at beginning of year	**P21,025,701**	P15,830,149
Current service cost	**6,684,600**	8,612,432
Interest cost	**936,400**	784,234
Benefits paid	**(636,000)**	(1,950,188)
Remeasurement gain	**(3,414,800)**	(2,250,926)
Balance at the end of year	**24,595,901**	P21,025,701

The accrued retirement benefits costs recognized in the statements of financial position as at March 31, 2022 and 2021 were determined as follows:

	2022	2021
Present value of defined benefit obligation (DBO)	**P24,595,901**	P21,025,701

The retirement benefits costs are broken down as follows:

	2022	2021
Current service cost	**P6,684,600**	P8,612,432
Interest cost	**936,400**	784,234
	P7,621,000	P9,396,666

The retirement benefits cost as part of "Cost of services" and "Operating expenses" in the separate statement of comprehensive income for the years ended March 31, 2022 and 2021 were determined follows:

	Note	**2022**	2021
Cost of services	16	**P2,932,305**	P3,485,247
Operating expenses	17	**4,688,695**	5,911,419
		P7,621,000	P9,396,666

The movement of the cumulative remeasurement gain is presented in the separate statements of changes in equity follows:

	2022	2021
Balance at beginning of year	**P23,521,024**	P21,270,098
Actuarial (loss) gain:		
Due to liability assumption changes	**5,316,200**	(1,703,400)
Due to liability experience	**(1,901,400)**	3,954,326
	3,414,800	2,250,926
	26,935,824	P23,521,024

The movement of the retirement benefits obligation recognized in the separate statements of financial position is as follows:

	Note	2022	2021
Balance at beginning of year		**P21,025,701**	P15,830,149
Retirement benefits cost	16, 17	**7,621,000**	9,396,666
Remeasurement gain		**(3,414,800)**	(2,250,926)
Benefits paid		**(636,000)**	(1,950,188)
		24,595,901	P21,025,701

Amount, Timing and Uncertainty of Future Cash Flows

Sensitivity analysis on defined benefits obligation follows:

2022		**Sensitivity Analysis**	**Effect on DBO**
Discount rate	**6.75%**	**1.00% increase**	**(13.90%)**
Discount rate	**4.75%**	**1.00% decrease**	**16.86%**
Salary increase rate	**7.00%**	**1.00% increase**	**18.46%**
Salary increase rater	**5.00%**	**1.00% decrease**	**(15.35%)**

2021		Sensitivity Analysis	Effect on DBO
Discount rate	5.50%	1.00% increase	(15.42%)
Discount rate	3.50%	1.00% decrease	18.94%
Salary increase rate	7.00%	1.00% increase	18.46%
Salary increase rater	5.00%	1.00% decrease	(15.35%)

Methods and Assumptions used in Sensitivity Analysis

All other assumptions were kept constant in determining the sensitivity results above.

Changes Since Previous Period

There were no changes in the methods and assumptions used in preparing the sensitivity analysis.

Description of Asset-Liability Matching Strategies

Since the DBO is still unfunded, there are no plan assets to match against the DBO.

Description of Funding Arrangements and Policies

Since the DBO is still unfunded, benefit claims under the DBO are paid directly by the Company when they become due.

Duration of Retirement Benefits Obligation

The average duration of the retirement benefits obligation is 15.99 years.

20. Income Taxes

Components of provision for income taxes charged to profit or loss are as follows:

	2022	2021
Current tax	**P8,532,450**	P9,236,843
Deferred tax	**(495)**	(23,091)
	P8,531,955	P9,213,752

The reconciliation of the income tax expense computed at the statutory income tax rate to the actual provision for income taxes as shown in the statements of comprehensive income for the years ended March 31 is as follows:

	2022	2021
Income before income tax	**P35,833,994**	P22,061,578
Less other income subject to RCIT	**(994,088)**	(963,437)
Income subject to GIT	**P34,889,906**	P21,098,141
Tax expense at 5%	**P1,744,495**	P1,054,907
Non-deductible expense	**6,547,993**	7,881,060
Income tax expense at RCIT*	**248,522**	289,031
Interest Income	**(9,055)**	(11,246)
	P8,531,955	P9,213,752

The tax rate used for the 2022 and 2021 reconciliation above is the 5% special rate whose tax base is the gross income under the PEZA registered activities. Any income earned outside the PEZA registered activities are subject to Regular Corporate Income Tax (RCIT).

Registration with Philippine Economic Zone Authority (PEZA)

On March 29, 2010, the Company was registered with Philippine Economic Zone Authority (PEZA) as an Ecozone IT enterprise. The Company is entitled to incentives granted to non-pioneer projects under Republic Act (RA) 7916, the Special Economic Zone Act of 1995, as amended, and the PEZA IT Guidelines, which include a 4-year corporate Income Tax Holiday (ITH) for the original project in the eCommerce Plaza Building effective from the date of start of commercial operations. After the lapse of ITH, the Company is subject to a 5% Gross Income Tax (5% GIT) incentive, in lieu of all national and local taxes.

On December 28, 2011, the PEZA approved the Company's application for the ITH extension based on Net Foreign Exchange Earnings (NFEE) criterion in accordance with EPZA (now PEZA) General Circular No. 94-001 and Rule XV, Section 6, Paragraph A (6) of the PEZA Rules. The ITH extension covered the period of November 1, 2012 to October 31, 2013.

Starting November 1, 2013, the Company is subject to the 5% GIT incentive.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

CREATE is an act reforming the corporate income tax and incentives system, amending for the purpose certain sections of Internal Revenue Code of 1997, as amended, and creating therein new title XIII, and for other purposes.

On March 26, 2021, the President of the Philippines has approved the CREATE Act, with nine (9) provisions vetoed by the President. Below are the salient features of the Act that are relevant to the Company:

a) Corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5 million and with total assets not exceeding P100 million. All other domestic corporations and resident foreign corporations will be subject to 25% income tax. Said reductions are effective July 1, 2020.

b) Minimum corporate income tax (MCIT) rate is reduced from 2% to 1% effective July 1, 2020 to June 30, 2023.

c) The imposition of improperly accumulated earnings tax has been repealed.

d) Definition of reorganization for purposes of applying the tax-free exchange provision under Section 40(C)(2) is expanded. Prior BIR ruling or confirmation shall not be required for purposes of availing the tax exemption of the exchange.

e) Qualified export enterprises shall be entitled to 4 to 7 years income tax holiday (ITH) to be followed by 10 years 5% SCIT OR Enhanced Deductions (ED).

f) Qualified domestic market enterprises shall be entitled to 4 to 7 years ITH to be followed by 5 years ED.

g) Registered enterprises are exempt from customs duty on importation of capital equipment, raw materials, spare parts, or accessories directly and exclusively used in the registered project or activity.

h) VAT exemption on importation and VAT zero-rating on local purchases shall only apply to goods and services directly and exclusively used in the registered project or activity by a registered business enterprise (RBE).

i) For investments prior to effectivity of CREATE: RBEs granted only an ITH - continue with the availment of the ITH for the remaining period of the ITH. RBEs granted an ITH + 5% GIT or currently enjoying 5% GIT - allowed to avail of the 5% GIT for 10 years.

The measure is set to take effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation. After which, the implementing rules and regulation will be issued by the tax authority.

On April 8, 2021, the Bureau of Internal Revenue (BIR) issued the following implementing revenue regulations that are effective immediately upon publication:

- BIR Revenue Regulations (RR) No. 2-2021, Amending Certain Provisions of Revenue Regulations No. 2-98, As Amended, to Implement the Amendments Introduced by Republic Act No. 11534, or the “Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE), to the National Revenue Code of 1997, as Amended, Relative to the Final Tax on Certain Passive Income
- BIR RR No. 3-2021, Rules and Regulations Implementing Section 3 of Republic Act (RA). No. 11534, Otherwise Known as the “Corporate Recovery and Tax Incentives for Enterprises Act” or “CREATE”, Amending Section 20 of the National Internal Revenue Code of 1997, As Amended
- BIR RR No. 4-2021, Implementing the Provisions on Value-Added Tax (VAT) and Percentage Tax Under Republic Act (RA) No. 11534, Otherwise Known as the “Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE) Which Further Amended the National Revenue Code of 1997, as Amended, as Implemented by Revenue Regulations (RR) No. 16-2005 (Consolidated Value-Added Tax Regulations of 2005), As Amended
- BIR RR No. 5-2021, Implementing the New Income Tax Rates on the Regular Income of Corporations, on Certain Passive Incomes, Including Additional Allowable Deductions from Gross Income of Persons Engaged in Business or Practice of Profession Pursuant to Republic Act (RA) No. 11534 or the “Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE), Which Further Amended the National Revenue Code (NIRC) of 1997

The corporate income tax of the Company will be lowered from 30% to 25% for large corporations on which the Company would qualify effective July 1, 2020.

21. Deferred Taxes

The movements in deferred tax liability are as follows:

	Beginning Balance	**Charged to Profit or Loss**	**Ending Balance**
2022			
Unrealized foreign exchange gain	P495	(P495)	P -

	Beginning Balance	Charged to Profit or Loss	Ending Balance
2021			
Unrealized foreign exchange gain	(P23,586)	P23,091	P495

22. Fair Value Information

The fair values of the Company’s financial assets and liabilities are shown below.

		2022		2021	
	Note	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial Assets					
Cash and cash equivalents	6	**P287,550,507**	**P287,550,507**	P299,869,878	P299,869,878
Trade receivables	7	**73,704,673**	**73,704,673**	36,683,349	36,683,349
Refundable deposits	12	**11,965,201**	**11,965,201**	6,653,605	6,653,605
		P373,220,381	**P373,220,381**	P343,206,832	P343,206,832
Financial Liabilities					
Trade and other payables	13	**P26,598,932**	**P26,598,932**	P17,770,297	P17,770,297
Lease liabilities	18	**67,196,979**	**67,196,979**	54,822,339	54,822,339
		P93,795,911	**P93,795,911**	P72,592,336	P72,592,336

The trade and other payables is net of government payables, such as withholding ftaxes, which are not considered as financial liabilities. Government payables as at March 31, 2022 and 2021 amounted to P5,070,735 and P2,901,537, respectively.

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments:

Cash and Cash Equivalents, Trade Receivables and Trade and Other Payables

The carrying amounts of approximate their fair values due mainly to the relatively short-term maturities of these financial instruments.

Refundable Deposits

The carrying amount approximates it fair value as the effect of discounting is not considered material.

Lease Liabilities

The carrying amount approximates its fair value because the difference between the interest rate of this instrument and the prevailing market rate for a similar instrument is not considered significant.

23. Financial Risk Management

Financial Risk Management Objectives and Policies

The Company is exposed to financial risks such as market risk which includes foreign currency exchange rate risk, interest rate risk, credit risk and liquidity risk. The Company's policies and objective in managing these risks are summarized below:

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contact, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

With respect to credit risk arising from the Company's financial assets, which comprise of cash and cash equivalents, trade receivables and refundable deposits, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments.

The Company controls this risk through monitoring procedure and regular coordination with the debtors. Receivable balances are monitored on an ongoing basis with the result that its exposure to bad debts is not significant

The table below presents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained:

	Note	**2022**	2021
Cash and cash equivalents*	6	**P287,500,507**	P299,819,878
Trade receivables	7	**73,704,673**	36,683,349
Refundable deposits	12	**11,965,201**	6,653,605
		P373,170,381	P343,156,832

*Excluding Cash on hand amounting P50,000 in 2022 and 2021.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

ECLs are a probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument.

The Company's current credit risk grading framework comprises the following categories:

Categorv	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL- not credit- impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL- credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off

The following table details the credit quality of the Company's financial assets and other items, as well as the Company's maximum credit exposure to credit risk by credit risk rating grades as at March 31, 2022 and 2021:

2022	Note	Internal Credit Rating	12 Months Lifetime ECL	Gross Carrying Amount	Less Allowance	Net Carrying Amount
Cash and cash equivalents	6	Performing	12m ECL	P287,500,507	P -	P287,500,507
Trade receivables	7	Performing	Lifetime ECL (simplified approach)	73,704,673	-	73,704,673
Refundable deposits	12, 18	Performing	12m ECL	11,965,201	-	11,965,201
				P373,170,381	P -	P373,170,381

2021	Note	Internal Credit Rating	12 Months Lifetime ECL	Gross Carrying Amount	Less Allowance	Net Carrying Amount
Cash and cash equivalents	6	Performing	12m ECL	P299,819,878	P -	P299,819,878
Trade receivables	7	Performing	Lifetime ECL (simplified approach)	36,683,349	-	36,683,349
Refundable deposits	1 2 , 18	Performing	12m ECL	6,653,605	-	6,653,605
				P343,156,832	P -	P343,156,832

*Excluding Cash on hand amounting P50,000 in 2022 and 2021.

For trade and other receivables, the Company has applied the simplified approach in PFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the ECL on these items 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 these assets is presented based on their past due status in terms of the provision matrix.

Liquidity Risk

Liquidity risk arises when the Company encounters difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective of managing liquidity risk is to ensure, 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 risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining a level of liquid assets deemed sufficient to finance the operations and to mitigate the effect of fluctuation in cash flows.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Note	Within 12 Months	More than 12 Months
March 31, 2022			
Trade and other payables	13	**P26,598,932**	**P -**
Lease liabilities	18	**46,260,756**	**23,688,554**
		P72,859,688	**P23,688,554**

	Note	Within 12 Months	More than 12 Months
March 31, 2021			
Trade and other payables	13	P17,770,296	P -
Lease liabilities	18	22,631,482	35,934,378
		P40,401,778	P35,934,378

Interest Rate Risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The primary source of the Company's interest rate risk relates to cash in banks and lease liabilities. The interest rates on these assets is disclosed in Notes 6 and 18.

The Company has a policy in place in managing interest rate risk and is monitored on an ongoing basis.

Foreign Currency Risk

Foreign exchange risk arises when an investment 's value changes due to variations in the currency exchange rate. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities that are denominated in a currency that is not the Company's functional currency. The Company undertakes certain transactions denominated in Philippine Peso. Hence, exposures to exchange rate fluctuations arise with respect to such transactions.

Significant fluctuation in the exchange rates could significantly affect the Company's financial position. The Company has a policy in place in managing foreign currency risk and is monitored on an ongoing basis.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities as at March 31, 2022 and 2021 are as follows:

	2022	2021
Cash and cash equivalents	**P157,618,826**	P101,122,796
Trade and other receivables	**73,704,673**	34,453,731
Net exposure	**P231,323,499**	P135,576,527

The following table details the Company's sensitivity to the exchange rate fluctuation of U.S. Dollar against Philippine Peso. The sensitivity rates used in reporting foreign currency risk internally to key management personnel is 5% in 2022 and 2021, respectively, which represent Management's assessment of the reasonably possible change in foreign exchange rates based on historical trends. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items as at the end of the reporting period. A negative number below indicates a decrease in profit when the US Dollar strengthen by 5% in 2022 and 2021 against the relevant currency. For a 5% increase of the US Dollars against Philippine Peso in 2022 and 2021, there would be an equal and opposite impact on profit and the balances below would be negative.

	Effect on Net Income after Tax and Equity for the Year	
	2022	2021
Cash and cash equivalents	**P5,910,706**	P3,792,105
Trade and other receivables	**2,763,925**	1,292,015
	P8,674,631	P5,084,120

The above sensitivity analysis is applicable in determining the effect on equity of the changes in foreign exchange rates.

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

24. Capital Risk Management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, maximize shareholder value, maintain various stakeholders' confidence and sustain future development of the business. The Company manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may issue stock dividend to shareholders, return or issue capital. No significant changes have been made in the capital management approach as they have been applied in previous years. The Company has not been subjected to externally imposed capital requirements. No major changes were made in the objectives, policies and procedures in 2022 and 2021.

The debt to equity ratio at year-end was as follows:

	2022	2021
Debt	**P126,994,164**	P99,411,607
Equity	**363,483,103**	332,716,264
	0.35:1	0.30:1

24. Other Matters

On March 8, 2020, under Proclamation 922, the President of the Philippines (the "President") has declared a state of public health emergency due to the spread of the Corona Virus Disease 2019 (COVID-19) in the country. As of report date, the country is still under various types of community quarantine to prevent the spread of COVID-19

The Company was not significantly affected by these events as the Company is still able to continue its operations. The increase in expenses caused by the COVID 19 pandemic has no impact as the Company is under a cost-plus arrangement. The Management assessed that that business will continue to operate in the succeeding years.

Despite or amidst this event, the financial statements have been prepared on a going concern basis of accounting as of reporting date since the Company implemented all measures to mitigate the risks on their business operations.

VCUSTOMER PHILIPPINES, INC.

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

The Board of Directors and Stockholders
vCustomer Philippines, Inc.
3rd Floor, eCommerce Plaza, Eastwood Cyberpark
Quezon City, Philippines

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Vcustomer Philippines, Inc. (the "Company") as at and for the year ended March 31, 2022, on which we have rendered our report dated June 3, 2022.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Company taken as a whole. The supplementary information included in the accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management.

This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

DINDO MARCO M. DIOSO
Partner
CPA License No. 0095177
SEC Accreditation No. 95177-SEC, Group A, valid for five (5) years
covering the audit of 2019 to 2023 financial statements
Tax Identification No. 912-365-765
BIR Accreditation No. 08-001987-030-2019
Issued August 7, 2019; valid until August 6, 2022
PTR No. MKT 8854063
Issued January 3, 2022 at Makati City

Date: June 3, 2022
Place: Makati City, Metro Manila

VCUSTOMER PHILIPPINES (CEBU), INC.

Board of Directors

Mr. Anand Achuthan
Mr. Narinder Singh Sethi
Ms. Lynette De Guzman
Ms. Ricci Katherine Padre
Ms. Jeane R.T Montes

Registered Office

6th Floor EBLOC 3, Geonzon St., Cebu IT Park, Apas Lahug,
Cebu City, Philippines 6000

Bankers

UNION BANK OF THE PHILIPPINES

Auditors

R.G. MANABAT & CO.

VCUSTOMER PHILIPPINES (CEBU), INC.

DIRECTORS' REPORT

Your Directors present their Report together with the audited accounts of vCustomer Philippines (Cebu), Inc. (vCPCI) for the year ended March 31, 2022.

Financial Results (PHP):

For the years ended	**March 31, 2022**	March 31, 2021
Revenue	**2,142,706,604**	1,483,110,436
Profit	**196,569,702**	118,387,761

Review of Operations:

For the fiscal year ended March 31, 2022, vCPCI reported revenue amounted to PHP **2,142,706,604**, an increase of PHP **659,596,168** over the last reporting year ended March 31, 2021. Profit for the fiscal year ended March 31, 2022 amounted to PHP **196,569,702**, **66%** increase over the last reporting year. Certain project of vCPCI is still entitled to Income Tax Holiday (ITH).

Future Plans and Appropriations:

vCPCI made a reversal of the Appropriated Retained Earnings of PHP **489,000,000** intended for the expansion projects. Additional appropriation of the amount of PHP **686,000,000** from its current retained earnings as at March 31, 2022 to be used by the Company for its expansion projects, office renovation and equipment upgrade in the year 2022 until 2024. vCPCI is expecting engagement of additional account/clients and increase and employee headcount.

COVID-19

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Anand Achuthan
Director & President

Lynette De Guzman
Director, Chief Finance Officer

Place: Cebu City, Philippines
Date: May 13, 2022

REPORT OF INDEPENDENT AUDITORS

The Stockholders and Board of Directors
vCustomer Philippines (Cebu), Inc.
6th Floor EBLOC 3, Geonzon St. Cebu IT Park
Apas Lahug, Cebu City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of vCustomer Philippines (Cebu), Inc. (the "Company"), a wholly owned subsidiary of vCustomer Philippines, Inc., which comprise the statements of financial position as at March 31, 2022 and 2021, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' 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 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of 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 auditors' 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 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, 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.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 24 to the basic financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

DINDO MARCO M. DIOSO
Partner
CPA License No. 0095177
SEC Accreditation No. 95177-SEC, Group A, valid for five (5) years
covering the audit of 2019 to 2023 financial statements
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PTR No. MKT 8854063
Issued January 3, 2022 at Makati City

Date: June 3, 2022
Place: Makati City, Metro Manila

(A Wholly Owned Subsidiary of vCustomer Philippines, Inc.)

STATEMENTS OF FINANCIAL POSITION

	Note	March 31 2022	2021
ASSETS			
Current Assets			
Cash and cash equivalents	6, 20,21	**P431,795,781**	P322,813,523
Trade and other receivables	7, 20, 21	**177,721,358**	174,094,882
Prepaid expenses and other current assets	8	**11,618,331**	9,230,564
Total Current Assets		**621,135,470**	506,138,969
Noncurrent Assets			
Property and equipment - net	9	**306,462,940**	181,050,826
Right-of-use assets - net	17	**349,637,308**	252,926,761
Intangible assets - net	10	**1,385,974**	768,114
Refundable deposits	11, 20, 21	**36,690,875**	29,271,618
Total Noncurrent Assets		**694,177,097**	464,017,319
		P1,315,312,567	P970,156,288
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12, 20, 21	**P150,735,277**	P121,390,447
Lease liabilities - current portion	17, 20	**108,383,640**	87,803,978
Income tax payable		**1,980,241**	1,818,917
Total Current Liabilities		**261,099,158**	211,013,342
Noncurrent Liabilities			
Retirement benefits obligation	18	**46,392,900**	28,827,200
Lease liabilities - net of current portion	17, 20	**267,368,853**	193,787,374
Deferred tax liability	19	**199,982**	-
Total Noncurrent Liabilities		**313,961,735**	222,614,574
Total Liabilities	22	**575,060,893**	433,627,916
Equity			
Share capital	14	**9,500,000**	9,500,000
Retained earnings	14	**687,340,745**	490,771,043
Cumulative remeasurement gain on retirement benefits	18	**43,410,929**	36,257,329
	22	**740,251,674**	536,528,372
		P1,315,312,567	P970,156,288

See Notes to the Financial Statements.

VCUSTOMER PHILIPPINES (CEBU), INC.

(A Wholly Owned Subsidiary of vCustomer Philippines, Inc.)

STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended March 31	
	Note	**2022**	2021
SERVICE REVENUE	13	**P2,142,706,604**	P1,483,110,436
COST OF SERVICES	15	**1,517,183,760**	972,242,087
GROSS PROFIT		**625,522,844**	510,868,349
OPERATING EXPENSES	16	**415,118,136**	358,983,497
INCOME FROM OPERATIONS		**210,404,708**	151,884,852
OTHER INCOME (CHARGES)			
Interest expense	17	**(15,700,824)**	(17,056,630)
Foreign exchange gain (loss)		**9,929,216**	(16,256,306)
Gain from sale of fixed asset		**5,257,108**	-
Interest income	6	**186,590**	132,046
Others	12	**53,196**	4,117,637
		(274,714)	(29,063,253)
INCOME BEFORE INCOME TAX		**210,129,994**	122,821,599
PROVISION FOR INCOME TAX	19	**13,560,292**	4,433,838
NET INCOME		**196,569,702**	118,387,761
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement gain on retirement benefits	18	**7,153,600**	11,301,585
TOTAL COMPREHENSIVE INCOME		**P203,723,302**	P129,689,346

See Notes to the Financial Statements.

(A Wholly Owned Subsidiary of vCustomer Philippines, Inc.)

STATEMENTS OF CHANGES IN EQUITY

		Years Ended March 31	
	Note	**2022**	2021
SHARE CAPITAL	14	**P9,500,000**	P9,500,000
RETAINED EARNINGS			
Appropriated			
Balance at beginning of year	14	**489,000,000**	370,000,000
Appropriation for business expansion	14	**686,000,000**	489,000,000
Reversal of appropriation	14	**(489,000,000)**	(370,000,000)
Balance at end of year		**686,000,000**	489,000,000
Unappropriated			
Balance at beginning of the year		**1,771,043**	2,383,282
Net income during the year		**196,569,702**	118,387,761
Appropriation for business expansion	14	**(686,000,000)**	(489,000,000)
Reversal of appropriation	14	**489,000,000**	370,000,000
Balance at end of year		**1,340,745**	1,771,043
Total retained earnings		**687,340,745**	490,771,043
CUMULATIVE REMEASUREMENT GAIN			
ON RETIREMENT BENEFITS			
Item that will not to be reclassified subsequently to profit or loss			
Balance at beginning of year		**36,257,329**	24,955,744
Remeasurement gain during the year	18	**7,153,600**	11,301,585
Balance at end of year		**43,410,929**	36,257,329
		P740,251,674	P536,528,372

See Notes to the Financial Statements.

VCUSTOMER PHILIPPINES (CEBU), INC.

(A Wholly Owned Subsidiary of vCustomer Philippines, Inc.)

STATEMENTS OF CASH FLOWS

	Note	Years Ended March 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**P210,129,994**	P122,821,599
Adjustments for:			
Depreciation and amortization	9, 10, 17	**262,677,814**	202,192,486
Retirement benefits cost	18	**25,625,900**	29,947,348
Interest expense	17	**15,700,824**	17,056,630
Unrealized foreign exchange loss - net		**3,999,643**	1,203,937
Write off of payables	12	**(53,197)**	(4,117,637)
Interest income	6	**(186,590)**	(132,046)
Operating income before working capital changes		**517,894,388**	368,972,317
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Trade and other receivables		**(3,626,476)**	(61,870,689)
Prepaid expenses and other current assets		**(2,387,767)**	5,282,774
Refundable deposits		**(7,419,257)**	(514,791)
Other noncurrent asset		**-**	7,169,348
Increase in trade and other payables		**29,398,027**	15,202,643
Cash generated from operations		**533,858,915**	334,241,602
Income tax paid		**(13,198,986)**	(6,074,037)
Retirement benefits paid	18	**(906,600)**	(2,290,543)
Interest received	6	**186,590**	132,046
Net cash generated from operating activities		**519,939,919**	326,009,068
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	9	**(298,732,703)**	(37,454,577)
Additions to intangible assets	10	**(1,142,545)**	(1,087,545)
Cash used in investing activities		**(299,875,248)**	(38,542,122)
CASH FLOWS FROM A FINANCING ACTIVITY			
Repayments of lease liabilities	17	**(107,082,770)**	(98,960,101)
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		**(3,999,643)**	(1,203,937)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**108,982,258**	187,302,908
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**322,813,523**	135,510,615
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	**P431,795,781**	P322,813,523

See Notes to the Financial Statements.

(A Wholly Owned Subsidiary of vCustomer Philippines, Inc.)

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

vCustomer Philippines (Cebu), Inc. (the "Company") was incorporated on January 20, 2011 primarily to carry on the business of providing services to customers in any part of the world through any and all medium of communication including internet and telephone including management services, solutions to business problems, web designing, customer relations, development/production of software and software systems, data warehousing , data mining, processing and analysis including assimilation, sorting, processing and communication of date ang graphs, development of computer system, software development, data preparation and verification, data analysis, data transmission and computation through the computer or other devices encompassing digital, analogue and graphic processes and any other medium and processes as may evolve and to deal on all areas relating to information technology; to undertake merchandising and logistic activities in the area of electronic commerce as well as other form of commerce and commercial transactions and to undertake the operation and management of e-mail services centers, customer response centers, computer education and centers for the foregoing operations, loyalty incentive and motivation programmes, direct marketing activities, database management, back office support and all internet and web related work; and in addition, to have shared resources and assets with other entities providing similar services.

The Company is a wholly owned subsidiary of vCustomer Philippines, Inc. (the "Parent Company"), a Company incorporated in the Philippines, and located at 3rd Floor eCommerce Plaza, Eastwood Cyberpark, Quezon City. The Parent Company is a wholly owned subsidiary of Tech Mahindra Limited (the "Ultimate Parent"), a corporation organized and existing under the laws of India.

In February 2021, Security and Exchange Commission (SEC) approved the Company's change of principal place of business or registered address from 90 General Maxilom Avenue, Cebu City to at 6th Floor EBLOC 3, Geonzon St. Cebu IT Park, Apas Lahug, Cebu City.

The Parent Company's registered principal office address is at 3rd Floor, eCommerce Plaza, Eastwood Cyberpark, Quezon City, Philippines.

Registration with the Philippine Economic Zone Authority (PEZA)

JESA Building, Cebu City (2nd, 4th, 5th and 6th Floors)

On February 8, 2011, the Company was registered with the Philippine Economic Zone Authority (PEZA) as an Ecozone IT enterprise. The Company is entitled to incentives granted to non-pioneer projects under Republic Act (RA) 7916, the Special Economic Zone Act of 1995, as amended, and the PEZA IT Guidelines, which include a 4-year corporate Income Tax Holiday (ITH) for the original project in the JESA Building effective from the date of start of commercial operations. After the lapse of ITH, the Company is subject to a 5% Gross Income Tax (5% GIT) incentive, in lieu of all national and local taxes. The Company started its commercial operations on July 1, 2011 and enjoyed the ITH up to June 30, 2015.

On February 20, 2015, the PEZA approved the Company's application for the ITH extension based on Net Foreign Exchange Earnings (NFEE) criterion in accordance with EPZA (now PEZA) General Circular No. 94-001 and Rule XV, Section 6, Paragraph A (6) of the PEZA Rules. The ITH extension covered the period of July 1, 2015 to June 30, 2016.

On October 18, 2016, the PEZA approved the Company's application for the additional ITH extension based on Capital Equipment to Labor Ratio (CELR) criterion in accordance with EPZA (now PEZA) General Circular No. 94-001 and Rule XV, Section 6, Paragraph A (6) of the PEZA Rules. The additional ITH extension covered the period of July 1, 2016 to June 30, 2017. Effective July 1, 2017, the Company's ITH lapsed.

Starting July 1, 2017, the JESA Building site is subject to the 5% GIT incentive.

EBLOC Tower 3, Cebu IT Park, Cebu City (7th, 8th and 9th Floors)

Under the Supplemental Agreement (SA) dated February 26, 2015, the PEZA approved a new non-pioneer project located at 7th and 8th Floor, EBLOC Tower 3, Cebu IT Park, Cebu City. The Company amended the SA dated August 17, 2015 to include the Company's application for its additional sales, customer, technical and shared service support activities at the 9th floor EBLOC Tower 3. On March 7, 2016, the entitlement to the 4-year ITH was validated and confirmed/approved. The Company started its commercial operations on April 1, 2015 and enjoyed the ITH up to March 31, 2019.

On September 05, 2019, PEZA approved the Company's application for ITH extension based on Net Foreign Exchange Earnings (NFEE) criterion in accordance with EPZA (now PEZA) General Circular No. 94-001 and Rule XV, Section 6, Paragraph A (6) of the PEZA Rules. The ITH extension covered the period of April 1, 2019 to March 31, 2020. On June 7, 2020, the Company received a cortication from PEZA that it has filed an application for the extension of ITH covering the period from April 1, 2020 to March 31, 2021. The Company received a Certification from PEZA of its entitlement to 5% GIT on December 31, 2021.

EBLOC Tower 3, Cebu IT Park, Cebu City (6th Floor)

Under Supplemental Agreement (SA) dated July 23, 2019, the PEZA approved the Company's expansion project on sales support, customer support, technical support and shared service located at 6th Floor, EBLOC Tower 3, Cebu IT Park, Cebu City. On April 22, 2020, PEZA approved the date of Start of Commercial Operation (SCO) of its expansion project which gave the Company an ITH entitlement from September 1, 2019 to August 31, 2022. The Company received a Certification from PEZA of its entitlement to ITH on December 31, 2021.

Filinvest Cebu, Cyberzone Tower 2, Cebu City (14th, 15th, 16th and 17th Floors)

Under Supplemental Agreement (SA) dated July 23, 2019, the PEZA approved the Company's application for registration of new activity, particularly to engage in sales support, customer support, technical support and shared services at the 14th, 15th, 16th and 17th Floors of Filinvest Cebu Cyberzone Tower 2. The Company received a Certification from PEZA of its entitlement to ITH on December 31, 2021.

Under Supplemental Agreement (SA) dated October 28, 2021, the PEZA approved the Company's expansion project in providing sales support, customer support, technical support, back-end support, shared services at the 10th ,11th & 12th Floors, Filinvest Cebu Cyberzone. The Company received a Certification from PEZA of its entitlement to ITH on December 31, 2021.

2. Basis of Preparation

Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). PFRSs which are issued by the Philippine Financial Reporting Standards Council (FRSC), consist of PFRSs, Philippine Accounting Standards (PASs), and Philippine Interpretations.

Basis of Measurement

The financial statements have been prepared on a historical cost basis of accounting except for retirement benefits obligation which is recognized at the present value of the defined benefits obligation.

Functional and Presentational Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded in the nearest peso, except when otherwise indicated.

Authorization for the Issuance of the Financial Statements

The accompanying financial statements of the Company as of and for the year ended March 31, 2022 was authorized for issue by the Board of Directors (BOD) on May 13, 2022.

3. Adoption of New Standards, Amendments to Standards and Interpretations

The Company has adopted the following amendments to standards starting April 1, 2021 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these new and amendments to standards did not have any significant impact on the Company's separate financial statements. These are as follows:

- COVID-19-Related Rent Concessions (Amendment to PFRS 16, Leases). The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The practical expedient applies if:
  - the revised consideration is substantially the same or less than the original consideration;
  - the reduction in lease payments relates to payments due on or before June 30, 2021; and,
  - no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose that fact, whether they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and the amount recognized in profit or loss for the reporting period arising from application of the practical expedient. No practical expedient is provided for lessors.

The amendment is effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted. A lessee applies the amendments retrospectively, recognizing the cumulative effect of the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to PFRS 16, Leases). The amendment extends the practical expedient introduced in the 2020 amendment which simplified how a lessee accounts for rent concessions that are a direct consequence of COVID-19, permitting lessees to apply the practical expedient to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

  The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Earlier application is permitted. A lessee applies the amendments retrospectively, recognizing the cumulative effect of the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate. The adoption is mandatory for lessees that chose to apply the practical expedient introduced by the 2020 amendments and may result in reversal of lease modifications that was ineligible for the practical expedient under the 2020 amendments but becomes eligible as a result of the extension.

Amendments Issued but Not Yet Adopted

A number of amendments to standards effective for annual periods beginning after April 1, 2021. However, the Company has not early adopted the following new or amended standards in preparing these separate financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Company's separate financial statements.

Effective January 1, 2022

- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to PAS 16, Property, Plant and Equipment). The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income (loss). This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income (loss).

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

- Onerous Contracts - Cost of Fulfilling a Contract (Amendment to PAS 37 Provisions, Contingent Liabilities and Contingent Assets). The amendments clarify that the cost of fulfilling a contract when assessing whether a contract is onerous includes all costs that relate directly to a contract - i.e. it comprises both incremental costs and an allocation of other direct costs.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated. Earlier application is permitted.

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to four standards:

  - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to PFRS 9, Financial Instruments). The amendment clarifies that for the purpose of performing the '10 per cent' test for derecognition of financial liabilities, the fees paid net of fees received included in the discounted cash flows include only fees 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.

  - Lease Incentives (Amendment to Illustrative Examples accompanying PFRS 16). The amendment deletes from the Illustrative Example 13 the reimbursement relating to leasehold improvements to remove the potential for confusion because the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in PFRS 16.

Effective January 1, 2023

- Classification of Liabilities as Current or Non-current (Amendments to PAS 1, Presentation of Financial Statements). To promote consistency in application and clarify the requirements on determining whether a liability is current or non-current, the amendments:

  - removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

  - clarified that a right to defer settlement exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date; and

  - clarified that settlement of a liability includes transferring a company's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or non-current.

  The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

  In November 2021, the International Accounting Standards Board issued the Exposure Draft, Non-Current Liabilities with Covenants, after considering stakeholder feedback on the December 2020 tentative agenda decision issued by the IFRS Interpretations Committee about the amendments. The exposure draft proposes to again amend IAS 1 as follows:

  - conditions which the entity must comply within twelve months after the reporting period will have no effect on the classification as current or non-current.

  - additional disclosure requirements will apply to non-current liabilities subject to such conditions to enable the assessment of the risk that the liability could become repayable within twelve months.

  - separate presentation in the statement of financial position will be required for non-current liabilities for which the right to defer settlement is subject to conditions within 12 months after the reporting period.

  The effective date of the amendments will be deferred to no earlier than January 1, 2024. Comments on the Exposure Draft is due on March 21, 2022.

- Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). To clarify the distinction between changes in accounting policies and changes in accounting estimates, the amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an accounting estimate is developed to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both selecting a measurement technique and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remain unchanged. The amendments also provide examples on the application of the new definition. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the amendments are applied.

- Disclosure of Accounting Policies (Amendments to PAS 1, Presentation of Financial Statements and PFRS Practice Statement 2, Making Materiality Judgements). The amendments are intended to help companies provide useful accounting policy disclosures. The key amendments to PAS 1 include:

  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;

  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments to PFRS Practice Statement 2 includes guidance and additional examples on the application of materiality to accounting policy disclosures. The amendments are effective from January 1, 2023. Earlier application is permitted.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments clarify that that the initial recognition exemption does not apply to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning obligations.

  The amendments apply for annual reporting periods beginning on or after January1, 2023. Earlier application is permitted.

  For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other appropriate component of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

4. Significant Accounting Policies

The significant accounting policies and practices applied in the preparation of these financial statements are set forth to facilitate the understanding of data presented in the financial statements. These policies have been consistently applied to all years presented unless otherwise stated.

Current versus Noncurrent Classification

The Company presents assets and liabilities in the statements of financial position based on current or noncurrent classification.

An asset is 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 (12) months after the financial reporting period;
- Expected to be settled on demand; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the financial reporting period.

All other assets are classified as noncurrent. Deferred tax assets are classified as noncurrent assets.

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 (12) months after the financial reporting period;
- It is expected to be settled in demand; or
- There is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the financial reporting period.

All other liabilities are classified as noncurrent. Deferred tax liabilities are classified as noncurrent liabilities.

Financial Instruments

Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets expire, or if the Company transfers the financial asset to another party and does not retain control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the normal course of business are accounted for at settlement date (i.e., the date that the asset is delivered to or by the Company). At initial recognition, the Company measures its financial assets 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 or issue of the financial asset

Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated as fair value through profit or loss, includes transaction costs.

After initial recognition, the Company classifies its financial assets as subsequently measured at either i) amortized cost, ii) fair value through other comprehensive income or iii) fair value through profit or loss on the basis of both:

The Company's business model for managing the financial assets.

The contractual cash flow characteristics of the financial asset.

Subsequent to initial recognition, financial assets are measured as described below.

At each balance sheet date, the Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes a loss allowance for expected credit losses for financial assets measured at either amortized costs or at fair value through other comprehensive income. If, at the reporting date, 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 months of expected credit losses.

If, at the reporting date, the credit risk on a financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses. The Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if both i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and ii) 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.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction cost directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, less any impairment losses.

Financial assets at amortized cost are classified as current assets when the Company expects to realize the asset within 12 months from reporting date. Otherwise, these are classified as noncurrent assets.

Cash and cash equivalents, trade and other receivables and refundable deposits are generally included in this category.

Cash includes cash on hand, cash in banks and cash equivalents.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company classifies an investment as cash equivalent if that investment has a maturity of three months or less from the date of acquisition.

Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial liabilities are derecognized when the Company's obligations specified in the contract expire or are discharged or cancelled.

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

The Company generally classifies all financial liabilities as subsequently measured at amortized cost.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade and other payables and lease liabilities are generally included in this category.

Prepaid Expenses and Other Current Assets

Prepaid expenses represent expenses not yet incurred but already paid in cash. Prepaid expenses are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Other current assets pertain to resources controlled by the Company as a result of past events and from which future economic benefits are expected to flow to the Company.

Prepaid expenses and other current assets are classified in the statements of financial position as current asset when the cost of services related to the prepaid expenses and other current assets are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer. Otherwise, prepaid expenses are classified as non-current assets.

Property and Equipment

Property and equipment are initially measured at cost. The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; 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.

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

At the end of each reporting period, items of property and equipment are measured at cost less any subsequent accumulated depreciation and impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

	Number of Years
Office equipment	5
Communication equipment	3
Furniture and fixtures	3
Leasehold improvements	3 or lease term whichever is shorter

Leasehold improvements are amortized over the improvements' useful life of three years or when shorter, the term of the relevant lease.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

At the end of each reporting period, the Company assesses whether there is any indication that any of its property and equipment is impaired. 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, 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 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 as an expense.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Intangible Assets

Intangible Asset Acquired Separately

Intangible assets are initially measured at cost. Subsequent to initial recognition, intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives. The estimated useful life and the amortization 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.

Share Capital

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

Retained Earnings

Retained earnings and deficit represent accumulated profits and losses earned and incurred by the Company. Retained earnings and deficit may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Revenue Recognition

The Company identifies each distinct performance obligation to transfer services. The Company recognizes revenue when (or as) it satisfies a performance obligation by transferring the control of services to the customer. The transaction price is the amount of consideration the Company expects to receive under the arrangement. The Company concluded that it is acting as principal for its revenue arrangement.

Sale of Services. The Company provides services assistance to its Parent Company in the ordinary course of business. Such services are recognized as a performance obligation satisfied over time.

Interest income. Interest income is recognized as the interest accrues using the effective interest method

Expense Recognition

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or increase of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Employee Benefits

Short-Term Benefits

The Company recognizes a liability, net of amounts already paid, and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans 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.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Post-Employment Benefits

Defined Benefit Plan

The Company classifies its retirement benefit as defined benefit plans. Under the defined 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 interest), are reflected immediately in the statements of financial position with a charge or credit recognized in OCI in the period in which they occur. Remeasurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in 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 benefits liability or asset. Defined benefits 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
- Remeasurements.

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

The retirement benefits obligation recognized in the statements of financial position represents the liability of the Company for its post-employment benefits.

Compensated Leave Credits

The Company's net obligation in respect of accumulated leaves is the amount of future benefit that employees have earned in return for their services in the current and prior periods. This benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Leases

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 a consideration.

As a Lessee

The Company recognizes a right-of-use assets and a lease liabilities at the lease commencement date. The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove or restore the underlying asset or the site on which it is located, less any incentives received.

The right-of-use assets are 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 assets or the end of lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liabilities are 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 rates as the discount rate.

Lease payments included in the measurement of the lease liabilities 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 liabilities are measured at amortized cost using the effective interest method. This are remeasured if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

The ROU assets and lease liabilities are presented in the statements of financial position separately from other assets and liabilities, respectively.

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities under common control with the reporting enterprises and their key management personnel, directors, or its stockholders. Related parties may be individuals or corporate entities. In considering each possible related party relationships, attention is directed to the substance of the relationship, and not merely the legal form.

Income Taxes

Income tax expense recognized in the statements of comprehensive income of the Company represents the current tax expense and deferred tax expense.

Under the Company's registration with the PEZA pursuant to the provisions of Republic Act (R.A.) No. 7916, the Company is subject to 5% final tax on gross income from PEZA-registered activities in lieu of payment of national and local taxes.

Uncertainties related to taxes that are not income taxes are recognized and measured in accordance with PAS 37 unless they are dealt with specifically in another standard.

If there is uncertainty about an income tax treatment, then the Company considers whether it is probable that a tax authority will accept the Company's tax treatment included in its tax filing. The underlying assumption in the assessment is that a tax authority will examine all amounts reported and will have full knowledge of all relevant information.

Current Tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using 5% of gross income earned from registered activities. For income other than its registered activities, tax rate is 30%. For income other than its registered activities, tax rate is 30% or exempt when the activities are included under income tax holiday.

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are generally recognized 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 utilized.

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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Provisions

Provisions are recognized when the Company has a present obligation, either legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation through an outflow of resources embodying economic benefits, and the amount of the obligation can be estimated reliably.

The amount of the provision recognized is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. 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.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Foreign Currency

Transactions in currencies other than Philippine peso are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated In foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Gains and losses arising on retranslation are included in profit or loss for the year.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

Events After the Reporting Period

The Company identifies events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to financial statements when material.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, Management is required to make judgments, 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 the 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 recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations, that Management have made in the process of applying the entity 's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has determined to be the Philippine Peso.

The Philippine Peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the Company's cost of operation, and in effect, its revenue.

Determination of the Term and Discount Rate of Lease Arrangements

Where the Company is the lessee, management is required to make judgments about whether an arrangement contains a lease, the lease term and the appropriate discount rate to calculate the present value of the lease payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases entered into by the Company as lessee, management uses the incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses an approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company and makes adjustments specific to the lease.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated) and, as such, included within lease liabilities.

The Company normally considers in the assessment whether there are significant penalties to terminate, significant remaining value of leasehold improvements and historical lease durations, the costs and business disruption for replacing the leased asset, enforceability of the option, and business and other developments.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the lessee's control.

Key Sources of Estimation Uncertainties

The following are key estimates concerning the future and other key sources of estimation uncertainty as at end of reporting period that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Impairment of Property and Equipment

The Company assesses at the end of each reporting period whether there is any indication that its property and equipment is impaired. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

Management assessed that there are no indicators of impairment affecting the noncurrent financial assets as at March 31, 2022 and 2021.

As at March 31, 2022 and 2021, the carrying amount of property and equipment amounted to P306,462,940 and P181,050,826, respectively (see Note 9).

Estimating Retirement Benefits Obligation

The present value of the retirement benefits obligation depends on a number of assumptions that are determined on an actuarial basis. The assumptions used in determining the net cost (income) for retirement benefits include the discount rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefits liability. Other key assumptions include future salary, mortality and attrition. Additional information is disclosed in Note 18

Retirement benefits obligation amounted to P46,392,900 and P28,827,200 and as at March 31, 2022 and 2021, respectively (see Note 18).

Provisions and Contingencies

The recognition of provisions on claims requires estimates and judgment regarding the timing and the amount of outflow of resources. Assessment by internal and external legal counsel, where appropriate, determines whether it is probable that an outflow of resources will be required to settle an obligation. If this is the case, the best estimate of the outflow of resources is recognized.

The Company has no provision for probable losses as at March 31,2022 and 2021.

6. Cash and Cash Equivalents

This account consists of:

	Note	2022	2021
Cash on hand		**P70,000**	P70,000
Cash in banks	21	**26,505,781**	12,363,523
Time deposits	21	**405,220,000**	310,380,000
	20	**P431,795,781**	P322,813,523

Interest income on cash in banks and time deposits amounted to P186,590 in 2022 and P132,046 in 2021.

7. Trade and Other Receivables

This account consists of:

	Note	2022	2021
Trade receivables	13, 20, 21	**P165,618,969**	P162,126,101
Advances to employees		**7,965,168**	7,831,560
Advances to suppliers		**4,137,221**	4,137,221
		P177,721,358	P174,094,882

Trade receivables have average credit terms of 60 days.

8. Prepaid Expenses and Other Current Assets

This account consists of:

	2022	2021
Prepaid utilities	**P8,910,318**	P -
Prepaid insurance	**324,931**	6,921,458
Others	**2,383,082**	2,309,106
	P11,618,331	P9,230,564

Prepaid insurance pertains to the unamortized payments for the Health Maintenance Organization (HMO) coverage of the Company's employees.

Others consist of unamortized payments for maintenance fees and membership dues and advance payments for advertising.

9. Property and Equipment

The movements in this account are as follows:

2022	**Office Equipment**	**Communication Equipment**	**Leasehold Improvements**	**Furniture and Fixtures**	**Total**
Cost					
Balance at beginning of year	P252,966,190	P93,189,804	P315,082,788	P18,581,010	P679,819,792
Acquisitions	172,430,938	5,904,928	120,396,837	-	298,732,703
Disposals	**-**	**(1,171,334)**	**-**	**-**	**(1,171,334)**
Balance at end of year	425,397,128	97,923,398	435,479,625	18,581,010	977,381,161
Accumulated Depreciation and Amortization					
Balance at beginning of year	182,490,648	74,875,751	222,880,496	18,522,071	498,768,966
Depreciation and amortization	68,445,835	11,997,706	92,824,345	52,703	173,320,589
Disposals	-	(1,171,334)	-	-	(1,171,334)
Balance at end of year	**250,936,483**	**85,702,123**	**222,880,496**	**18,522,071**	**498,768,966**
Net carrying value	**P174,460,645**	**P12,221,275**	**P119,774,784**	**P6,236**	**P306,462,940**

2021	Office Equipment	Communication Equipment	Leasehold Improvements	Furniture and Fixtures	Total
Cost					
Balance at beginning of year	P225,706,298	P83,492,625	P314,585,282	P18,581,010	P642,365,215
Acquisitions	27,259,892	9,697,179	497,506	-	37,454,577
Balance at end of year	252,966,190	93,189,804	315,082,788	18,581,010	679,819,792
Accumulated Depreciation and Amortization					
Balance at beginning of year	136,835,963	62,511,869	165,006,745	18,467,954	382,822,531
Depreciation and amortization	45,654,685	12,363,882	57,873,751	54,117	115,946,435
Balance at end of year	182,490,648	74,875,751	222,880,496	18,522,071	498,768,966
Net carrying value	P70,475,542	P18,314,053	P92,202,292	P58,939	P181,050,826

The depreciation is presented as part of the following:

	Note	**2022**	2021
Cost of service	15	**P143,564,986**	P95,936,787
Operating expense	16	**29,755,603**	20,009,648
		P173,320,589	P115,946,435

10. Intangible Assets

Intangible assets pertain to capitalized computer software. The movements in this account are as follows:

	Note	**2022**	2021
Cost			
Beginning of year balance		**P1,768,013**	P680,468
Additions		**1,142,545**	1,087,545
Disposals		**(300,064)**	-
		2,610,494	1,768,013
Accumulated Amortization			
Balance at beginning of year		**999,899**	680,468
Amortization	15,16	**524,685**	319,431
Disposals		**(300,064)**	-
Balance at end of year		**1,224,520**	999,899
Net carrying value		**P1,385,974**	P768,114

The amortization is presented as part of the following:

	Note	**2022**	2021
Cost of service	15	**P367,890**	P264,305
Operating expense	16	**156,795**	55,126
		P524,685	P319,431

11. Refundable Deposits

This account consists of:

	Note	2022	2021
Rental deposits		**P29,471,383**	P28,790,668
Utilities deposits		**7,219,492**	480,950
Guaranty deposit		**27,267,629**	27,267,629
		63,958,504	56,539,247
Less allowance for probable losses		**27,267,629**	27,267,629
	20, 21	**P36,690,875**	P29,271,618

Guaranty deposit pertains to the surety bond made to Department of Labor and Employment - National Labor Regulations Commission.

12. Trade and Other Payables

This account consists of:

	Note	2022	2021
Trade payables	20, 21	**P24,299,381**	P19,766,266
Salaries payable	20, 21	**96,511,841**	67,115,710
Payable to government agencies		**16,029,940**	10,498,687
Accrued expenses	20, 21	**8,997,735**	21,900,955
Withholding taxes		**4,054,940**	763,677
Output VAT - net		**841,440**	1,345,152
		P150,735,277	P121,390,447

Trade payables are normally on a 30-to-90-day credit terms.

The Company derecognized portion of salaries payable relating to long-outstanding unclaimed last pay of separated employees, which the legal right to claim has prescribed amounting to P53,197 and P4,117,637 in 2022 and 2021, respectively. These are presented as “Others” under “Other income (charges)” in the statements of comprehensive income.

Accrued expenses consist of electricity, legal fees, security services, consultancy, outside services, provision for leave encashment, etc. which are individually insignificant.

13. Related Party Transactions

The summary of the Company’s transactions and outstanding balances with related parties as at and for the years ended March 31, 2022 and 2021 is as follows:

				Outstanding Balance		
Category/ Transaction	**Year**	**Note**	**Transaction Amount**	**Trade Receivables**	**Terms**	**Conditions**
Ultimate Parent						
Revenue	2022	a, 7	P2,108,145,812	P153,994,192	60 days; non-interest bearing	Unsecured; no impairment
Affiliate						
Revenue	**2022**	**c**	**34,560,792**	**11,624,777**	**60 days; non-interest bearing**	**Unsecured; no impairment**
	2021	b	81,899,187	-		
	2022			**P165,618,969**		
	2021			P162,126,101		

(a) The Company entered into a Service Agreement with vCustomer Services LLC (vSLLC), a Company incorporated under the laws of the United States of America (USA), an affiliate, for an indefinite period unless mutually terminated, to provide web-based support (chat, email, fax); telephony support (voice); directory assistance; eCRM database management, eCRM database mining; web-based self-help solutions; remote website administration; remote back office support; remote system administration and technical help desk services in the United States through contact center representatives and such other functions as may be required in relation to the performance of its support function.

In consideration thereof, the Company bills vSLLC ten percent (10%) mark-up rate on all costs (cost and operating expenses) incurred by the Company in providing the services. Contract receivables are billed by the Company in US dollars on a periodical basis and are settled in the same currency. vSLLC was merged with Tech Mahindra (Americas), Inc., a subsidiary of Tech Mahindra Limited (TML), on February 2, 2015. Accordingly, billings were made to TML subsequently.

(b) The Company entered into an agreement with Tech Mahindra Philippines wherein all cost incurred by the former (cost and operating expenses) in relation to the service it renders to the latter will be billed at ten percent (10%) mark-up rate.

(c) The Company also entered into a Sub-contract Agreement on September 29, 2021 with Tech Mahindra Business Services Limited (TMBSL), a Company incorporated under the laws of India, for a period of two years, to provide call center services.

In consideration thereof, the Company bills TMBSL monthly service fee of ten percent (10%) mark-up rate on direct costs incurred by the Company in providing the services. The Company also bills for facility cost and depreciation at a rate of 10% on the cost as agreed by TMBSL and its customer. Contract receivables are billed by the Company in US dollars on a periodical basis and are settled in the same currency.

(d) Compensation of key management personnel for the years ended March 31, 2022 and 2021 is as follows:

	Note	**2022**	2021
Salaries		**P67,297,743**	P47,468,962
Retirement benefits costs	18	**5,789,821**	5,594,601
Allowance		**1,663,700**	1,226,598
Other employee benefits		**15,056,974**	8,674,454
		P89,808,238	P62,964,615

Other employee benefits include 13th month pay, performance bonus, leave encashment and other short-term benefits.

There are no other related party transactions. All related party balances are to be settled in cash.

14. Equity

Components of share capital are as follows:

	2022	2021
Authorized 1,000,000, issued, fully paid and outstanding: 950,000 ordinary shares - Php10 par value	**P9,500,000**	P9,500,000

On March 31, 2022, the Company's BOD approved the additional appropriation of P686,000,000 from its current retained earnings as at March 31, 2022 to be used by the Company for its business expansion projects for the year 2022 until 2025. Also, on the same date, the Company's BOD approved the reversal of the appropriated retained earnings in 2021 of P489,000,000 intended for the expansion projects.

On March 31, 2021, the Company's BOD approved the additional appropriation of P489,000,000 from its current retained earnings as at March 31, 2021 to be used by the Company for its business expansion projects for the year 2021 until 2024. Also, on the same date, the Company's BOD approved the reversal of the appropriated retained earnings in 2020 of P370,000,000 intended for the expansion projects.

15. Cost of Services

This account consists of:

	Note	2022	2021
Personnel costs		**P1,204,629,384**	P763,718,934
Depreciation	9, 10, 17	**217,371,979**	171,981,553
IT infrastructure		**75,393,022**	10,155,517
Electricity		**19,789,375**	26,386,083
		P1,517,183,760	P972,242,087

Details of personnel costs are as follows:

	Note	2022	2021
Salaries, wages and other employee benefits		**P692,277,559**	P460,706,322
Allowances and staff welfare costs		**340,518,861**	212,660,766
SSS, PHIC and HDMF premium contributions		**96,281,604**	40,192,033
13th month pay		**60,559,504**	30,946,130
Retirement benefits costs	18	**14,991,856**	19,213,683
		P1,204,629,384	P763,718,934

Depreciation and amortization are broken down as follow:

	Note	2022	2021
Property and equipment	9	**P143,564,986**	P95,936,787
ROU assets	17	**73,439,103**	75,780,461
Intangible assets	10	**367,890**	264,305
		P217,371,979	P171,981,553

16. Operating Expenses

This account consists of:

	Note	2022	2021
Personnel costs		**P202,282,509**	P185,952,910
Facilities management and utilities		**69,008,699**	61,464,965
Depreciation and amortization	9, 10, 17	**45,305,835**	30,210,933
Insurance		**26,418,236**	22,743,224
Security services		**20,011,771**	16,136,098
Outside services		**16,314,840**	12,771,687
Repairs and maintenance		**11,615,735**	9,427,629
Trainings and recruitment		**5,371,848**	7,730,549
Professional services		**2,010,606**	1,867,243
Office supplies		**2,008,239**	2,604,735
Transportation and travel		**1,157,989**	136,910
Taxes and licenses		**939,440**	205,018
Miscellaneous		**12,672,389**	7,731,596
		P415,118,136	P358,983,497

Facility management services pertains to the common usage expenses, housekeeping, utilities and maintenance dues incurred by the Company related on its lease facilities.

Details of personnel costs are as follow:

	Note	2022	2021
Salaries, wages and other employee benefits		**P130,100,814**	P128,163,088
Allowance and staff welfare costs		**33,550,067**	27,483,868
SSS, PHIC and HDMF premium contributions		**14,164,472**	11,058,060
13th month pay		**13,833,112**	8,514,229
Retirement benefits costs	18	**10,634,044**	10,733,665
		P202,282,509	P185,952,910

Depreciation and amortization are broken down as follow:

	Note	2022	2021
Property and equipment	9	**P29,755,603**	P20,009,648
ROU assets	17	**15,393,437**	10,146,159
Intangible assets	10	**156,795**	55,126
		P45,305,835	P30,210,933

17. Lease Agreements

All of the Company's leases are long term.

JESA Building, Cebu City

The Company entered into lease agreements for the corporate office unit it occupies in Cebu City. The lease term for the corporate office unit cover ten years with a free fitting out period of three months and an option to extend for another ten years. The lease term is from April 1, 2011 to March 31, 2021. Future payments under these lease agreements are subject to escalation rate of fifteen percent (15%) after the first five years. The Company entered into an extension of the lease contract for additional spaces in the same building starting May 1, 2014 up to March 31, 2021. Escalation of three percent (3%) per year is effective starting May 1, 2015. Rent free construction period is for two months.

During the quarter ended September 30, 2014, the Company entered into a new lease agreement to occupy additional office unit in the same building. The lease term for the unit is from July 1, 2014 to March 31, 2021 with a rent-free construction period from July 1, 2014 to August 31, 2014.

The lease agreements in JESA Building are renewable upon mutual agreement of both the lessor and the lessee. As at March 31, 2021, the lease agreement in JESA Building was not renewed.

The Company derecognized the leased asset on April 1, 2021.

EBLOC Tower 3, Cebu IT Park, Cebu City

In 2015, the Company entered into a lease agreement for the office unit and parking spaces for its expansion project located in EBLOC Tower 3, Cebu IT Park, Cebu City. The lease term for office unit is from January 6, 2015 to January 5, 2023 with free rent for the first three months of the actual handover date. Escalation of five percent (5%) per year is effective starting January 1, 2016.

On the same year, the Company entered into a new lease agreement to occupy additional office unit and parking spaces in the same building. The lease term is from May 14, 2015 to January 5, 2023 with free rent for the first three months of the actual handover date. Escalation of five percent (5%) per year is effective starting May 14, 2016.

Another lease agreement was entered by the Company on the same building for the lease of additional office units and parking spaces. The lease term is from October 15, 2015 to January 5, 2023 with free rent for the first three months of the actual handover date. Escalation of five percent (5%) per year is effective starting October 15, 2016.

In 2019, the Company entered into a new lease agreement to occupy additional office unit and parking spaces located on the same building. The lease term is from June 15, 2019 to June 14, 2024. The lease payment is fixed for the entire duration of the lease.

The lease agreements in EBLOC Tower 3 are renewable upon mutual agreement of both the lessor and the lessee.

Filinvest Cebu, Cyberzone Tower 2, Cebu City

In 2019, the Company entered into a new lease agreement to occupy office units located in Filinvest Cebu, Cyberzone Tower 2, Cebu City. The lease term is from September 1, 2019 to August 31, 2025 with free rent for the first three months of the actual handover date. Escalation of five percent (5%) per year is effective starting September 1, 2020.

The Company also entered into two new lease agreements on the same building for the lease of additional office units. One lease agreement has a lease term from October 1, 2019 to August 31, 2025 while the other lease agreement has a lease term from December 1, 2019 to August 25, 2025. Both the lease agreements have free rent for the first three months of the actual handover date and escalation of five percent (5%) per year effective October 1, 2020 and December 1, 2020, respectively.

The Company will have the right to renew the lease for two (2) further five-year (5) lease terms by sending a written notice to the lessor not less than six (6) months prior to expiry of the initial term of these lease agreements.

The Company also entered into another lease agreement to occupy additional office unit located on the same building. The lease term is from December 16, 2021 to September 15, 2028. Escalation of five percent (5%) per year is effective starting September 16, 2022.

In 2022, the Company entered into a new lease agreement to occupy additional office unit and parking spaces located on the same building. The lease term is from September 16, 2021 to September 15, 2028. Escalation of five percent (5%) per year is effective starting September 16, 2022.

The details of the Company's ROU assets and lease liabilities for these leases as shown below.

I. ROU Assets

The movements as at March 31, 2022 and 2021 are as follows:

	Note	**2022**	2021
Cost			
Balance at beginning of year		**P402,117,877**	P402,117,877
Additions during the year		**185,543,087**	-
Termination		**(13,333,688)**	-
		574,327,276	402,117,877
Accumulated Amortization			
Balance at beginning of year		**149,191,116**	63,264,496
Amortization	15, 16	**88,832,540**	85,926,620
Termination		**(13,333,688)**	-
Balance at end of year		**224,689,968**	149,191,116
Net carrying value		**P349,637,308**	P252,926,761

II. Lease Liabilities

The movements in lease liabilities as at March 31, 2022 and 2021 are as follows:

	Note	**2022**	2021
Balance at the beginning		**P281,591,352**	P363,494,823
Additions		**185,543,087**	-
Accretion of interest expense		**15,700,824**	17,056,630
Repayments		**(107,082,770)**	(98,960,101)
Carrying value		**375,752,493**	281,591,352
Less current portion		**108,383,640**	87,803,978
Noncurrent portion		**P267,368,853**	P193,787,374

III. Amounts in Profit or Loss

Amounts recognized in statements of comprehensive income are as follows:

	Note	**2022**	2021
Depreciation on right-of-use assets	15, 16	**P88,832,540**	P85,926,620
Accretion of interest expense		**15,700,824**	17,056,630
		P104,533,364	P102,983,250

IV. Future Minimum Lease Payments

The maturity analysis on the undiscounted lease liabilities is as follows:

	2022	2021
Maturity Analysis - Contractual Undiscounted Cash Flows		
Not more than 1 year	**P121,589,713**	P96,253,480
More than 1 year but less than 5 years	**260,725,758**	237,745,187
Total undiscounted lease liabilities	**P382,315,471**	P333,998,667

There is no short-term lease for the years ended March 31, 2022 and 2021.

18. Retirement Benefits Costs

The Company does not have an established formal retirement plan as at March 31, 2022 and 2021. It recognizes retirement benefits costs in accordance with the minimum regulatory benefit under Republic Act No. 7641, which is a defined benefit type. In the absence of a formal established retirement plan, the retirement benefit obligation is not yet funded. Retirement benefits are based on employees' years of service and compensation levels during employment period. Actuarial valuations are made with sufficient regularity. The most recent actuarial valuation was made for the year ended March 31, 2022. The principal actuarial assumptions used to determine retirement benefits were as follows:

Regulatory Framework in which the Retirement Plan Operates

In accordance with the provisions of the RA 7641, the Company is required to pay eligible employees at least minimum regulatory benefit upon normal retirement, subject to age and service requirements.

Responsibilities of Trustee

Since the Company does not have a formal, trusteed Retirement Plan, there are no Trustees yet.

Description of Plan Characteristics and Associated Risks

The calculations were based on the provisions of the minimum mandated benefit under RA 7641. However, it should be noted that in the event a benefit claim arises, the benefit shall immediately be due and payable from the Company.

Amounts Recognized in the Financial Statements

The principal actuarial assumptions used to determine retirement benefits were as follows:

	2022	2021
Discount rate	**5.75%**	4.25%
Salary increase rate	**6.00%**	6.00%

Maturity Profile of Expected Future Benefit Payments

The Company's expected future benefit payment is shown below:

	2022	2021
Beyond one year not later than 5 years	**P41,821,400**	P20,854,600
Beyond five years (6 to 10 years)	**44,537,600**	24,446,200

The movements of the present value of defined benefit obligation (DBO) which is also the amount of retirement benefits obligation recognized in the statements of financial position is as follows:

	Note	**2022**	2021
Balance at beginning of year		**P28,827,200**	P12,471,980
Current service cost	15, 16	**24,438,600**	29,336,292
Interest cost	15, 16	**1,187,300**	611,056
Benefits paid		**(906,600)**	(2,290,543)
Remeasurement gain		**(7,153,600)**	(11,301,585)
Balance at end of year		**P46,392,900**	P28,827,200
		P28,827,200	P12,471,980

The retirement benefits cost recognized as part of "Cost of services" and "Operating expenses" accounts in the statements of comprehensive income for the years ended March 31, 2022 and 2021 were determined as follows

	Note	2022	2021
Current service cost		**P24,438,600**	P29,336,292
Interest cost		**1,187,300**	611,056
	15, 16	**P25,625,900**	P29,947,348

The retirement benefits costs are broken down as follows:

	Note	2022	2021
Costs of services	15	**P14,991,856**	P19,213,683
Operating expenses	16	**10,634,044**	10,733,665
		P25,625,900	P29,947,348

The movement of cumulative remeasurement gain presented in the statements of changes in equity follows:

	2022	2021
Balance at beginning of year	**P36,257,329**	P24,955,744
Actuarial gain (loss):		
Due to liability assumption changes	**11,195,100**	(3,372,900)
Due to liability experience	**(4,041,500)**	14,674,485
	7,153,600	11,301,585
Balance at the end of year	**P43,410,929**	P36,257,329

Amount, Timing and Uncertainty of Future Cash Flows

Sensitivity analysis on the defined benefits obligation is as follows:

2022		**Sensitivity Analysis**	**Effect on DBO**
Discount rate	**6.75%**	**1% increase**	**(12.13%)**
Discount rate	**4.75%**	**1% decrease**	**15.15%**
Salary increase rate	**7.00%**	**1% increase**	**14.96%**
Salary increase rate	**5.00%**	**1% increase**	**(12.21%)**

2021		Sensitivity Analysis	Effect on BDO
Discount rate	5.25%	1% increase	(15.16%)
Discount rate	3.25%	1% increase	19.28%
Salary increase rate	7.00%	1% increase	18.73%
Salary increase rate	5.00%	1% increase	(15.07%)

Methods and Assumptions Used in Sensitivity Analysis

All other assumptions were kept constant in determining the sensitivity results above.

Changes since previous period

There were no changes in the methods and assumptions used in preparing the sensitivity analysis.

Description of Assets-liability Matching Strategies

Since the DBO is still unfunded, there are no plan assets to match against the DBO.

Description of Funding Arrangement and Policies

Since the DBO is still unfunded, benefit claims under the DBO are paid directly by the Company when they become due.

19. Income Taxes

The Company's registered activities with PEZA are under the income tax holiday and special rate of 5% on gross income.

	2022	2021
Current income tax expense	**P13,360,310**	P4,478,631
Deferred tax expense (benefit)	**199,982**	(44,793)
	P13,560,292	4,433,839

The reconciliation of the income tax expense computed at the statutory income tax rate to the actual income tax expense as shown in the statements of comprehensive income for the taxable fiscal years ended March 31, 2022 and 2021 is as follows:

	2022	2021
Income before income tax	**P210,129,995**	P122,821,599
Less other income subject to RCIT	**5,310,305**	4,117,637
Income subject to GIT	**P204,819,690**	P118,703,962
Tax expense at 5%	**P10,240,984**	P5,935,198
Non-deductible expense	**24,817,426**	24,545,308
Nontaxable income subject to tax holiday	**(22,756,167)**	(27,181,142)
Tax expense subject to RCIT	**1,327,576**	1,080,880
Movement on unrecognized DTA	**(60,197)**	60,197
Nontaxable income subject to final tax	**(9,330)**	(6,602)
	P13,560,292	P4,433,839

The tax rate used for the 2022 and 2021 reconciliation above is the 5% special rate whose tax base is the gross income under the PEZA registered activities. Any income earned outside the PEZA registered activities are subject to Regular Corporate Income Tax (RCIT).

The deferred tax assets arising from various provisions and unrealized foreign exchange loss amounting to nil in 2022 and P60,197 in 2021 were not recognized as the management does not expect that there will be sufficient taxable profits against which the assets can be utilized before the expiration.

The deferred tax liability arising from the unrealized foreign exchange gains amounting to P199,982 in 2022 and nil in 2021.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

CREATE is an act reforming the corporate income tax and incentives system, amending for the purpose certain sections of Internal Revenue Code of 1997, as amended, and creating therein new title XIII, and for other purposes.

On March 26, 2021, the President of the Philippines has approved the CREATE Act, with nine (9) provisions vetoed by the President. Below are the salient features of the Act that are relevant to the Company:

a) Corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5 million and with total assets not exceeding P100 million. All other domestic corporations and resident foreign corporations will be subject to 25% income tax. Said reductions are effective July 1, 2020.

b) Minimum corporate income tax (MCIT) rate is reduced from 2% to 1% effective July 1, 2020 to June 30, 2023.

c) The imposition of improperly accumulated earnings tax has been repealed.

d) Definition of reorganization for purposes of applying the tax-free exchange provision under Section 40(C)(2) is expanded. Prior BIR ruling or confirmation shall not be required for purposes of availing the tax exemption of the exchange.

e) Qualified export enterprises shall be entitled to 4 to 7 years income tax holiday (ITH) to be followed by 10 years 5% SCIT OR Enhanced Deductions (ED).

f) Qualified domestic market enterprises shall be entitled to 4 to 7 years ITH to be followed by 5 years ED.

g) Registered enterprises are exempt from customs duty on importation of capital equipment, raw materials, spare parts, or accessories directly and exclusively used in the registered project or activity.

h) VAT exemption on importation and VAT zero-rating on local purchases shall only apply to goods and services directly and exclusively used in the registered project or activity by a registered business enterprise (RBE).

i) For investments prior to effectivity of CREATE: RBEs granted only an ITH - continue with the availment of the ITH for the remaining period of the ITH. RBEs granted an ITH + 5% GIT or currently enjoying 5% GIT - allowed to avail of the 5% GIT for 10 years.

The measure is set to take effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation. After which, the implementing rules and regulation will be issued by the tax authority.

On April 8, 2021, the Bureau of Internal Revenue (BIR) issued the following implementing revenue regulations that are effective immediately upon publication:

- BIR Revenue Regulations (RR) No. 2-2021, Amending Certain Provisions of Revenue Regulations No. 2-98, As Amended, to Implement the Amendments Introduced by Republic Act No. 11534, or the “Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE), to the National Revenue Code of 1997, as Amended, Relative to the Final Tax on Certain Passive Income
- BIR RR No. 3-2021, Rules and Regulations Implementing Section 3 of Republic Act (RA). No. 11534, Otherwise Known as the “Corporate Recovery and Tax Incentives for Enterprises Act” or “CREATE”, Amending Section 20 of the National Internal Revenue Code of 1997, As Amended
- BIR RR No. 4-2021, Implementing the Provisions on Value-Added Tax (VAT) and Percentage Tax Under Republic Act (RA) No. 11534, Otherwise Known as the “Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE) Which Further Amended the National Revenue Code of 1997, as Amended, as Implemented by Revenue Regulations (RR) No. 16-2005 (Consolidated Value-Added Tax Regulations of 2005), As Amended
- BIR RR No. 5-2021, Implementing the New Income Tax Rates on the Regular Income of Corporations, on Certain Passive Incomes, Including Additional Allowable Deductions from Gross Income of Persons Engaged in Business or Practice of Profession Pursuant to Republic Act (RA) No. 11534 or the “Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE), Which Further Amended the National Revenue Code (NIRC) of 1997

Applying the provisions of the CREATE Act, the Company was subjected to a lower regular corporate income tax rate (RCIT) of 25% effective July 1, 2020 in its statutory income tax return.

20. Fair Value Information

The fair value of Company’s financial assets and liabilities:

	Note	**2022**		2021	
		Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets					
Cash and cash equivalents	6	**P431,795,781**	**P431,795,781**	P322,813,523	P322,813,523
Trade receivables	7	**165,618,969**	**165,618,969**	162,126,101	162,126,101
Refundable deposits	11	**36,690,875**	**36,690,875**	29,271,618	29,271,618
		P634,105,625	**P634,105,625**	P514,211,242	P514,211,242
Financial Liabilities					
Trade and other payables*	12	**129,808,957**	**129,808,957**	P108,782,931	P108,782,931
Lease liabilities	17	**375,752,493**	**375,752,493**	281,591,352	281,591,352
		P505,561,450	**P505,561,450**	P390,374,283	P390,374,283

*Excluding non-financial liabilities amounting to P20,926,320 and P12,607,516 as at March 31, 2022 and 2021, respectively.

The difference between the carrying amount of trade and other receivables and trade and other payables disclosed in the statements of financial position and the amount disclosed in this note pertains to advances to officers and employees and government payables since these are not considered as financial assets or liabilities.

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments:

Cash and Cash Equivalents, Trade and Other Receivables and Trade and Other Payables

The carrying amounts approximate their fair values due mainly to the relatively short-term maturities of these financial instruments.

Refundable Deposits

The carrying amount approximates it fair value as the effect of discounting is not considered material.

Lease Liabilities

The carrying amount approximates its fair value because the difference between the interest rate of this instrument and the prevailing market rate for a similar instrument is not considered significant.

21. Financial Risk Management

Financial Risk Management Objectives and Policies

The main purpose of the Company's financial instruments is to fund the Company's operation and to acquire and improve property and equipment. The main risks arising from the use of financial instruments are credit risk, liquidity risk and market risk which includes interest rate risk and foreign currency risk. These are summarized below:

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contact, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

With respect to credit risk arising from the Company's financial assets, which comprise of cash and cash equivalents, trade receivables and refundable deposits, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments.

The Company controls this risk through monitoring procedure and regular coordination with the debtors. Receivable balances are monitored on an ongoing basis with the result that its exposure to bad debts is not significant.

The table below presents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained:

	Note	2022	2021
Cash and cash equivalents*	6	**P431,725,781**	P322,743,523
Trade receivables	7	**165,618,969**	162,126,101
Refundable deposits	11	**36,690,875**	29,271,618
		P634,035,625	P514,141,242

*Excluding Cash on hand amounting P70,000 in 2022 and 2021.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

ECLs are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for Recognizing ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk initial recognition	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indication that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written-off

The following table details the credit quality of the Company's financial assets and other items, as well as the Company's maximum credit exposure to credit risk by credit risk rating grades as at March 31, 2022 and 2021:

2022	**Note**	**Internal Credit-rating**	**12m or Lifetime ECL**	**Gross Carrying Amount**	**Loss Allowance**	**Net Carrying Amount**
Cash and cash equivalents*	6	**Performing**	**12m ECL**	**P431,725,781**	**P -**	**P431,725,781**
Trade receivables	7	**Performing**	**Lifetime ECL**	**165,618,969**	**-**	**165,618,969**
Refundable deposits	11	**Performing**	**Lifetime ECL**	**63,958,504**	**27,267,629**	**36,690,875**
				P661,303,254	**P27,267,629**	**P634,035,625**

*Excluding Cash on hand amounting to P70,000.

2021	Note	Internal Credit-rating	12m or Lifetime ECL	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
Cash and cash equivalents*	6	Performing	12m ECL	P322,743,523	P -	P322,743,523
Trade receivables	7	Performing	Lifetime ECL	162,126,101	-	162,126,101
Refundable deposits	11	Performing	Lifetime ECL	56,539,247	27,267,629	29,271,618
				P541,408,871	P27,267,629	P514,141,242

*Excluding Cash on hand amounting to P70,000.

For trade receivables, the Company has applied the simplified approach in PFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the ECL on these items 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 these assets is presented based on their past due status in terms of the provision matrix.

Liquidity Risk

Liquidity pertains to the risk arising from the shortage of funds due to unexpected events or transactions.

The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. The Company maintains a level of cash deemed sufficient to finance operations. To cover its financing requirements, the Company obtains advances from its Parent Company, when necessary. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows.

The table below summarizes the maturity profile of the Company’s financial assets and liabilities as at March 31, 2022 and 2021 on undiscounted contractual cash flows.

2022	**Note**	**On Demand**	**Due Within 30 Days**	**Due Within 1 Year**	**Due Beyond 1 Year but not More than 5 Years**	**Total**
Cash and cash equivalents*	6	**P26,505 ,781**	**P405,220,000**	**P -**	**P -**	**P431,725,781**
Trade receivables	7	**-**	**165,618,969**	**-**	**-**	**165,618,969**
Refundable deposits	11	**-**	**-**	**-**	**36,690,875**	**36,690,875**
		P26,505,781	**P570,838,969**	**P -**	**P36,690,875**	**P634,035,625**
Trade and other payables**	12	**P24,299,381**	**P105,509,576**	**-**	**-**	**P129,808,957**
Lease liabilities	17	**-**	**-**	**121,589,713**	**260,725,758**	**382,315,471**
		P24,299,381	**P105,509,576**	**121,589,713**	**260,725,758**	**P512,124,428**

**Excluding Cash on hand amounting to P70,000.

**Excluding non-financial liabilities amounting to P20,926,320.

2021

	Note	On Demand	Due Within 30 Days	Due Within 1 Year	Due Beyond 1 Year but not More than 5 Years	Total
Cash and cash equivalents*	6	P12,363,523	P310,380,000	P -	P -	P322,743,523
Trade receivables	7	-	162,126,101	-	-	162,126,101
Refundable deposits	11	-	-	-	29,271,618	29,271,618
		P12,363,523	P472,506,101	P -	P29,271,618	P514,141,242
Trade and other payables**	12	P19,766,266	P89,016,665	P -	P -	P108,782,931
Lease liabilities	17	-	-	96,253,480	237,745,187	333,998,667
		P19,766,266	P89,016,665	P96,253,480	P237,745,187	P442,781,598

*Excluding Cash on hand amounting to P70,000.

**Excluding non-financial liabilities amounting to P9,481,362.

Interest Rate Risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The primary source of the Company's interest rate risk relates to cash in banks and lease liabilities. The interest rates on these assets is disclosed in Notes 6 and 17.

The Company has a policy in place in managing interest rate risk and is monitored on an ongoing basis.

Foreign Currency Risk

Foreign exchange risk arises when an investment 's value changes due to variations in the currency exchange rate. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities that are denominated in a currency that is not the Company's functional currency. The Company undertakes certain transactions denominated in Philippine Peso. Hence, exposures to exchange rate fluctuations arise with respect to such transactions.

Significant fluctuation in the exchange rates could significantly affect the Company's financial position. The Company has a policy in place in managing foreign currency risk and is monitored on an ongoing basis.

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:

	2022	2021
Cash and cash equivalents	**P173,547,418**	P147,463,505
Trade and other receivables	**165,618,969**	162,126,101
Net exposure	**P339,166,387**	P309,589,606

The following table details the Company's sensitivity to the exchange rate fluctuation of U.S. Dollar against Philippine Peso. The sensitivity rates used in reporting foreign currency risk internally to key management personnel is 5% in 2022 and 2021 which represent Management's assessment of the reasonably possible change in foreign exchange rates based on historical trends. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items as at the end of the reporting period. A negative number below indicates a decrease in profit when the US Dollar strengthen by 5% in 2022 and 2021 against the relevant currency. For a 5% in 2022 and 2021 increase of the US Dollars against Philippine Peso, there would be an equal and opposite impact on profit and the balances below would be negative.

	Effect on Profit Before Tax for the Year	
	2022	2021
Cash and cash equivalents	**P8,677,371**	P7,373,175
Trade and other receivables	**8,280,948**	8,106,305
	P16,958,319	P15,479,480

The above sensitivity analysis is applicable in determining the effect on equity of the changes in foreign exchange rates.

In Management 's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

22. Capital Risk Management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, maximize shareholder value, maintain various stakeholders' confidence and sustain future development of the business. The Company manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may issue stock dividend to shareholders, return or issue capital. No significant changes have been made in the capital management approach as they have been applied in previous years. The Company has not been subjected to externally imposed capital requirements. No major changes were made in the objectives, policies and procedures in 2022 and 2021.

The Company considers the following as its capital:

	2022	2021
Share capital	**P9,500,000**	P9,500,000
Retained earnings	**687,340,745**	490,771,043
Cumulative remeasurement gain on retirement benefits	**43,410,929**	36,257,329
	P740,251,674	P536,528,372

The debt to equity ratio at year-end was as follows:

	2022	2021
Debt	**P575,060,893**	P433,627,916
Equity	**740,251,674**	536,528,372
	0.78:1	0.81:1

TECH MAHINDRA SERVIÇOS DE INFORMÁTICA S.A.

Board of Directors
Mr. Nalin Vij (Appointed effective April 28, 2022)
Mr. Aniruddha Vinayak Gadre (Appointed effective April 28, 2022)
Mr. Alexandre de Castro
Mr. Sriniketh Raman Chakravarthi (Resigned effective April 18, 2022)
Mr. Anil Murlidhar Joshi (Resigned effective April 28, 2022)

Registered Office
Avenida Maria Coelho de Aguiar, 215, Bl C, 5th Floor,
Jardim São Luiz,
São Paulo, SP
ZIP 05804-000

Bankers
Citibank
Itaú Bank
Santander
Bradesco
Caixa Econômica Federal

Auditors
Padrão Auditoria S/S, Brazil

INDEPENDENT AUDITOR´S REPORT ON FINANCIAL STATEMENTS

To

Shareholders, Board of Directors and Officers
Tech Mahindra Serviços de Informática S.A.
São Paulo - SP

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tech Mahindra Serviços de Informática S.A. ("the Company") as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRSs). We have audited the financial statements of the Company, which comprise the statement of financial position as at March 31, 2022, and the 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.

Basis for Opinion

We conducted our audit in accordance with Brazilian and 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 Company within the meaning of ethical requirements, applicable law, regulation and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil and 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. Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 Brazilian and 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 Brazilian and ISAs, we exercise professional judgment and maintain professional skepticism 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

We are required to communicate with Management 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.

São Paulo, April 18, 2022.

PADRÃO AUDITORIA S/S

CRC-2SP 016.650/O-7

YUKIO FUNADA

Accountant CRC-1SP 043.351/O-8

BALANCE SHEETS AS OF MARCH 31, 2022 AND MARCH 31, 2021

(In Thousands of Reais)

	Note	31.03.2022	31.03.2021
CURRENT ASSETS		**56,416**	39,996
Cash and cash equivalentes	4	**448**	627
Trade accounts receivable	5	**43,026**	33,341
Taxes recoverable		**3,760**	1,622
Related parties	10	**5,089**	2,582
Other receivables		**4,093**	1,824
NON-CURRENT ASSETS		**22,646**	10,569
Related parties	10	**1**	1
Property & equipment	6	**1,682**	2,880
Intangible assets	7	**247**	457
Judicial deposits		**6,954**	1,362
Long term investments		**12,802**	5,452
Rights of use	8	**960**	417
TOTAL ASSETS		**79,062**	50,565
CURRENT LIABILITIES		**45,186**	**148,840**
Trade accounts payable		**2,006**	1,115
Salary and social charges		**8,938**	7,165
Taxes liabilities		**334**	258
Loans and financing	9	**13,880**	8,070
Related parties	10	**-**	114,502
Leases	8	**515**	1,353
Other liabilities		**19,513**	16,377
NON-CURRENT LIABILITIES		**41,178**	79,144
Provision for contingencies	11	**40,733**	63,933
Related parties	10	**-**	15,211
Leases	8	**445**	-
EQUITY	12	**(7,302)**	(177,419)
Capital		**253,324**	118,270
Other equity		**(1)**	(943)
Retained losses		**(260,625)**	(294,746)
TOTAL LIABILITIES AND EQUITY		**79,062**	50,565

See accompanying notes.

INCOME STATEMENTS FOR THE YEAR ENDED AS OF MARCH 31, 2022 AND 2021

(In Thousands of Reais)

	Note	31.03.2022	31.03.2021
Net operating revenue		**125,601**	113,217
Cost of services rendered		**(97,395)**	(102,738)
Gross profit		**28,206**	10,479
General and administrative expenses		**(20,323)**	(42,296)
Other operating income		**23,147**	(32,015)
Operating income (expenses)		**2,824**	(35,269)
Financial income		**15,402**	16,189
Financial expenses		**(12,311)**	(31,288)
Financial result		**3,091**	(27,843)
Income / (Loss) before income and social contribution taxes		**34,121**	(127,218)
Income tax and social contribution		**-**	(2,906)
Total of income tax and social contribution		**-**	(2,906)
Income / (Loss) for the year		**34,121**	(130,124)
Earnings / (Losses) per unit of interest – R$	16	**0.176**	(0.887)

See accompanying notes.

OTHER COMPREHENSIVE INCOME AS OF MARCH 31, 2022 AND 2021

	(In Thousands of Reais)	
EVENTS	**31.03.2022**	31.03.2021
Income / (Loss) for the year	**34,121**	(130,124)
Other comprehensive income	**-**	-
Total	**34,121**	(130,124)

See accompanying notes.

STATEMENTS OF CHANGES IN EQUITY AS OF MARCH 31, 2022 AND 2021

(In Thousands of Reais)

EVENTS	CAPITAL	OTHER EQUITY (Note 8)	RETAINED LOSSES	TOTAL
Balances at 31.03.2020	**118,270**	**(1,489)**	**(164,622)**	**(47,841)**
CPC 06 – R2 / IFRS 16 adjustments (Note 8)	-	546	-	546
Loss for the year	-	-	(130,124)	(130,124)
Balances at 31.03.2021	**118,270**	**(943)**	**(294,746)**	**(177,419)**
Capital increase	135,054	-	-	135,054
CPC 06 – R2 / IFRS 16 adjustments (Note 8)	-	942	-	942
Net income for the year	-	-	34,121	34,121
Balances at 31.03.2022	**253,324**	**(1)**	**(260,625)**	**(7,302)**

See accompanying notes.

CASH FLOW STATEMENTS AS OF MARCH 31, 2022 AND 2021

(In Thousands of Reais)

	31.03.2022	31.03.2021
Cash flow from operating activities		
Income (Losses) before income and social contribution taxes	**34,121**	(130,124)
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities:	**1,422**	3,765
Depreciation and amortization		
Allowance for doubtful accounts	**-**	2
Provisions	**(23,200)**	50,179
Net book value of fixed asset disposals	**54**	-
Goodwill impairment	**-**	36,828
Decrease (increase) in assets:		
Trade accounts receivable	**(9,685)**	34,030
Taxes recoverable	**(2,138)**	(345)
Other receivables	**(9,619)**	(2,828)
Related parties	**(2,507)**	733
Financial instruments derivatives	**-**	730
Judicial deposits	**(5,592)**	646
Increase (decrease) in liabilities:		
Trade accounts payable	**891**	(280)
Taxes payable and others	1,849	(5,023)
Related parties	**(129,713)**	20,650
Leases	**6**	(715)
Other liabilities	**3,136**	3,625
Net cash provided by operating activities	**(140,975)**	11,873
Cash flow from investing activities		
Fixed asset and intangible purchases	**(68)**	(916)
Net cash used in investing activities	**(68)**	(916)
Cash flow from investing activities		
Increase (decrease) in loans and financing	**5,810**	(10,633)
Capital increase	**135,054**	-
Net cash provided by financing activities	**140,864**	(10,633)
(Decrease) increase in cash and cash equivalents	**(179)**	324
Cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	**627**	303
Cash and cash equivalents at the end of the year	**448**	627

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS AS OF MARCH 31, 2022 AND 2021

(In Thousands of Reais)

1. Operations

Tech Mahindra Serviços de Informática S.A. ("Tech Mahindra" or "Company") is a closely held corporation and primarily engaged in rendering consulting services related to information technology, implementation of projects and selling software. The Company is located in São Paulo city.

On January 1st, 2017, Tech Mahindra Serviços de Informática S.A. incorporated Complex IT Solution Consultoria em Informática S.A.

2. Basis for preparation and presentation of financial statements

Authorization to complete these financial statements was given at the General Meeting held on April 18, 2022.

The financial statements were prepared in accordance with several assessment bases used in the accounting estimates. Accounting estimates involved in the preparation of the financial statements were based on both objective and subjective factors, and in line with management's judgment to determine the appropriate amounts to be recorded in the financial statements. Significant items subject to these estimates and assumptions include selection of useful lives of property and equipment and their recoverability on operations in operations, measurement of financial assets at fair value and under the present value method, credit risk analysis to determine the allowance for doubtful accounts, as well as other risk analysis to determine other provisions, including provision for contingencies.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probability treatment inherent to the estimation process. The Company reviews its estimates and assumptions at least once a year.

The financial statements were prepared in accordance with accounting practices adopted in Brazil, which comprise the Brazilian Corporation Laws, the standards issued by the Brazilian Securities and Exchange Commission (CVM), and pronouncements, interpretations and guidance issued by the Brazilian FASB (CPC), as well as in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3. Summary of significant accounting practices

3.1. Translation of foreign currency-denominated balances

3.1.1 Functional and reporting currency

The Company's functional currency is the Brazilian real, same currency for preparation and presentation of the financial statements.

3.1.2 Transactions denominated in foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency (Real) using the exchange rate of balance sheet date. Gains and losses resulting from the restatement of these assets and liabilities due to exchange rate variation between transaction date and year end are recognized as financial income or financial expenses in the income statement.

3.2. Revenue recognition

Revenues are stated on the accrual basis of accounting. Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and when it can be reliably measured.

3.3. Taxation

3.3.1. Sales taxes

Sales and service revenues are subject to the taxes and social contributions below, at the following statutory rates:

- Social Contribution Tax on Gross Revenue for Social Integration Program (PIS) 0,65%;
- Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS) 3,00%;
- Service tax (ISS) – 2% à 5%.

3.3.2. Current income and social contribution taxes

Taxable profit comprises income and social contribution taxes, Income tax is calculated at a rate of 15%, plus a surtax of 10% on taxable profit exceeding R$240 over 12 months, whereas social contribution tax is computed at a rate of 9% on taxable profit, both recognized on an accrual basis; therefore additions to book income of temporarily nondeductible expenses or exclusions of temporarily non-taxable income upon determination of current taxable profit generate deferred tax assets or liabilities.

Prepaid or recoverable taxes are stated in current or non-current assets, according to the forecast of realization thereof.

3.4. Cash and cash equivalents

These include cash, bank account balances and short-term investments redeemable within 90 days from the transaction dates, subject to insignificant risk of change in their market value. Short-term investments included in cash equivalents are mostly classified as “financial assets at fair value through profit or loss”.

3.5. Property & equipment

These are recorded at acquisition cost. Depreciation of assets is calculated on a straight-line basis and takes into consideration the estimated economic useful lives of assets.

A property and equipment item is written off when sold or when no future economic benefit is expected to arise from its use or sale. Gains or losses arising from de-recognition of an asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in the statement of income in the period which the asset is derecognized.

The net book value and useful lives of the assets and the depreciation methods are reviewed at period end, and adjusted prospectively, when applicable.

After calculating net book value of property and equipment for financial statement purposes, the Company determines whether it is necessary to recognize additional loss of property and equipment value aggregated with other assets, such as investments and intangible assets in cash-generating units.

Due to changes in Brazilian accounting practices on the path to full convergence with international standards, first-time adopters of Accounting Pronouncements CPC 27 (IAS 16) and CPC 28 (IAS 40) may elect to make adjustments to their opening balances similarly to those allowed by international financial reporting standards, using the deemed cost concept as provided for in CPC 37 (IFRS 1) and CPC 43.

3.6. Intangible assets

Intangible assets acquired separately are measured at cost upon their initial recognition. After initial recognition, intangible assets are stated at cost, less accumulated amortization and impairment. Intangible assets are represented by goodwill related to acquisition of Complex IT Solution Consultoria em Informática S.A. and software. The useful life of intangible assets is considered finite or indefinite.

Finite intangible assets are amortized over their economic useful lives and are tested for impairment whenever there is any indication of impairment loss. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Amortization of intangible assets with finite lives is recognized in the income statement in the expense category consistent with the use of the intangible asset.

Gains and losses arising from write-off of an intangible asset are measured as the difference between the net sales price and the book value of the asset, recognized in the income statement at the write-off of the asset.

3.7. Impairment of assets

Management annually reviews the net book value of assets in order to evaluate events or changes in economic, operating or technological circumstances that may indicate deterioration or impairment. When such evidence is identified and the net book value exceeds the recoverable value, a provision for impairment is setup, adjusting the net book value to the recoverable value.

The recoverable value of an asset or group of assets is defined as the higher of value in use or the net sales value.

In estimating the asset’s value in use, the estimated future cash flows are discounted to their present value, using a discount rate before taxes that reflects the weighted average cost of capital for the segment where the cash-generating unit operates. Whenever possible, the net sales value is determined based on firm sale agreements in transactions made on an arm’s length basis between knowledgeable and willing parties, adjusted by expenses attributed to asset sales or, when there is no firm sale agreement, based on the market price of an active market, or the most recent transaction price with similar assets.

3.8. Provisions

3.8.1 General

Provisions are recognized when the Company has a legal or constructive obligation due to a past event, it is probable that economic resources will be required to settle it and a reliable estimate of the obligation amount may be made. When the Company expects that the amount of a provision will be refunded, in full or in part, the refund is recognized as a separate asset, but only when the refund is virtually certain. The expense related to any provision is stated in the income statement, net of any refund.

3.8.2 Provision for litigation

The Company is a party in judicial and administrative proceedings. Provisions are set up for all judicial proceedings involving probable cash outlays to settle them and that may be reliably estimated, if applicable.

The assessment of the likelihood of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance for the legislation in force, as well as the opinion of the Company's outside legal counsel.

These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions, if applicable.

The provision for contingencies is determined by management based on expected amount of loss involved by each contingency based on the opinion of the Company's legal advisors, for amounts considered sufficient to cover losses and risks, if applicable.

3.9. Financial instruments

The Company's financial instruments comprise trade accounts receivable, other receivables, trade accounts payable, other liabilities, financial instruments derivatives and related parties.

The instruments are only recognized as from the date the Company becomes a party to the contractual provisions of financial instruments.

They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, excepting financial assets and liabilities classified as at fair value through profit or loss, when such costs are directly posted to income statement for the year. They are subsequently measured at each balance sheet date in accordance with the rules established for each type of classification of financial assets and liabilities.

3.9.1 Financial assets: These are classified in the following categories based on the purpose for which they were acquired or issued:

a) Financial assets at fair value through profit or loss: Include financial assets held for trading and financial assets initially recognized at fair value through profit or loss. Financial assets are classified as held for trading if acquired to be sold within short term.

The Company evaluated its financial assets at fair value through profit or loss since it intends to trade them within short term.

When the Company is unable to trade these financial assets as a consequence of market inactivity, and management intention of selling them in the near future changes significantly, the Company may opt to reclassify these financial assets in certain circumstances. The reclassification to loans and accounts receivable, available for sale or held to maturity depends on asset nature. This evaluation does not affect any financial assets classified as at fair value through profit or loss using the option of fair value upon presentation.

b) Loans and receivables: Loans and receivables are non-derivative financial assets, with fixed or determinable payments, not quoted in an active market. After initial measurement, these financial assets are stated at amortized cost, using effective interest rate method, less impairment loss. Trade accounts receivable and other receivables were classified in this category.

3.9.2 Financial liabilities: These are classified in the following categories based on the nature of financial instruments taken out or issued:

a) Financial liabilities at fair value through profit or loss: These include financial liabilities held for trading and liabilities designated upon initial recognition at fair value through profit or loss.

They are classified as held for trading when acquired with the objective of sale or repurchase in the short term. Derivative financial instruments are classified as held for trading. They are measured at fair value at every balance sheet date.

Interest, monetary restatement, exchange variation and variations resulting from fair value valuation are recognized in P&L when incurred in financial income or expenses.

b) Loans and financing: Non-derivative financial liabilities that are not usually traded before maturity.

After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. Interest, monetary and exchange variation, as applicable, are recognized in P&L when incurred, Trade accounts payable, other liabilities and related parties were classified in this category.

3.9.3 Market value: The market value of financial instruments actively traded in organized markets is determined based on quoted values in the market at balance sheet date, In case there is no active market, market value is determined through valuation techniques. These techniques include the use of recent market transactions between unrelated parties, reference to market value of similar financial instruments, analysis of discounted cash flows or other valuation models.

3.10. Present value adjustment of assets and liabilities

Non-current monetary assets and liabilities are adjusted at present value, and also current ones but only when the effect is considered significant in relation to the overall financial statements. Present value adjustment is calculated taking into consideration contractual cash flows and the express interest rate and, in certain cases, the implicit interest rate of the related assets and liabilities. As such, embedded interest in revenues, expenses and costs related to these assets and liabilities is discounted in order to be recognized on the accrual basis of accounting.

Subsequently, such interest is relocated in the lines of financial expenses and financial income in the income statement using the effective interest rate method in relation to the contractual cash flows. Applied implicit interest rates were determined based on assumptions and are considered accounting estimates.

3.11. Significant accounting judgments, estimates and assumptions

The Company's financial statements were prepared considering different valuation bases used in accounting estimates. The accounting estimates involved in the preparation of the individual and consolidated financial statements were based on objective and subjective factors, considering management's judgment to determine the appropriate amounts to be recorded in the financial statements.

Significant items subject to these estimates and assumptions include the selection of the useful life of property and equipment items and their recoverability in operations; the evaluation of financial assets at fair value; assessment of the credit risk for the determination of the allowance for doubtful accounts, as well as the analysis of other risks to determine other provisions, including the provisions for guarantees, realization of tax credits and contingencies. Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probabilistic treatment inherent to the estimate process. The Company periodically reviews its estimates and assumptions at least once a year.

3.11.1 Impairment of non-financial assets

Impairment loss exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less cost to sell and value in use. The calculation of fair value less cost to sell is based on information available on sale transactions of similar assets or market price less additional costs to dispose of the asset.

3.11.2 Taxes

There are uncertainties regarding the interpretation of complex tax regulations and the amount and term of future taxable income. The long-term nature and the complexity of existing contractual instruments, differences between actual results and assumptions adopted, or future changes in these assumptions could require future adjustments in the already recorded revenue and tax expenses.

The Company sets up provisions, based on reasonable estimates of the possible consequences of audits by tax authorities in respective jurisdictions in which it operates.

The value of these provisions is based on various factors such as previous experience of tax audits and differing interpretations of tax regulations by the taxed entity and the respective tax authority. These differences of interpretation may arise on a wide variety of subjects depending on conditions prevailing in the Company's domicile.

Significant judgment from management is required to determine the value of deferred tax assets that can be recognized based on the probable term and level of future taxable income together with future tax planning strategies.

3.11.3 Provision for litigation

The Company recognizes provision for civil, tax and labor proceedings, as applicable. The assessment of the chances of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of the Company's outside legal counsel. These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions.

3.12. Cash flow statements

Cash flow statements were prepared by the indirect method and are presented in accordance with CPC 03 (R2) – Cash Flow Statements, issued by Brazilian FASB (CPC).

3.13. Business combination and goodwill

When acquiring a business, the Company assesses the financial assets and financial liabilities assumed in order to classify and allocate them according to the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Initially, goodwill is measured as the excess of the consideration transferred over the net assets acquired (net identifiable assets acquired and liabilities assumed). If the consideration is less than the fair value of net assets acquired, the difference is recognized as a gain in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Company´s cash generating units that are expected to benefit from the synergies of the combination.

4. **Cash and cash equivalents**

	31.03.2022	31.03.2021
Cash and Banks	**398**	453
Short term investments	**50**	174
	448	627

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or any other purposes.

5. Trade accounts receivable

	31.03.2022	31.03.2021
Accounts receivable – invoiced	**28,574**	22,552
Accounts receivable – invoices to be issued	**15,530**	12,180
(-) Provision for doubtful accounts	**(1,078)**	(1,391)
	43,026	33,341

	31.03.2022	31.03.2021
Balances at the beginning of the year	**(1,391)**	(1,389)
Provision set up (+)	**-**	(2)
Write-off (-)	**-**	-
Recovered amounts (-)	**313**	-
Balance at the end of the year	**(1,078)**	(1,391)

6. Property and equipment

The details of fixed assets are disclosed as follows:

	Improvements	**Machines and equipments**	**Furniture and fixtures**	**Vehicles**	**Others**	**Total**
Cost						
Balances at March 31, 2020	3,194	6,574	1,748	63	43	11,622
Additions	887	29	-	-	-	916
Disposals	-	-	-	-	-	-
Balances at March 31, 2021	4,081	6,603	1,748	63	43	12,538
Additions	**-**	**68**	**-**	**-**	**-**	**68**
Disposals	**-**	**-**	**(187)**	**-**	**-**	**(187)**
Balances at March 31, 2022	**4,081**	**6,671**	**1,561**	**63**	**43**	**12,419**
Depreciation						
Balances at March 31, 2020	(1,960)	(3,537)	(637)	(34)	(29)	(6,197)
Depreciation for the year	(2,092)	(1,179)	(175)	(13)	(2)	(3,461)
Disposals	-	-	-	-	-	-
Balances at March 31, 2021	(4,052)	(4,716)	(812)	(47)	(31)	(9,658)
Depreciation for the year	**(29)**	**(1,007)**	**(157)**	**(12)**	**(7)**	**(1,212)**
Disposals	**-**	**-**	**133**	**-**	**-**	**133**
Balances at March 31, 2022	**(4,081)**	**(5,723)**	**(836)**	**(59)**	**(38)**	**(10,737)**
Net value						
Balances at March 31, 2020	1,234	3,037	1,111	29	14	**5,425**
Balances at March 31, 2021	29	1,887	936	16	12	**2,880**
Balances at March 31, 2022	**-**	**948**	**725**	**4**	**5**	**1,682**
Average rate of annual depreciation	**4%**	**10%**	**10%**	**20%**	**5% to 20%**	

7. Intangible assets

On May 02, 2013, the Company acquired 51% of Complex IT Solution Consultoria em Informática S.A. ("Complex IT") shares. During May 2013, the Company paid an anticipation value which generates a temporary goodwill amount to R$10,739. On December 30, 2014, the Company acquired the remaining 49% of Complex IT Solution shares and recognized the amount of R$26,089 totalizing R$36,828 related to goodwill. Additionally, on January 1st, 2017, Tech Mahindra incorporated Complex IT Solution figure´s.

During 2021, the Company accrued the goodwill impairment amounting to R$36,828 based on value in use which represents the present value of future cash flows.

The remaining amount is composed by software license an amount of R$247 (R$457 as of March 31, 2021).

8. Leases

As of April 1st, 2019, the Company adopted the CPC06 (R2) / IFRS 16, with effect on shareholders' equity.

	31.03.2020	Amortization	31.03.2021	Additions	Amortization	31.03.2022
Rights of use						
Offices - ~ 36 months	1,132	(715)	**417**	**987**	**(444)**	**960**
Total assets	**1,132**	**(715)**	**417**	**987**	**(444)**	**960**

Liabilities	31.03.2020	Interests	Payments	31.03.2021	Interests	Payments	31.03.2022
Offices - ~ 36 months	2,614	111	(1,372)	**1,353**	**51**	**(444)**	**960**
Total liabilities	**2,614**	**111**	**(1,372)**	**1,353**	**51**	**(444)**	**960**
Current liabilities	1,761			**1,353**			**515**
Non-current liabilities	853			**-**			**445**

Other equity	31.03.2020	Amortization and interest	Payments	31.03.2021	Amortization and interest/ Disposals	Payments	31.03.2022
Offices - ~ 36 months	1,489	826	(1,372)	**943**	**(498)**	**(444)**	**1**
Total other equity	**1,489**	**826**	**(1,372)**	**943**	**(498)**	**(444)**	**1**

9. Loan and financing

	Average anual Interest	Beginning Date	Maturity Date	31.03.2022	31.03.2021
Current liabilities					
Bank Citibank (K Giro)	9.34%	23/01/2021	23/01/2022	**-**	4,070
Bank Itaú	10.55%	03/09/2020	27/08/2021	**-**	4,000
Bank Citibank (Garantida)	100% of CDI+3%	23/01/2021	-	**9,815**	-
Bank Citibank (K Giro)	8.54%	21/01/2022	21/01/2023	**1,524**	-
Bank Citibank (K Giro)	8.54%	21/01/2022	21/01/2023	**2,541**	-
				13,880	8,070

10. Related parties

Operation with related party refers to consulting services rendered to Tech Mahindra Limited. As of March 31, 2022 and 2021, the amounts are summarized as follows:

	31.03.2022	31.03.2021
Tech Mahindra Limited – billed	**555**	736
Digital One US Inc. – billed	**369**	-
Tech Mahindra Limited – unbilled	**4,082**	1,846
Digital One US Inc. – unbilled	**83**	
Total current assets	**5,089**	2,582
Tech Mahindra Limited	1	1
Total non-current assets	**1**	1
Tech Mahindra Limited	**-**	23,189
Tech Mahindra Americas Inc.	**-**	23,238
Mahindra Engineering Services (Europe) Ltd – UK	**-**	68,054
LCC Central America de Mexico de C.V.	**-**	21
Total current liabilities	**-**	114,502
Tech Mahindra Limited	**-**	15,211
Total non-current liabilities	**-**	15,211

Remuneration of key management

Expenses related to remuneration of key management personnel of the Company, recognized in P&L an amount of R$5,047 at March 31, 2022 (R$4,241 at March 31, 2021).

11. Provision for contingencies

The Company, in the normal course of its operations, is a party to judicial proceedings. Management, based on information from its legal advisors and the analysis of judicial proceedings pending judgment, concluded and set up a provision amounting to R$40,733 (R$63,933 as of March 31, 2021) related to labour and tax causes classified as probable loss risk assessment.

12. Equity

As of March 31, 2022, the capital is represented by 194,189,059 (One hundred ninety four millions, one hundred eighty nine thousand, fifty nine) shares totalizing an amount of R$253,324,118.00 (Two hundred and fifty three millions, three hundred, twenty four thousands, one hundred and eighteen Reais) recorded as follows:

Shareholders	**Nº Quotas**	**%**
Tech Mahindra Limited	194,189,059	100,00
	194,189,059	**100,00**

13. Financial instrument and risk management

13.1 Risk management

As mentioned in Note 1, the Company primarily engaged in rendering consulting services related to information technology, implementation of projects and selling software.

The key market risks faced by the Company in the normal course of its businesses are as follows:

- Credit risk: arises from possible difficulty in settling accounts receivable from customers. This risk is managed by means of a credit analysis policy
- Market risk: the Company is exposed to market risk that can impact your cash flow.
- Liquidity risk: consists of the possibility of the Company not having sufficient funds to honor its commitments due to the different terms for settlement of its rights and obligations. The Company's liquidity and cash flow control is monitored by the Company's financial management department, to ensure that cash flow from operations and the previous funding, when necessary, are sufficient to meet its commitment schedule, not generating liquidity risks for the Company.

13.2 Financial instruments

(a) Financial instruments

We set out below a comparison between book value and fair value of the Company's financial instruments presented in the financial statements:

Financial assets	**31.03.2022**	31.03.2021	**31.03.2022**	31.03.2021
	Book value	Book value	**Fair value**	Fair value
Cash and cash equivalents	**448**	627	**448**	627
Trade accounts receivable	**43,026**	33,341	**43,026**	33,341
Taxes recoverable	**3,760**	1,622	**3,760**	1,622
Related parties	**5,090**	2,583	**5,090**	2,583
Other receivables	**4,093**	1,824	**4,093**	1,824
	56,417	39,997	**56,417**	39,997

Financial liabilities	**31.03.2022**	31.03.2021	**31.03.2022**	31.03.2021
	Book value	Book value	**Fair value**	Fair value
Trade accounts payable	**2,006**	1,115	**2,006**	1,115
Salary and social charges	**8,938**	7,165	**8,938**	7,165
Taxes liabilities	**334**	258	**334**	258
Loans and financing	**13,880**	8,070	**13,880**	8,070
Related parties	**-**	129,713	**-**	129,713
Other liabilities	**19,513**	16,377	**19,513**	16,377
	44,671	162,698	**44,671**	162,698

(b) Derivatives

There is no financial instruments derivatives as of Mach 31, 2022 and 2021

14. Insurance coverage (unaudited)

At March 31, 2022 and 2021, insurance coverage taken out is considered sufficient by management to cover losses, if any. As these refer to immaterial amounts, they were not audited.

15. Capital management

Management's objective is to ensure reduced exposure to market risk in order to attain the growth and return objective.

Following the global management policy, in order to reduce any risks, the Company maintains relationships only with first tier financial institutions.

16. Earnings (losses) per unit of interest

Calculation of basic earnings (losses) per unit of interest is made by dividing net income (loss) for the year attributed to holders of the Company's units of interest by the weighted average number of units of interest available in the year ended.

The chart below sets out net income and units of interest used in the calculation of basic and diluted earnings per unit of interest:

	31.03.2022	31.03.2021
Basic and diluted earnings per unit of interest		
Numerator		
Income / (Loss) for the year attributed to Company unit of interest holders (in thousands of reais)	**34,121**	(130,124)
Denominator (in units of interest)		
Weighted average number of units of interest	194,189,059	59,135,059
Basic and diluted earnings (losses) per units of interest (in R$)	**0.176**	(2.200)

TECH MAHINDRA DE MEXICO, S. DE R. L. DE C. V.

Board of Directors
Mr. Nalin Vij (Appointed effective March 11, 2022)
Mr. Archit Asok
Mr. Jorge Luis Ambriz Rodriguez
Mr. Sriniketh Raman Chakravarthi (Resigned effective March 11, 2022)

Registered Office
Av. Eje 5 Note # Edificio F - Planta
Baja Colonia Santa Bárbara, C.P. 02230
Delegación Azcapotzalco Distrito Federal México

Bankers
CitiBank

Auditors
KPMG CARDENAS DOSAL, S.C.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Partners of
Tech Mahindra de México, S. de R. L. de C. V.:

Opinion

We have audited the financial statements of Tech Mahindra de México, S. de R. L. de C. V. (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020, the statements of income, changes in partners s' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tech Mahindra de México, S. de R. L. de C. V. as at December 31, 2021 and 2020, and its results and its cash flows for the years then ended, in accordance with Mexican Financial Reporting Standards (FRS).

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 Auditors' 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 Mexico, and we have fulfilled our other ethical 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.

Emphasis of Matter

As described in note 1, the main activity of Tech Mahindra de México, S. de R. L. de C. V. is to provide computing consulting services. At December 31, 2021 and 2020 services rendered to Tech Mahindra Limited represents the 100% of the revenues. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with FRS, 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.

Auditors' 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 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 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. 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 auditors' 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 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, 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.

KPMG CARDENAS DOSAL, S.C.

Norma Angel Acosta

Reynosa, Tamaulipas, México.

June 23, 2022.

TECH MAHINDRA DE MÉXICO, S. DE R.L. DE C.V.

STATEMENT OF FINANCIAL POSITION

As of December 31, 2021 and 2020

(In Mexican pesos)

	Note	2021	2020
Assets			
Current assets:			
Cash and cash equivalents	4	16,437,917	173,721,614
Accounts receivable - net	5	189,765,027	188,229,935
Due from Related Party	10	178,668,652	85,374,734
Prepayments		8,140,488	4,148,600
Deposits in guarantee – current		435.541	435,541
Other receivables	6	2,238,387	943,732
Total current assets		**395,686,012**	**452,854,156**
Non-Current assets:			
Intangible assets	7	-	56,770
Property and equipment – net	7	43,033,444	43,734,000
Right of use assets of leased properties	8	23,205,815	50,309,205
Deposits in guarantee - non-current		5,956,163	5,956,164
Deferred income taxes	12	16,913,331	44,963,787
Income tax assets		2,397,745	-
Total non-current assets		**91,506,498**	**145,019,926**
		487,192,510	**597,874,082**
Liabilities and partners' equity			
Current liabilities:			
Due to related party	10	205,394,706	237,168,389
Accounts payable		11,241,081	2,524,258
Accrued expenses and taxes	9	67,991,509	134,451,763
Short term employee benefits	11	34,377,135	29,024,534
Net current tax liability	12	-	15,381,105
Short term of right of use liability of leased properties	8	13,178,330	24,924,410
Total current liabilities		**332,182,761**	**443,474,459**
Non -Current liabilities:			
Other employee benefits	11	816,487	737,930
Post-employment employee benefits	11	22,893,373	23,101,771
Right of use liability of leased properties	8	18,292,394	33,958,075
Total non-currents liabilities		**42,002,254**	**57,797,776**
Total liabilities		**374,185,015**	**501,272,235**
Partners' equity:			
Social parts	13	12,934,771	12,934,771
Retained earnings		100,072,724	83,667,076
Total partners' equity		**113,007,495**	**96,601,847**
Contingencies	17		
Subsequent event	18		
		487,192,510	**597,874,082**

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS

For the years ended December 31, 2021 and 2020

(In Mexican pesos)

Particulars	Note	2021	2020
Operating revenue	14	$ 705,664,915	693,180,282
Other income	14	2,083,756	2,246,822
		707,748,671	**695,427,104**
Costs and expenses:			
Cost of sales	14	570,277,654	576,127,445
Sales and administrative expenses	14	77,826,301	78,653,130
Gross profit		**59,644,716**	**40,646,529**
Comprehensive financing results:			
Exchange (loss) gain		(8,381,549)	9,436,243
Finance costs		4,850,563	6,060,697
Income before income tax		**46,412,604**	**44,022,075**
Income tax expense	**12**	30,006,956	1,359,838
Net profit for the year		**$ 16,405,648**	**42,662,237**

See accompanying notes to financial statements.

STATEMENTS OF PARTNERS' EQUITY

For the years ended December 31, 2021 and 2020

(In Mexican pesos)

Particulars		Social Parts	Retained earnings	Total partners' equity
Balances at December 31, 2019	**$**	**12,934,771**	**41,004,839**	**53,939,610**
Net income		-	42,662,237	42,662,237
Balances at December 31, 2020		**12,934,771**	**83,667,076**	**96,601,847**
Net Income		-	16,405,648	16,405,648
Balances at December 31, 2021	**$**	**12,934,771**	**100,072,724**	**113,007,495**

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021 and 2020

(In Mexican pesos)

Particulars	2021	2020
Operating:		
Net profit for the year	$ 46,412,604	44,022,075
Depreciation	45,687,378	45,219,357
Less: Non-operating income		
Rent income- inter company	(2,049,405)	(2,057,056)
	90,050,577	**87,184,376**
(Increase) decrease in:		
Accounts receivable (including due from related party)	(94,829,010)	(46,272,323)
Prepaid expenses	(3,991,888)	(1,075,019)
Deposits and other receivables	(1,294,655)	213,609
Increase (decrease) in:		
Accounts payable (including due to related party)	(23,056,860)	67,153,101
Short term employee benefits (current and non-current)	5,431,158	1,539,237
Post-employment employee benefits	(208,398)	4,547,557
Accrued expenses and taxes	(66,460,254)	91,535,526
Cash flows from operating activities before tax:		
Tax paid	(19,735,349)	(38,397,477)
Net cash flows from operating activities	**(114,094,679)**	**166,428,587**
Investing activities:		
Acquisitions of equipment (net of sale proceeds)	(17,826,662)	(44,817,600)
Rent income - Inter company	2,049,405	2,057,056
Net cash flows used in investing activities	**(15,777,257)**	**(42,760,544)**
Financing activities:		
Repayment of lease liabilities- Net cash flows used in financing activities	**(27,411,761)**	**(5,905,924)**
Net (decrease) increase in cash and cash equivalents	**(157,283,697)**	**117,762,119**
Cash at beginning of the year	**173,721,614**	**55,959,495**
Cash at end of the year	**$ 16,437,917**	**173,721,614**

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

(In Mexican pesos)

1. Activities

a. Activities-

Tech Mahindra de México, S. de R.L. de C.V. (the “Entity or Company”) was incorporated on June 30, 2008 under the laws of Mexico. Its address is Av. Eje 5 Norte # 990, Edificio F - Planta Baja, Colonia Santa Bárbara, C.P. 02230, Delegación Azcapotzalco, Distrito Federal México.

The Company is principally involved in computing consulting services and operates primarily in Mexico. Its holding company is Tech Mahindra Limited, an Indian public listed company. The Company carries out certain transactions with its Holding company as described in note 10.

Outstanding event

The infectious disease caused by the SARS-COV2 virus (hereinafter “COVID-19”) was declared a pandemic on March 11, 2020 by the World Health Organization; Consequently, sanitary measures have been taken to limit the spread of this virus, including, but not limited to, social distancing and the closure of educational centers (schools and universities), commercial establishments and non-essential businesses in the public, private and social, as a strategy to combat this pandemic.

A part of the operations of the Company was considered an essential activity and it did not totally stop operation. On the other hand, it required the implementation of some security measures to safeguard the health of the employees according to the Government’s indications, therefore which, the Company had to incur an expense of approximately $106,802 and $271,493 in 2021 and 2020 respectively.

Relevant event

As a result of the labor subcontracting reform, as of July 16, 2021, the Company has hired personnel under its charge to carry out the activities that are part of its corporate purpose in place of sub-contractors.

b. Financial statement authorization and presentation-

On June 22, 2022, the issuance of the financial statements was authorized by Mr. Archit Ashok (Board Manager and Secretary) and Roberto Carlos Esquivel (Finance Controller). These financial statements are subject to the approval of the Board of Partners and the general ordinary partners’ meetings, where they may be modified, based on provisions set forth by the General Corporate Law.

2. Basis of presentation

a. Statement of compliance – The accompanying financial statements have been prepared in accordance with Mexican Financial Reporting Standards (MFRS).

b. Use of estimates – The preparation of financial statements requires Management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting. Actual results could differ from those estimates and assumptions.

c. Judgments – Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note 3 m - Leases: whether an arrangement contains a lease.

d. Assumptions and estimation uncertainties – Information about assumptions and estimation uncertainties at December 31, 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 3 m - Leases: determination of lease period in case of an option of renew.

e. Explanation for preparation in English - The accompanying financial statements have been prepared in English for use outside of Mexico. These financial statements are presented on the basis of Mexican Financial Reporting Standards (“Mexican FRS” or “Mex FRS”), which are comprised of accounting standards that are individually referred to as Normas de Información Financiera, or “NIFs”). Certain accounting practices applied by the Entity that conform with Mex FRS may not conform with accounting principles generally accepted in the country of use.

f. Monetary unit of the financial statements –The financial statements and notes as of December 31, 2021 and 2020 and for the years then ended are presented in Mexican pesos (reporting currency), which is the same as the local currency and the functional currency.

g. Statement of comprehensive income presentation - The Company presents comprehensive income in a single statement of net income entitled “Statement of Operations” given that the Company did not generate Other Comprehensive Income (OCI) during the current year or the preceding year, which is presented for comparative purposes.

Ordinary costs and expenses are presented based on their function because it is the practice of the industry to which the Entity belongs. Additionally, the “Income from Operation” line item is included, which results from subtracting the cost of sales and expenses from net sales, as this line item is considered to provide a better understanding of the Company’s economic and financial performance.

3. Summary of the significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company:

a. Recognition of the effects of inflation

The Mexican FRS B-10 “Effects of inflation” requires the recognition of inflation until December 31, 2017. Since January 1, 2008, the Mexican FRS B-10 requires the recognition of the effects of inflation when the Company operates in an inflationary economic environment (cumulated inflation equal or more than 26% during last three years).

Annual and cumulative inflation percentage of the last three years and the indices used to determine inflation, are as follows:

	Inflation	
December 31,	**Yearly**	**Cumulative**
2021	7.36%	13.87%
2020	3.33%	11.42%
2019	2.83%	15.10%

b. Cash and cash equivalents– Cash and cash equivalents consist of checking accounts, bank deposits, foreign currency and other highly liquid instruments.

c. Property and equipment (net) – Property, plant and equipment, including those under leases, are recorded at acquisition cost and the present value of total payments, respectively. Balances from acquisitions made through December 31, 2007 were restated for the effects of inflation by applying factors derived from the NCPI through that date. .

Depreciation on property, plant and equipment is calculated using the straight-line method based on the estimated useful lives of the related assets, as follows:

Category	**Useful life**
Computers	3 years
Furniture and fixtures	5 years
Plant & Machinery	5 years
Office equipment	5 years
Software acquired for consideration	1 year

Leasehold improvements are amortized over the useful life of the improvement or the related contract term, whichever is shorter.

Minor repairs and maintenance costs are expensed as incurred.

d. Prepayments- Mainly include prepayments for employee health and life insurance services that are received after the date of the statement of financial position and in the ordinary course of operations

e. Other assets- Other assets include mainly deposits in guarantee, advances to employees and suppliers and are stated at cost.

f. **Impairment of property, plant and equipment and other non-current assets, leases assets and intangible assets-** The Company evaluates the net carrying amount of property, plant and equipment and other non-current assets, leases assets and intangible assets, to determine whether there is an indication that the carrying amount exceeds the recoverable amount. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future net revenues reasonably expected to be generated by the asset. If the net carrying amount of the asset exceeds the recoverable amount, the Company records the necessary provisions

g. **Provisions -** Provisions are recognized for current obligations that arise from a past event, that are probable to result in the use of economic resources, and that can be reasonably estimated.

h. **Employee benefits -** Employee benefits are those granted to personnel and/or their beneficiaries in exchange for the services rendered by the employee, which include all kinds of remuneration earned, as follows:

   i. **Short-term direct benefits -** Short-term direct employee benefits are recognized in income of the period in which the services rendered are accrued. A liability is recognized for the amount expected to be paid if the Company has a legal or assumed obligation to pay this amount as a result of past services provided and the obligation can be reasonably estimated.

   ii. **Long-term direct benefits -** The Company's net obligation in relation to direct long-term benefits (except for deferred ESPS), and which the Company is expected to pay at least twelve months after the date of the most recent balance sheet presented, is the amount of future benefits that employees have obtained in exchange for their service in the current and previous periods. This benefit is discounted to its present value. Remeasurements are recognized in income in the period in which they are accrued.

   iii. **Employee benefits from termination -** A liability is recognized for termination benefits along with a cost or expense when the Company has no realistic alternative other than to make the corresponding payments or when the offer of these benefits cannot be withdrawn or when the conditions that require the recognition of restructuring costs are met, whichever occurs first. If benefits are not expected to be settled wholly within twelve months after the date of the most recent balance sheet presented, then they are discounted. The Company has only defined contribution plans and no defined benefit obligations.

   Defined contribution plans

   Obligations for contributions to defined contribution plans are recognized in income as the related services are provided by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

   iv. **Employee statutory profit sharing (ESPS) -** ESPS is recorded in the results of the year in which it is incurred. Deferred ESPS is derived from temporary differences that result from comparing the accounting and tax bases of assets and liabilities and is recognized only when it can be reasonably assumed that a liability may be settled or a benefit is generated, and there is no indication that circumstances will change in such a way that the liabilities will not be paid or benefits will not be realized.

   As result of the 2014 Tax Reform, as of December 31, 2021 and 2020, ESPS is determined based on taxable income, according to Section I of Article 10 of the Income Tax Law. Deferred ESPS derived from temporary differences between the accounting and tax bases of assets and liabilities is recognized only when it can be reasonably assumed that a liability may be settled or a benefit is generated, and there is no indication that circumstances will change in such a way that the liabilities will not be paid or benefits will not be realized.

   i. **Income taxes -** Income tax ("ISR") is recorded in results of the year in which they are incurred. Deferred taxes are calculated by applying the corresponding tax rate to temporary differences resulting from comparing the accounting and tax bases of assets and liabilities and including, if any, future benefits from tax loss carryforwards and certain tax credit.

   j. **Foreign currency transactions -** Foreign currency transactions are recorded at the applicable exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the applicable exchange rate in effect at the balance sheet date. Exchange fluctuations are recorded as a component of net financing cost (income) in the statements of income.

   k. **Revenue recognition –** Revenues include the fair value of the consideration received or receivable for the services in the regular course of operations, which is when control has been transferred to the customers in exchange for the consideration to which the Entity believes it is entitled in exchange for such goods or services. Revenues are presented net of discounts.

   Revenue from service contracts priced on a time and material basis is recognized when services are rendered. Revenue from fixed price service contracts is recognized as performance obligation satisfied over a period of time based on the stage of completion of the contract the stage of completion determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations.

Invoices for services are issued on a monthly basis and are usually payable within 45-60 days.

Revenues are recognized when the following steps are completed:

- The contract or contracts are identified with the customer.
- The obligations to be performed in the contract are identified.
- The transaction price is determined.
- The transaction price is allocated among the different obligations to be performed in the contract.
- The revenues are recognized when the Entity fulfills each of the obligations involved.

The Company acts as a sub-contractor to its Holding Company Tech Mahindra Limited for which it is remunerated on cost plus markup basis. Its revenue from cost plus markup contracts are recognized based on the terms of the contract over the service period.

Invoices for services to the Holding Company are issued on a monthly basis and are usually payable within 30 days.

l. **Business and credit concentration-** Services rendered to Tech Mahindra Limited represented 100% in 2021 and 2020 of the Company's net revenue.

The principal supplier for sub-contracting services rendered is LCC Central America de Mexico SA de CV (fellow subsidiary company), from which the Company made approximately 16% in 2021 and 42% in 2020 of the Company's total cost of sub-contracting services.

m. **Leases-** 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 uses the definition of a lease in FRS D-5.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. [However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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 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 end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is 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.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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 amortized 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, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. 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.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

n. Financial instruments-

Financial assets and liabilities - including accounts receivable and payable - are initially recognized when these assets are originated or acquired, or when these liabilities are issued or assumed, both contractually.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVI, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets and financial liabilities (unless it is an account receivable or payable without a significant financing component) are measured and initially recognized at fair value, in the case of financial assets or liabilities not measured at fair value with changes through OCI, plus the transaction costs directly attributable to acquisition or issuance, when subsequently measured at amortized cost. An account receivable without a significant financing component is initially measured at the transaction price.

Loss allowance for expected credit losses (ECL)-

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost.

Loss allowances for trade receivable and contract assets are always measured at an amount equal to lifetime ECLs.

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, about past events, current conditions and forecasts of future economic conditions.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

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

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

— significant financial difficulty of the borrower or issuer;

— a breach of contract such as a default or being more than 90 days past due;

— the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

— it is probable that the borrower will enter bankruptcy or other financial reorganization; or

— the disappearance of an active market for a security because of financial difficulties

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For external customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery, on a case to case basis. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

o. Contingencies- Liabilities for loss contingencies are recorded when it is probable that a liability has been incurred and the amount thereof can be reasonably estimated. When a reasonable estimation cannot be made, disclosure is provided in the notes to the financial statements. Contingent revenues, earnings or assets are not recognized until realization is assured.

p. Comprehensive financial results (CFR)- The CFR includes finance income and expense, reduced by the amounts capitalized.

Finance income and expense include:

- interest expense;
- interest income;
- the foreign currency gain or loss on financial assets and financial liabilities;

Interest income or expense is recognized using the 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 instrument to:

- the gross carrying amount of the financial asset; or
- the amortized 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 amortized 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 amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of execution or settlement. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in force at the statement of financial position date. Exchange differences arising from assets and liabilities denominated in foreign currencies are reported on the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

4. Cash and cash equivalents comprise the following:

Particulars	2021	2020
Cash and checking accounts		
Current accounts	$ 16,437,917	28,721,614
Fixed deposits	-	145,000,000
Cash and cash equivalents	**$ 16,437,917**	**173,721,614**

The Company had no restricted cash and cash equivalents.

5. Accounts receivable-

Particulars	2021	2020
Receivable from external customer:		
Customer	$ 179,884,935	173,203,328
Allowance for doubtful accounts	(1,750,155)	(7,030,487)
Debtors (net of allowance for doubtful debts)	178,134,780	166,172,841
Unbilled Revenue	11,630,247	22,057,094
Total Receivable from external customers	**$ 189,765,027**	**188,229,935**

Expected credit losses:

For the commercial accounts receivable portfolio, the Entity estimates the expected credit loss (ECL) based on its experience of previous credit losses, current changes in the behavior of its customers and future economic forecasts, for which purpose it classifies its portfolio by degree of payment arrears and allocates different amounts of ECL to each of the segments of its portfolio.

The Company acts as a sub-contractor to its holding company Tech Mahindra Limited for which it is remunerated on cost plus markup basis. The expected credit loss provision is created for the external customers of the Company for which the Company is acting as an agent or sub-contractor.

Based on the average that its ECL represent of total revenues and the payment arrears of customer receivables, as well as adjustments to the amounts of ECL considering the current economic situation, the respective calculation is as follows:

Amount of accounts receivable	Days in arrears	Probability of default	Portfolio amount in default	Loss Severity (SP)	Estimated ECL
1,750,155	More than 365 days	100%	1,750,155	100%	1,750,155

In this case, given the impossibility of estimating the collection date, it is not practical to discount the amounts of cash flows receivable. Also, the Company does not charge interest to its customers for arrears, and so it has not identified the effective interest rate.

6. Other receivables-

Particulars	2021	2020
Other receivables	$ 2,139,339	765,117
Advances to employees	99,048	178,615
Total Other receivables	**$ 2,238,387**	**943,732**

7. Property and equipment, and intangible assets-

a) Investment	2021	2020
Plant & machinery	$ 26,122,199	26,126,896
Furniture and fixtures	25,512,128	25,512,128
Equipment and computers	57,223,250	39,391,891
Leasehold improvements	5,103,655	5,103,655
Total	113,961,232	**96,134,570**

b) Accumulated depreciation	2020	2019
Plant & machinery	17,411,182	12,259,452
Furniture and fixtures	16,402,826	11,807,613
Equipment and computers	34,652,749	26,650,167
Leasehold improvements	2,461,031	1,683,338
Total	**70,927,788**	**52,400,570**
Net property and equipment	**$ 43,033,444**	**43,734,000**

a) Intangible assets	2021	2020
Software acquired for consideration	$ 921,700	921,700
b) Accumulated depreciation		
Software acquired for consideration	921,700	864,930
Net Intangible assets	**$ -**	**56,770**

Depreciation recognized in the statements of operations was $18,583,988 and $18,845,580; in 2021 and 2020, respectively.

8. Right of use assets and liabilities-

The Company leases office premises, typically for a period of 3 years.

Right of use asset

Right-of-use assets related to lease properties that do not meet the definition of investment property comprise the following:

Particulars	Buildings	
	2021	2020
Balance at January 1, 2021	$ 50,309,205	55,600,997
Depreciation charge for the year	(27,103,390)	(26,373,777)
Additions to right-of-use assets	-	21,081,985
Balance at December 31, 2021	**$ 23,205,815**	**50,309,205**

Amounts recognized in profit or loss

	2021	2020
Leases under FRS D-5		
Interest on lease liabilities	$ 4,850,563	6,060,697

Total cash outflows for leases during 2021 were $ 35,216,333 and $31,782,173 in 2020 respectively.

Lease Liabilities	2021	2020
Liability	$ 31,470,724	58,882,485

The terms and conditions of leases are as follows:

	2021	2020
Nominal Interest rate	10.80%	10.80%
Year of maturity	2021-2023	2021-2023
Nominal value	$ 29,934,840	65,151,174
Present value	31,470,724	58,882,485

Maturities of lease liabilities:

	2021		2020	
	Nominal value	Present value	Nominal value	Present value
Less than one year	$ 21,321,808	13,178,330	35,216,333	24,924,410
Between one and five years	8,613,032	18,292,394	29,934,841	33,958,075
Total	**$ 29,934,840**	**31,470,724**	65,151,174	58,882,485

9. Accrued expenses and taxes-

Accruals include the following:

	Accrued expenses	VAT Payable	Provision for Discount	Unearned Revenue	Total
Balances as at December 31, 2020	$ 1,976,702	30,842,551	3,722,847	97,909,663	134,451,763
Increase in earnings	18,735,824	36,276,811	(49,176)	50,968	55,014,427
Write-offs credited to earnings	-	-	-	(73,400,603)	(73,400,603)
Payments	(11,107,752)	(36,145,802)	(820,524)	-	(48,074,078)
Balances as at December 31, 2021	**$ 9,604,774**	**30,973,560**	**2,853,147**	**24,560,028**	**67,991,509**

10. Related party-

a. List of related parties:

Tech Mahindra Limited (Parent company)

LCC Central America de Mexico S.A. de C.V. (Fellow subsidiary)

Born Group Inc. (Fellow subsidiary)

b. Transactions with related parties, carried out in the ordinary course of business, whose consideration is equivalent to that in similar transactions carried out with independent parties, were as follows:

	2021	2020
Revenues from services rendered to:		
Tech Mahindra Limited	$ 697,509,728	693,180,282
LCC Central America de Mexico S.A. de C.V.	2,281,500	-
Born Group Inc.	5,873,687	-
Expenses for services received from:		
Tech Mahindra Limited	(443,534,272)	(427,254,111)
LCC Central America de Mexico S.A. de C.V.	(4,359,366)	(34,551,397)
Reimbursement of expenses:		
Tech Mahindra Limited	(5,537,285)	(188,656)
Other Income (rental income):		
LCC Central America de Mexico S.A. de C.V.	2,049,405	2,057,056

c. Balances due from and to related parties are as follows:

	2021	2020
Receivable:		
Tech Mahindra Limited	$ 165,160,209	82,514,653
LCC Central America de Mexico S.A. de C.V.	7,634,756	2,860,081
Born Group Inc.	5,873,687	-
	$ 178,668,652	**85,374,734**
Payable:		
Tech Mahindra Limited	$ 204,647,875	222,251,193
LCC Central America de Mexico S.A. de C.V.	746,831	14,917,196
	$ 205,394,706	**237,168,389**

11. Employee benefits-

a) Short term direct benefits

The short-term direct benefits are as follows:

		2021	2020
Employee benefits			
Compensated absences*	$	2,114,119	1,853,746
Short term employee benefits		5,207,204	7,162,341
Other statutory payments		26,666,223	20,008,447
Other employee payables		389,589	-
Total	**$**	**34,377,135**	**29,024,534**

* Note: Non -current portion of compensated absences $816,487 has been disclosed under Other employee benefits under non-current liabilities.

b) Post-employment benefits

The Company has a defined benefit plan for seniority premium and legal compensation, covering substantially all of its employees its unionized and trustworthy staff. Benefits are based on the years of service and the employee's compensation.

The components of defined benefit cost for the years ended December 31, 2021 and 2020 are shown below:

		Seniority Premium		Legal Compensation	
		2021	2020	2021	2020
Current service cost (CLSA)	$	520,321	437,807	3,105,474	2,745,160
Net interest		67,400	42,273	1,234,046	1,164,133
Settlement cost		-	-	10,026,130	7,569,518
Remeasurements of net assets for defined benefits (DBNA) or net liabilities for defined benefits (DBNL) recognized in income of the period		(186,978)	255,282	(2,294,363)	3,348,553
Net cost for the period	**$**	**400,743**	**735,362**	**12,071,287**	**14,827,364**

		Seniority Premium		Legal Compensation	
		2021	2020	2021	2020
Beginning balance of DBNL	$	1,203,213	656,814	21,898,558	17,897,400
Defined Benefit Cost		400,743	735,362	12,071,287	14,827,364
Payments charged to DBNL		(350,307)	(188,963)	(12,330,121)	(10,826,206)
Ending balance of DBNL	**$**	**1,253,649**	**1,203,213**	**21,639,724**	**21,898,558**

Assumptions:	2021	2020
Disount rate	8%	6%
Rate of compensation increase	3%	3%
Average remaining employee labor life	16.61%	17.36%

12. Income tax (IT) and employee statutory profit sharing (ESPS)-

The Company is subject to IT. According with the IT law, the rate is 30% in 2021 and 2020 and it will continue at 30% thereafter.

a. IT consists of the following:

IT:	2021	2020
Current	$ 1,956,500	36,970,420
Deferred	28,050,456	(35,610,582)
	$ **30,006,956**	**1,359,838**

Income tax expense attributable to income from continuing operations before income taxes, differed from the amounts computed by applying the Mexican statutory rates of 30% IT to income before income taxes, as a result of the items shown below:

	2021	2020
Computed “expected” tax expense	$ 13,923,781	13,206,623
Increase (reduction) resulting from:		
Effects of inflation, net	518,440	1,211,456
Non-deductible expenses	2,070,316	2,419,589
Exempt Salaries	3,041,186	2,485,949
Provisions	3,630,327	(2,213,322)
Towards Liability	4,850,563	6,060,697
Towards Social Security	1,426,668	-
Insurances	3,425,955	1,091,512
Reversal of agent ECL*	(5,280,332)	(20,191,939)
Others **	2,400,052	(2,710,726)
IT expense	$ 30,006,956	1,359,839

* Reversal of agent ECL pertains to the effect of balance sheet movement between provision for doubtful debts for December 31, 2021 versus December 31, 2020. Since the Company acts as an agent to its Parent company, the risk of provision is borne by Parent company and the impact of the provision is disclosed on a net basis in the Income Statement.

**Others includes effect of Right of use opening liability amounting to MXN 833,544 for the period ended December 31,2019.

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities, at December 31, 2021 and 2020, are presented below:

	2021	2020
Deferred tax assets:		
Property and equipment	$ 5,328,849	4,879,759
Right of use of lease properties	1,527,138	2,571,984
Accrued bonuses and other accruals	12,108,904	14,111,979
Unearned revenue	-	24,551,212
Total gross deferred tax assets	**18,964,891**	**46,114,934**
Deferred tax liabilities:		
Prepaid Expenses	(2,051,560)	(1,151,147)
Net deferred ISR asset	**$ 16,913,331**	**44,963,787**

ESPS

The ESPS expense is as follows:

	2021	2020
Total ESPS expense recognized in Income statement	**$ 4,528,823**	**5,186,164**

13. Partners equity-

a. As of December 31, 2021 and 2020 partner units at par value (historical pesos), is as follows:

		Number of social parts	**Amount in historical pesos**	**Number of social parts**	**Amount in historical pesos**
		2021		**2020**	
Fixed capital:					
Series "A" partner units*	$	2	1	2	1
Variable capital		-	-	-	-
Series "B" partner units**		1	12,934,770	1	12,934,770
Total	**$**	**3**	**12,934,771**	**3**	**12,934,771**

* Series "A" represents the fixed portion of capital stock with no retirement rights.

** Series "B" represents the variable portion of capital stock with retirement rights.

b. Pursuant to a resolution of the general ordinary partners meeting on January 4, 2016, variable social parts was increased by $5,015,522, through cash contributions.

c. Retained earnings include the statutory legal reserve. The General Corporate Law requires that at least 5% of net income of the year be transferred to the legal reserve until the reserve equals 20% of partner units at par value (historical pesos). The legal reserve may be capitalized but may not be distributed unless the Company is dissolved. The legal reserve must be replenished if it is reduced for any reason. As of December 31, 2016, the legal reserve, in historical pesos, was $164,203. The legal reserve for the year ended 31st December 2021 is $2,137,461.

d. Partners' equity, except restated paid-in capital and tax retained earnings, will be subject to income taxes in the event of distribution, at the rate of 30%, payable by the Company; consequently, the stockholders may only receive 70% of such amounts. Any tax paid on such distributions may be credited against annual and estimated income taxes of the year in which the tax on dividends is paid and the following two fiscal years.

e. The balances of the partners' equity tax accounts as of December 31 are:

	2021	**2020**
Contributed capital account	$ 17,304,149	16,797,974
Net tax income account	199,795,816	115,145,039
Total	**$ 217,099,965**	**131,943,013**

14. Revenue cost and expenses-

Revenue	**2021**	**2020**
Revenue from contracts with customers:		
From services rendered to Tech Mahindra Limited	$ 697,509,728	693,180,282
From services rendered to fellow subsidiaries	8,155,187	
Other income		-
Rental income	2,049,405	2,057,056
Others	34,351	189,766
Total revenue	$ **707,748,671**	**695,427,104**

Costs	2021		2020	
	Cost of sales	Selling expenses and Administrative expenses	Cost of sales	Selling expenses and Administrative expenses
Salaries and related cost [1]	$ 528,223,562	-	466,109,075	-
Depreciation and amortization				
- On property and equipment	-	18,583,988	-	18,845,580
- On right of use assets	-	27,103,390	-	26,373,777
Subcontracting expenses	27,914,854	-	88,151,104	-
Communication expense	10,226,842	-	12,398,113	-
General Office expenses	-	11,668,225	-	13,010,768
Other	3,912,396	20,470,698	9,469,153	20,423,005
Total	**$ 570,277,654**	**77,826,301**	**576,127,445**	**78,653,130**

[1] Salaries and related cost includes expense for ESPS $ for 2021 was $4,528,823 and $5,184,164 for 2020.

15. Financial instruments and risk review-

a. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Financial Asset and Liabilities (not measured at fair value)	**2021**	**2020**
Carrying amount of financial assets:		
Cash and cash equivalents	$ 16,437,917	173,721,614
Accounts receivable - Net	189,765,027	188,229,935
Due from Related Party	178,668,652	85,374,734
Payables to officers and employees	99,048	178,615
Deposits in guarantee	6,391,705	6,391,705
Other receivables	2,139,339	765,117
	$ 393,501,688	**454,661,720**
Carrying amount of financial liabilities:		
Accounts payable	$ 11,241,081	2,524,258
Due to related party	205,394,706	237,168,389
Accrued expenses and taxes*	67,991,509	134,451,763
Lease liabilities	31,470,724	58,882,485
	$ 316,098,020	**433,026,895**

*It includes provision for expenses, provision for salary and provisions against employee advances.

b Financial risk management

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The Company operates a risk management policy and program that performs close monitoring of and responding to each risk factors. Following are the financial risk factors.

(a) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables.

Trade Receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Details of concentration of revenue are included in Note 3.l under the Significant accounting policies.

Average credit period for trade receivables ranges from 45-60 days and no interest is charged on overdue receivables. The Company uses a practical expedient by computing the expected credit loss (ECL) allowance for trade receivable based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking experience. The impact of the ECL model is disclosed in Note 5 Trade receivables.

The Company has a revenue arrangement with its parent company, wherein it acts as a sub-contractor to its Parent for all external contracts with customers and all the risk of these contracts are transferred to the parent company.

Cash and cash equivalents

The Company maintains its cash and cash equivalents with bank having good reputation and high-quality credit rating.

(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.

The table below provides details regarding the contractual maturities of significant financial liabilities as on December 31, 2021. The amounts are gross and undiscounted.

Particulars	**Carrying value**	**Less than 1 year**	**1-3 years**
Accounts payable	$ 11,241,081	11,241,081	-
Due to Related Party	205,394,706	205,394,706	-
Accrued expenses and taxes	67,991,509	67,991,509	-
Lease liabilities	31,470,724	13,178,330	18,292,394
	$ **316,098,020**	**297,805,626**	**18,292,394**

The table below provides details regarding the contractual maturities of significant financial liabilities as on December 31, 2020:

Particulars	**Carrying value**	**Less than 1 year**	**1-3 years**
Accounts payable	$ 2,524,258	2,524,258	-
Due to Related Party	237,268,139	237,268,139	-
Accrued expenses and taxes	134,451,763	118,533,731	-
Lease liabilities	58,882,485	24,924,410	33,958,075
	$ **433,126,645**	**383,250,538**	**33,958,075**

(c) Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates and equity prices -will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	2021			2020		
	USD	**CAD**	**EUR**	**USD**	**CAD**	**EUR**
Cash and cash equivalents	$ 18,547	-		261,238	-	
Accounts receivable - Net	1,122,964	45,989	-	1,487,584	584,130	-
Due from Related Party	527,090	-	-	39,440	-	-
Accounts payable	(58,244)	-	-	(125,141)	-	-
Due to Related Party	(9,798,821)	-	(221,575)	(11,418,082)	-	-
Net statement of financial position exposure	**$ (8,188,464)**	**45,989**	**(221,575)**	**(9,754,961)**	**584,130**	**-**

The following significant exchange rates have been applied:

	Average rate		Year end spot rate	
	2021	**2020**	**2021**	**2020**
USD 1	20.9	19.1	20.5	19.9
CAD 1	16.4	16.0	16.2	15.6
EUR 1	23.7	22.7	23.2	24.2

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar, EUR and CAD by 1% against the functional currency at December 31, would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Income		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
USD (1% movement)	$ (81,885)	81,885	81,885	(81,885)
CAD (1% movement)	460	(460)	(460)	460
EUR (1% movement)	(2,216)	2,216	(2,216)	2,216

16. Recently issued financial reporting standards-

The Consejo Mexicano de Normas de Información Financiera, A. C. (CINIF) has issued the FRS and Improvements listed below

FRS C-15 "Impairment of long-lived assets"-. This FRS becomes effective for periods beginning January 1, 2022, and early application is allowed. It supersedes Bulletin C-15 "Impairment or disposal of long-lived assets". The initial-adoption accounting changes must be recognized based on the prospective method. The main changes presented are:

— adds new examples of evidence to assess whether there is impairment and classifies it into internal or external sources of information and those applicable to investments in subsidiaries, associates or joint ventures.

— changes the requirement to use a net sales price for the fair value, less costs of disposal to carry out impairment tests;

— establishes the option of using estimates of future cash flows and a discount rate, in actual terms;

— incorporates standards for the treatment of future cash flows in foreign currency in determining the recoverable amount;

— modifies FRS C-8, Intangible Assets, to indicate that goodwill must be allocated at a level of a cash-generating unit (CGU) that is expected to benefit from the synergy of the business acquisition;

— incorporates the recognition of goodwill impairment in two steps: i. first, by comparing the carrying amount of the CGU including goodwill with the recoverable amount, and if the latter is less, an impairment loss is generated; and ii. second, by having this loss affect goodwill first and foremost, even leaving it at zero, and later, if there is an excess loss to be allocated, distribute it pro rata among the other long-lived assets that are part of the CGU;

— eliminates the calculation of impairment through the perpetual value of intangible assets with indefinite useful lives, by modifying the impairment test.

— establishes the determination of impairment of corporate assets as follows: i. first, they are allocated to the CGU to which they belong fairly and consistently, ii. second, the carrying amount of the CGU, including corporate assets, is compared to the recoverable amount and if the latter is less, an impairment loss is generated, which is distributed pro rata among all long-lived assets that are part of the CGU, including corporate assets.

— modifies the disclosures in accordance with the changes described above.

FRS C-17 “Investment property”- This FRS becomes effective for periods starting as of January 1, 2021 with early application allowed. FRS C-17 eliminates the suppletory application of International Accounting Standard 40 (IAS 40) “Investment property”. Likewise, FRS C-17 repeals Circular 55, “Suppletory application of IAS 40”. The effects of adoption should be recognized retrospectively. The primary changes are: 1) the definition of investment properties is adjusted to establish that these assets are held by an investor under a business model whose main intent is to gain through the value appreciation (capital appreciation) in the medium term for the sale thereof; 2) allows the valuation of investment properties at acquisition cost or fair value.

2022 FRS Revisions

In September 2021, CINIF issued a document called “2022 FRS Revisions” containing precise modifications to some of the existing FRS. The improvements made to the FRS result in accounting changes in the annual financial statements, which are shown below:

FRS B-15 “Foreign currency translation”- This improvement consists of incorporating the practical solution for the preparation of complete financial statements for legal and tax purposes within the body of the FRS, when the recording and reporting currency is the same even when both are different from the functional currency, without translating to the functional currency, indicating the entities that may opt for this solution. This improvement supersedes the Interpretation to FRS 15 “Financial statements whose reporting currency is the same as the recording currency, but different from the functional currency” and is effective for periods starting on or after January 1, 2022, allowing for early application for 2021. The accounting changes that arise must be recognized prospectively in accordance with the provision of FRS B-1 Accounting changes and correction of errors.

FRS D-3 “Employee benefits”-. The effects on the determination of deferred Employee Statutory Profit Sharing (ESPS) are considered, from the changes in the determination of the accrued ESPS originated by the decree published on April 23, 2021 by the Federal Government. This improvement is effective for periods starting as of January 1, 2022, and early application for 2021 is allowed. The accounting changes that arise must be recognized prospectively in accordance with the provisions of FRS B-1 Accounting changes and error corrections.

FRS B-1 “Accounting changes and correction of errors”-. This FRS eliminates the requirement to disclose pro forma information when a change occurs in the structure of the economic entity. This improvement is effective for periods starting as of January 1, 2022, and early application for 2021 is allowed. The accounting changes that arise must be recognized prospectively in accordance with the provisions of FRS B-1 Accounting changes and error corrections.

FRS B-10 “Effects of inflation”-. This FRS modifies the disclosure requirement when the entity operates in a non-inflationary economy to limit them to being made when the entity considers it relevant. This improvement is effective for periods starting as of January 1, 2022, and early application for 2021 is allowed. The accounting changes that arise must be recognized prospectively in accordance with the provisions of FRS B-1 Accounting changes and error corrections.

FRS C-6 “Property, plant and equipment”-. This FRS eliminates the need to disclose the timeframe in which constructions in process will take place, when these have approved plans. This improvement is effective for periods starting as of January 1, 2022, and early application for 2021 is allowed. The accounting changes that arise must be recognized prospectively in accordance with the provisions of FRS B-1 Accounting changes and error corrections.

Management estimates that the adoption of this new FRS shall have no significant effects.

17. Contingencies

(a) In accordance with Mexican tax law, the tax authorities are empowered to examine transactions carried out during the five years prior to the most recent income tax return filed.

(b) The Company is involved in a number of claims arising in the normal course of business from labor obligations. It is expected that the final outcome of these matters will not have significant adverse effects on the Company’s financial position and income.

18. Subsequent events

The Company does not foresee any material impact on its revenue and customer's ability to pay due to the prolonged lock down and other impacts of the COVID-19 pandemic. However, the impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration.

On February 21, 2022, the Russian Federation officially recognized two breakaway regions in eastern Ukraine and authorized the use of military force in those territories. On February 24, 2022, Russian troops invaded Ukraine and began military operations in different places. These ongoing operations have caused damage to infrastructure and disruption of economic activity in Ukraine, among other things.

In response, multiple jurisdictions including the European Union, the United Kingdom, Switzerland, the United States, Canada, Japan, Australia, and others have announced initial tranches of economic sanctions on Russia (and in certain cases Belarus.

In addition to the imposition of sanctions, a growing number of large public and private companies have announced voluntary actions to restrict business activities with Russia. These actions include plans to divest assets or discontinue operations in Russia, reduce exports or imports from the country, and suspend the provision of services to the Russian state and companies.

The economic impacts of the conflict could include significant increases in the prices of raw materials, including crude oil and natural gas, metals including nickel, iron ore, aluminum and palladium; mineral products such as potash and agricultural crops, in particular, wheat (with Russia and Ukraine together producing about 30% of the world's wheat supply).

The conflict in Ukraine and related events take place at a time of significant global economic uncertainty and volatility, and the effects are likely to interact with and exacerbate the effects of current market conditions. Many sectors/ jurisdictions are already facing the impacts of rising commodity prices and rising raw material costs, as a result of increased consumer demand as the COVID-19 pandemic subsides. These conditions may be significantly exacerbated by the broader effects of the conflict in Ukraine, increasing inflationary pressures and undermining the post-pandemic global recovery.

The Company does not foresee any impact from the conflict in the Ukraine on the Company's business, as the Company has no business activities in the Ukraine, Belarus or Russia.

Signed by-	**Signed by-**
Archit Asok	**Roberto Carlos Esquivel**
Date: June 22, 2022	

TECH MAHINDRA CERIUM PRIVATE LIMITED

Board of Directors
Mr. Vivek Satish Agarwal - Director
Mr. Sudhakar Palisetti – Director
Mr. Narasimham Venkata Rachakonda – Director (w.e.f 13th December, 2021)
Mr. Jayaraman Ganapathy - Independent Director (w.e.f 3rd June, 2021)
Mr. Bangre Prabhakararao Sachin Kumar - Independent Director (w.e.f 3rd June, 2021)

Committees of the Board

Audit Committee
Mr. Jayaraman Ganapathy, Chairman
Mr. Bangre Prabhakararao Sachin Kumar
Mr. Vivek Satish Agarwal

Nomination and Remuneration Committee
Mr. Vivek Satish Agarwal, Chairman
Mr. Jayaraman Ganapathy
Mr. Bangre Prabhakararao Sachin Kumar

Auditors
M/s. BSR & CO. LLP, CHARTERED ACCOUNTANTS
8th floor, Business Plaza,
Westin Hotel Campus,
36/3-8, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411001, India

Bankers
HDFC Bank Limited

Registered office
No. 527, 22nd Main, Sector 1, Agara,
HSR Layout, Bangalore
Karnataka 560102 India

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Ninth Annual Report together with the audited financial statements of the Company for the financial year ended March 31, 2022.

1 (a) **FINANCIAL SUMMARY/ HIGHLIGHTS: (STANDALONE)**

		(₹ in Million)
Particulars	**FY 2021-22**	**FY 2020-21**
Revenue from operations	3,196	1,651
Other income	58	12
Total Income	**3,254**	**1,663**
Employee benefits	2,508	1,601
Other expenses	346	146
Total expense	**2,854**	**1,747**
Profit /(Loss) Before Interest and Depreciation	400	(84)
Finance costs	20	6
Depreciation and Amortisation	74	37
Profit /(Loss) Before Tax	**306**	**(127)**
Tax Expenses	188	42
Profit /(Loss) After Tax	118	(169)
Other Comprehensive income	(3)	3
Total Comprehensive income	**115**	**(166)**
Earnings per share [Face value of share ₹ 10/- each]		
Basic EPS (in ₹)	38.46	(57.53)
Diluted EPS (in ₹)	37.44	(57.53)

(b) **FINANCIAL SUMMARY/ HIGHLIGHTS: (CONSOLIDATED)**

		(₹ in Million)
Particulars	**FY 2021-22**	**FY 2020-21**
Revenue from operations	3,530	2,098
Other income	56	13
Total Income	**3,586**	**2,111**
Employee benefits	2,725	1,905
Other expenses	361	149
Total expense	**3,086**	**2,054**
Profit /Loss Before Interest and Depreciation	500	57
Finance costs	21	6
Depreciation and Amortisation	76	40
Profit/Loss Before Tax	**403**	**11**
Tax Expenses	228	70
Profit /(Loss) After Tax	175	(59)
Other Comprehensive income	7	1
Total Comprehensive income	**182**	**(58)**
Earnings per share [Face value of share ₹ 10/- each]		
Basic EPS (in ₹)	56.83	(20.10)
Diluted EPS (in ₹)	55.33	(20.10)

2. (a) **REVIEW OF OPERATIONS (STANDALONE):**

The company has made a profit of ₹116 million as compared to the loss of ₹ 166 million in previous year. The previous year loss was mainly due to provision for contingent consideration payment by Tech Mahindra Limited of ₹ 315 million that is linked to the continuity of employment of ESOP holders and shareholders. During the year under review, the company performed well and the management of the Company is confident of maintaining a steady progress.

(b) **REVIEW OF OPERATIONS (CONSOLIDATED):**

The Group has made a profit of ₹182 million as compared to the loss of ₹58 million in previous year. The previous year loss was mainly due to provision for contingent consideration payable by Tech Mahindra Limited of ₹ 315 million that is linked to the continuity of employment of ESOP holders and shareholders. During the year under review, the Group performed well and the management of the Group is confident of maintaining a steady progress.

3. **SHARE CAPITAL:**

The Authorised Share Capital of the Company is Rs. 4,00,00,000/- (Rupees Four Crores) divided into 40,00,000 Equity Shares of Rs. 10/- each. The Issued and paid-up Share Capital of the Company on 31st March,2022 is Rs. 3,08,08,620/- divided into 30,80,862 Equity Shares of Rs. 10/- each as on 31st March,2022.

During the year under review, the company floated a buy back programme for 12,360 shares. Post completion of the buyback 12,360 shares were surrendered and the same were accepted. The bought back shares were cancelled, and necessary returns were filed. Accordingly, the total issued capital got reduced from 30,89,912 to 30,80,862 shares.

4. **DIVIDEND AND TRANSFER TO RESERVES:**

The Board of Directors of the Company, after considering holistically the relevant circumstances and keeping in view the company's dividend distribution policy, has decided that it would be prudent, not to recommend any dividend for the year under review

5. **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRING BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF REPORT:**

There was no material changes and commitment affecting financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

6. **CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of the Business during the financial year under review.

7. **DETAILS OF SUBSIDIARIES, ASSOCIATE OR JOINT VENTURE COMPANIES FOR THE FINANCIAL YEAR 2021-22:**

Your Company has following subsidiaries as on 31st March 2022:

i. Tech Mahindra Cerium Systems Inc (name changed effective 14th Dec,2020) in United States of America; and

ii. Tech Mahindra Cerium Systems SDN. BHD. (name changed effective 27th November,2020), Malaysia

Salient features of their financial statements are provided in Form AOC-1 and the same is annexed to this report as **Annexure I.**

8. **MEETINGS OF THE BOARD OF DIRECTORS:**

The Board of Directors met 5 times during this financial year on the following dates:

Sl. No.	Date of Board Meeting
1	10-05-2021
2	02-06-2021
3	14-06-2021
4	15-09-2021
5	11-01-2022

9. **DIRECTORS**

Mr. Narasimham Venkata Rachakonda (DIN: 00339167) has been appointed as the Additional Director of the Company at the Board Meeting held on 13th Decemebr, 2021 and shall be regularised at the upcoming 9th Annual General Meeting of the Company.

Mr. Ravichandran Lakshminarayanan (DIN: 05205421) director of the Company resigned from directorship of the Company on 26th November, 2021 and the same was accepted by the Board on 30th November, 2021. The Board placed on record its appreciation for the services of the outgoing director.

Your Directors co-opted Mr Jayaraman Ganapathy (DIN: 01461157) and Mr. Bangre Prabhakararao Sachin Kumar (DIN: 03608807), as an Additional Directors of the company w.e.f 2nd June,2021 and have been appointed as Independent Directors by the members in the Extraordinary General Meeting held on 3rd June, 2021 for a term of 5 (five) consecutive years.

Pursuant to the provisions of Section 152(6)(c) of the Companies Act, 2013, Mr. Vivek Satish Agarwal (DIN: 05218475) is liable to retire by rotation and being eligible offers himself for reappointment.

None of the directors were disqualified during the year under review.

10. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b) they have selected such accounting policies and these have been applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) they had prepared the annual accounts on a going concern basis; and

e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

11. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149:

The Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

12. ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company for the Financial Year 2021-22 is available on the Company's website at https://www.cerium-systems.com/

13. STATUTORY AUDITOR:

The Board appointed M/S BSR & CO. LLP, CHARTERED ACCOUNTANTS (FRN 101248W/W-100022) as Statutory Auditors of the Company for a period of Five years and the same was approved by the shareholders at the Annual General Meeting held on 20th July, 2021.

14. EXPLANATIONS OR COMMENTS BY THE DIRECTORS ON THE QUALIFICATIONS MADE IN THE AUDITORS' REPORT:

There are no qualifications or adverse remarks in the auditors' report.

15. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO [RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014]:

(A) CONSERVATION OF ENERGY:

The Company does not have huge consumption of energy as it is not into manufacturing activity. However, efforts have been made to conserve and optimize the use of energy through improved operational methods like maximum use of skylight and other energy saving devices wherever possible.

(B) TECHNOLOGY ABSORPTION:

i) The efforts made towards technology absorption;

ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)–

(a)	the details of technology imported	:	NIL
(b)	the year of import;	:	Not applicable
(c)	whether the technology been fully absorbed	:	Not applicable
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	:	Not applicable

The Company at present does not carry out any in-house Research & Development activity.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings: ₹ 3040 million towards services rendered.

Foreign exchange outgo: ₹ 0.03 million towards travel, business promotion.

16. DETAILS OF DEPOSITS:

The company has not received any deposits during the year as per the provision of Section 73 of Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and as covered under Chapter V of the Companies Act, 2013.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Details of loans/ guarantees/ investments made by the company are given below:

Sl. No.	Particulars	Amount (in Rs.)
1.	Loans	Nil
2.	Guarantees	Nil
3.	Investments (in subsidiaries)	4 ,33,88,352/-
4.	Security extended	Nil

18. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

19. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has in place a Policy to address Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The following is a summary of sexual harassment complaints received and disposed of during the financial year ending March 31, 2022:

Number of complaints received : NIL

Number of complaints disposed off : NIL

20. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

21. RISK MANAGEMENT POLICY:

The provisions related to Risk Management Policy development and implementations are not applicable to your company.

22. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board devised a Policy on evaluating the performance of Board of Directors, Committees and individual directors. The evaluation was carried out under the guidance of the Chairman of Nomination & Remuneration Committee. The Directors provided a positive feedback on the overall functioning of the Committees and the Board.

23. TRANSACTIONS WITH RELATED PARTIES:

All the contracts/arrangements/transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and at an arm's length basis.

No material related party transactions were made by the Company with its Promoters, Directors or other designated persons which may have a potential conflict with the interest of the Company at large.

Keeping in view the above, required disclosures giving particulars of contracts/arrangements with the related parties in form AOC- 2 is annexed to this report as Annexure II.

24. CORPORATE SOCIAL RESPONSIBILITY POLICY:

The provisions contained in Section 135, Companies Act, 2013 are not applicable to the Company for the year under review.

25. MAINTENANCE OF COST RECORDS:

The Provisions contained in Section 148(1), Companies Act, 2013 are not applicable to the Company for the year under review.

26. FRAUDS REPORTED BY AUDITORS:

No frauds have been reported by the Auditor for FY 2021-22.

27. SECRETARIAL STANDARDS:

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

28. VIGIL MECHANISM:

The Provisions of Vigil Mechanism are not applicable to the Company for the year under review. However, company provides equal opportunities to be heard to all the directors and employees of the company.

29. PARTICULARS OF EMPLOYEES:

There is no employee in the Company whose particulars are required to be given under Section 197 of the Companies Act, 2013 read with the Companies (Appointment Remuneration of Managerial Personal) Rules, 2014 as such no statement is attached.

30. AUDIT COMMITTEE:

Pursuant to the provisions of Sub-section (8) of section 177 of the Act, the Company has constituted Audit committee on 9th June, 2021. The Composition of the Audit Committee is as mentioned below:

- Mr Jayaraman Ganapathy, Chairman
- Mr Vivek Satish Agarwal
- Mr. Bangre Prabhakararao Sachin Kumar

31. COVID 19 DISCLOSURE:

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and investments. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used an internal and external source of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

32. ACKNOWLEDGEMENTS:

Your directors place on record their sincere thanks to bankers, employees, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of Board of Directors
Tech Mahindra Cerium Private Limited

Vivek Satish Agarwal	**Sudhakar Palisetti**
Director	Director
DIN: 05218475	DIN: 02861107

Date: 10th May, 2022
Place: Bangalore

ANNEXURE I

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	Details
1.	Name of the subsidiary	Tech Mahindra Cerium Systems Inc	Tech Mahindra Cerium Systems SDN. BHD.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January 2021 to December 2021	January 2021 to December 2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD (Exchange Rate 1USD = 75.7925 INR)	MYR (Exchange Rate 1MYR = 18.002 INR)
4.	Share capital	12,480	43,375,872
5.	Reserves & surplus	141,268,550	59,782,992
6.	Total assets	177,731,543	212,499,248
7.	Total Liabilities	36,450,513	109,340,384
8.	Investments	0	0
9.	Turnover	286,349,436	229,877,400
10.	Profit before taxation	45,944,182	58,213,183
11.	Provision for taxation	25,939,633	14,285,008
12.	Profit after taxation	20,004,549	39,585,383
13.	Proposed Dividend	0	0
14.	% of shareholding	100%	100%

On behalf of the Board of Directors
Tech Mahindra Cerium Private Limited

Sudhakar Palisetti
Director
[DIN 02861107]

Vivek Satish Agarwal
Director
[DIN: 05218475]

Place : Bangalore
Date:10thMay,2022

Annexure-II

PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH THE RELATED PARTIES

(AOC-2)

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis.

There were no contracts or arrangements or transactions entered during the year ended March 31, 2022, which were not at arm's length basis.

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	(d) Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)	(g)
NIL	NIL	NIL	NIL	NIL	NIL	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis.

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	(d) Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Tech Mahindra Cerium Systems Inc	Subsidiary company	1) Revenue from Operations 2) Subcontracting expenses	On going	NIL	NIL	NIL
Tech Mahindra Limited	Holding company	1) Revenue from Operations 2)Reimbursement of expenses	On going	NIL	NIL	NIL
Tech Mahindra Cerium Systems SDN. BHD.	Subsidiary company	1) Revenue from Operations 2) Subcontracting expenses 3) Reimbursement of expenses	On going	NIL	NIL	NIL
TECH MAHINDRA ICT SERVICES (MALAYSIA) SDN BHD	Subsidiary of Holding Company	Reimbursement of expenses	On going	NIL	NIL	NIL
Sudhakar Palisetti	KMP	Remuneration	On going	NIL	NIL	NIL

Note: All the transactions with the related parties are entered by the Company during the ordinary course of business. But as a good corporate practice the details of the same are disclosed hereunder.

On behalf of the Board of Directors
Tech Mahindra Cerium Private Limited

	Sudhakar Palisetti	**Vivek Satish Agarwal**
Place : Bangalore	Director	Director
Date: 10th May, 2022	[DIN: 02861107]	[DIN: 05218475]

INDEPENDENT AUDITOR'S REPORT

To the Members of Tech Mahindra Cerium Private Limited (Formerly known as Cerium Systems Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Tech Mahindra Cerium Private Limited (the " Company") (Formerly known as Cerium Systems Private Limited), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone 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 standalone 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 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 SAs 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 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 standalone financial statements.

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

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 Director'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 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 Standalone 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 standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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, 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 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 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 standalone 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 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 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone 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.
    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 does not have any pending litigations which would impact its financial position.

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

(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 & Co. LLP**
Chartered Accountants
(Firm's Registration No.101248W/W-100022)

Ashish Gupta
Partner
Membership No. 215165
UDIN: 22215165AISXHZ6791

Place: Pune
Date: 10 May 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

(Referred to in our report of even date)

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

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

(i) (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 3 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.

(i) (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(i) (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.

(i) (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 information technology and related services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(ii) (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, provided 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 during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(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 the services provided by the Company. 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 has been subsumed into GST.

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 Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident fund and Employees' State Insurance.

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 Goods and Services Tax ('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, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(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, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(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 standalone 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 as defined under the Act.

(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 subsidiaries as defined under the Act.

(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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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

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

(c) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(c) 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 standalone financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company has an Internal Audit system, however, the Company is not required to have an internal audit system as per Section 138 of the Act.

(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) of the Order is not applicable.

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

(c) 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.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.

(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 standalone 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.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No.101248W/W-100022)

Ashish Gupta
Partner
Membership No. 215165
UDIN: 22215165AISXHZ6791

Place: Pune
Date: 10 May 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF TECH MAHINDRA CERIUM PRIVATE LIMITED (FORMERLY KNOWN AS CERIUM SYSTEMS PRIVATE LIMITED) FOR THE YEAR ENDED 31 MARCH 2022.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2 (f) 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 standalone financial statements of Tech Mahindra Cerium Private Limited ("the Company") (Formerly known as Cerium Systems Private Limited) as of 31 March 2022 in conjunction with our audit of the standalone 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 standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone 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 Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone 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").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements were established and maintained and whether 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 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 with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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 & Co. LLP**
Chartered Accountants
(Firm's Registration No.101248W/W-100022)

Ashish Gupta
Partner
Membership No. 215165
UDIN: 22215165AISXHZ6791

Place: Pune
Date: 10 May 2022

STANDALONE BALANCE SHEET AS AT 31 MARCH 2022

(All amounts are Indian Rupees in Million and '0' represents amount less than million)

	Note No.	31-Mar-22	31-Mar-21
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	14	21
(b) Right-of-Use Asset	4	391	47
(c) Intangible Assets	5	0	0
(d) Financial Assets			
(i) Investments	6	43	43
(ii) Other Financial Assets	7	41	12
(e) Income Taxes Assets (Net)		-	23
(f) Deferred Tax Assets (Net)		39	33
(g) Other Non-Current Assets	8	13	1
Total Non-Current Assets		**541**	**180**
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	9		
(1) Billed		247	139
(2) Unbilled		56	17
(ii) Cash and Cash Equivalents	10	695	237
(iii) Other Financial Assets	11	1	5
(b) Other Current Assets	12	472	154
Total Current Assets		**1,471**	**552**
Total Assets		**2,012**	**732**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	31	30
(b) Other Equity	14	1,056	403
Total Equity		**1,087**	**433**
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities		333	28
(ii) Other Financial Liabilities	15	50	26
(b) Provisions	16	51	37
Total Non - Current Liabilities		**434**	**91**
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
(1) Total outstanding dues to micro enterprises and small enterprises		46	15
(2) Total outstanding dues of creditors other than micro enterprises and small enterprises		134	69
(ii) Lease Liabilities		73	23
(iii) Other Financial Liabilities	17	29	2
(b) Other Current Liabilities	18	67	63
(c) Provisions	19	6	4
(d) Income Tax Liabilities (Net)		136	32
Total Current Liabilities		**491**	**208**
Total Equity and Liabilities		**2,012**	**732**
Significant Accounting Policies	1-2		
Notes to the standalone financial statements	3-42		

The notes referred to above from an integral part of the standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration Number :101248W / W-100022

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: 10 May 2022

For and on behalf of the Board of Directors of

Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti
Director
DIN: 02861107
Place: Bangalore
Date: 10 May 2022

Vivek Satish Agarwal
Director
DIN: 05218475
Place: Bangalore
Date: 10 May 2022

TECH MAHINDRA CERIUM PRIVATE LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are Indian Rupees in Million and '0' represents amount less than million)

		Note No.	For the year ended 31-Mar-2022	For the year ended 31-Mar-2021
I	Revenue from Operations	20	3,196	1,651
II	Other Income	21	58	12
III	**Total Income (I +II)**		**3,254**	**1,663**
IV	**EXPENSES**			
	Employee Benefit Expenses	22	2,508	1,601
	Subcontracting Expenses		298	104
	Finance Costs	23	20	6
	Depreciation and Amortisation Expense	24	74	37
	Other Expenses	25	48	42
	Total Expenses		**2,948**	**1,790**
V	**Profit/(Loss) Before Tax (III-IV)**		**306**	**(127)**
VI	**Tax Expense**			
	Current tax		193	53
	Deferred Tax Charge/(credit)		(5)	(11)
	Total Tax Expense		**188**	**42**
VII	**Profit/(Loss) after Tax**		**118**	**(169)**
VIII	**Other Comprehensive Income**			
	Items that will not be re-classified to Profit or Loss			
	- Remeasurements of the Defined Benefit Liabilities - Gain/(Loss)		(4)	4
	- Income tax relating to items that will not be reclassified to Profit or Loss		1	(1)
	Net other comprehensive income not to be reclassified subsequently to profit or loss		(3)	3
IX	**Total Other Comprehensive Income/(Loss)**		**(3)**	**3**
X	**Total Comprehensive Income for the year (VII + IX)**		**115**	**(166)**
	Earnings per share ('EPS') of nominal value of share Rs. 10 (31 March, 2022 : Rs. 10) (31 March 2021: Rs. 10)			
	Basic EPS	37	38.46	(57.53)
	Diluted EPS	37	37.44	(57.53)
Significant Accounting Policies		1-2		
Notes to the standalone financial statements		3-42		

The notes referred to above from an integral part of the standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration Number :101248W / W-100022

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: 10 May 2022

For and on behalf of the Board of Directors of

Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti
Director
DIN: 02861107
Place: Bangalore
Date: 10 May 2022

Vivek Satish Agarwal
Director
DIN: 05218475
Place: Bangalore
Date: 10 May 2022

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are Indian Rupees in Million and '0' represents amount less than million)

	For the year ended 31-Mar-2022	For the year ended 31-Mar-2021
Cash flows from operating activities:		
Profit/(Loss) Before Tax	306	(127)
Adjustments for :		
Depreciation and Amortisation Expenses	73	37
Bad debts and advance written off, allowance/(reversal) of doubtful receivables/unbilled revenue and advances (net)	-	0
Net (gain)/loss on disposal of Property, Plant and Equipment and Intangible Assets	-	(0)
Liabilities no longer required written back	(0)	(0)
Finance Costs	20	6
Share Based Payments to Employees	-	8
Employment linked Contingent Consideration (Refer Note 22)	550	315
Unrealised Exchange (Gain) / Loss (net)	(2)	(1)
Interest Income	(2)	(1)
	945	**237**
Changes in working capital :		
Trade Payables	146	25
Other financial liabilities, other liabilities and provisions	19	36
Trade Receivables		
(1) Billed	(107)	56
(2) Unbilled	(39)	(17)
Contract assets	(297)	(89)
Other financial assets and other assets	(57)	17
Cash generated from operating activities before taxes	**610**	**265**
Income taxes paid, net	(67)	(2)
Net cash generated from Operating activities (A)	**543**	**263**
Cash Flow from Investing Activities:		
Purchase of property plant and equipment and intangible assets (net of disposal)	(4)	(6)
Interest income received	2	1
Net cash generated used in Investing activities (B)	**(2)**	**(5)**
Cash Flow from Financing Activities:		
Repayment of borrowings (net)	-	(25)
Proceeds from Issuance of Equity Shares from exercise of stock options	1	2
Buy back of equity shares	(11)	-
Tax on buy back of equity shares	(2)	-
Repayment of lease liabilities	(51)	(25)
Interest paid	(20)	(6)
Net Cash Flow from Financing Activities (C)	**(83)**	**(54)**
Net Increase in cash and cash equivalents during the year (D) = (A+B+C)	**458**	**204**
Cash and cash Equivalent at the beginning of the year (E)	**237**	**33**
Cash and Cash Equivalents at the end of the year (F) = (D+E) (refer note 10)	**695**	**237**

Significant Accounting Policies 1-2

Notes to the standalone financial statements 3-42

The notes referred to above from an integral part of the standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration Number :101248W / W-100022

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: 10 May 2022

For and on behalf of the Board of Directors of

Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti
Director
DIN: 02861107
Place: Bangalore
Date: 10 May 2022

Vivek Satish Agarwal
Director
DIN: 05218475
Place: Bangalore
Date: 10 May 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are Indian Rupees in million except per share and number of shares data, and '0' represents amount less than million)

A. Equity Share Capital

Balance as at 1 April 2021	Changes in Equity Share Capital during the year	Balance as at 31 March 2022
30	1	31

Balance as at 1 April 2020	Changes in Equity Share Capital during the year	Balance as at 31 March 2021
28	2	30

B. Other Equity

Particulars	Share application Money pending allotment	Reserves & Surplus					Total
		Capital reserve	Securities Premium	Share Option Outstanding Account	Capital Redemption Reserve	Retained Earnings	
Balance as at 1 April 2021	-	315	188	113	-	(213)	403
Profit for the year						118	118
Other Comprehensive Income						(3)	(3)
Transfer from share option outstanding account on exercise of stock options			57				57
Transfer to secutities premium on exercise of stock options				(57)			(57)
Transfer from secutities premium on buy back of equity shares			(11)				(11)
Tax on buy back of Equity shares						(1)	(1)
Transfer from Equity shares on account of buy back of equity shares					0		0
Received on exercise of stock options	1						1
Transfer on allotment of Equity shares	(1)						(1)
Contribution from Parent entity toward employee compensation		550					550
Transfer to retained earnings on account of lapsed stock options				(2)		2	-
Balance as at 31 March 2022	**-**	**865**	**234**	**54**	**0**	**(97)**	**1,056**

Particulars	Share application Money pending allotment	Reserves & Surplus					Total
		Capital reserve	Securities Premium	Share Option Outstanding Account	Capital Redemption Reserve	Retained Earnings	
Balance as at 1 April 2020	-	-	68	234	-	(57)	245
Loss for the year	-	-	-	-		(169)	(169)
Other Comprehensive Income	-	-	-	-		3	3
Transfer from share option outstanding account on exercise of stock options	-	-	120			-	120
Transfer to secutities premium on exercise of stock options				(120)			(120)
Received on exercise of stock options	2						2
Transfer on allotment of Equity shares	(2)						(2)
Contribution from Parent entity toward employee compensation		315	-	-		-	315
Share Based Payments to Employees (net)		-	-	8		-	8
Transfer to retained earnings on account of lapsed stock options		-	-	(9)		9	-
Balance as at 31 March 2021	**-**	**315**	**188**	**113**	**-**	**(213)**	**403**

Nature & purpose of reserves -

Securities premium :

Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

Capital Reserve:

Capital Reserve has been created on account of employment linked contingent consideration payable by parent entity to employees of the company pursuant to share purchase agreement entered between Tech Mahindra Limited, the Company and its shareholders dated 09 April, 2020.

Retained Earnings:

Retained earnings are the profit/(loss) that a company has earned/incurred to date, less any dividends or other distributions paid to shareholders.

Share option outstanding Account

The company has established equity settled share based payment plans for ceratin categories of employees of the Company. Refer Note 30 for further details.

Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration Number :101248W / W-100022

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: 10 May 2022

For and on behalf of the Board of Directors of

Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti
Director
DIN: 02861107
Place: Bangalore
Date: 10 May 2022

Vivek Satish Agarwal
Director
DIN: 05218475
Place: Bangalore
Date: 10 May 2022

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are Indian Rupees in million except per share and number of shares data, and '0' represents amount less than million)

1 Corporate Information:

Tech Mahindra Cerium Private Limited (Formerly known as Cerium Systems Private Limited) was incorporated on 5th day of September 2013 as a Company with the limited liability under the Companies Act, 1956. The Company is engaged into providing design services in semi-conductor industry and embedded software services. The address of the registered office is No.527, 22nd Main, Sector-1, Agara, HSR Layout, Karnataka, Bangalore-560102. During the financial year 2020-21, the Company was acquired by Tech Mahindra Limited pursuant to a share purchase agreement dated 09 April 2020. Accordingly, as per the proviso to section 2(71) of the Companies Act, 2013, the Company is deemed to a public company.

The Board of Directors approved the standalone financial statements for the year ended 31 March 2022 and authorized for issue on 10 May 2022.

2 Significant accounting policies:

2.1 Basis for preparation of standalone financial statements

These standalone financial statements are presented in Indian rupees ("INR") which is also the Company's functional currency. All amounts have been reported in Indian Rupees except for share and earnings per share data, unless otherwise stated. These standalone financial statements have been prepared on the historical cost basis and on an accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current and non-current as per the Group'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 Group has considered an operating cycle of 12 months.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share-based Payments, leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as 'value in use', in Ind AS 36 Impairment of assets.

2.2 Use of Estimates:

The preparation of standalone financial statements requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of standalone financial statements, disclosure of contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expenses during the reported period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical accounting estimates

i) Revenue Recognition

The Company applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations. The Company exercises judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

ii) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2.10.

iii) Other estimates

The share based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

2.3 Property, Plant & Equipment and Intangible assets:

Property, Plant & Equipment and intangible assets are stated at cost less accumulated depreciation/amortisation and net of impairment. 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 costs of bringing the item 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. Subsequent expenditure 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.

The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work in progress.

Depreciation on Property, Plant & Equipment (including assets taken on lease), other than freehold land, is charged based on the straight line method on the estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the certain categories of assets, where the life of the assets has been assessed based on internal technical estimate, considering the nature of the asset and estimated usage of the asset, the operating conditions of asset, past history of replacement, anticipated technological changes.

The estimated useful lives of assets are as follows:

Particulars	Life
Furniture and Fixtures	5 years
Vehicles	5 years
Computers	3 years
Office Equipments	5 years

The estimated useful life of intangible assets (software) is 1 to 4 years and these are amortized on a straight line basis. Project specific intangible assets are amortized over their estimated useful life on a straight line basis or over the period of the license/project period, whichever is lower.

The estimated useful life and residual values of Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period.

Assets acquired under leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term.

An item of Property, Plant & Equipment and intangible asset 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 arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.4 Leases:

At inception of the contract, the Company determines whether the contract is a lease or contains a lease arrangement. 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.

Company as a lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of- use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of- use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re- measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease. 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 Revenue to allocate the consideration in the contract.

2.5 Impairment of Assets:

i) Financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets.

Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is assessed at customer level separately. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at lifetime expected credit loss.

ii) Non Financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the standalone statement of profit and loss.

2.6 Revenue recognition:

Revenue from business include revenue earned from services rendered on ‘time and material’ basis and fixed price development contracts.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services, net of indirect taxes, discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

Revenue from time and material 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 on fixed price development contracts is recognised using the ‘percentage of completion’ method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognised only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the standalone statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability (“Unearned revenue”) arises when there are billing in excess of revenue.

Fixed price development contracts and related services, the performance obligation is satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The Company accounts for volume discount and pricing incentives to customers as a reduction based on ratable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning the discount/incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract 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 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 disaggregates revenue from contracts with customers by nature of services and geography verticals.

2.7 Foreign currency transactions:

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the profit or loss.

2.8 Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and 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 measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method less impairment losses, if these financial assets are held within a business model whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial assets not measured at amortised cost are carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in 'other comprehensive income', for investment in equity instruments which are not held for trading.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in 'other comprehensive income', subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL, are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment as per Ind AS 27 Consolidated and Separate Financial Statements.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at FVTPL. For financial liabilities carried at amortised cost, the carrying amounts approximate fair values due to the short term maturities of these instruments. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

ii) Derecognition of financial instruments

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 retains substantially all the risk and rewards of transferred financial assets, the Company continues to recognise the financial asset and also recognises the borrowing for the proceeds received.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

2.9 Employee Benefits

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. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's last drawn salary and the tenure of the employment.

b. Defined contribution plans:

i) Provident fund: The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the standalone statement of profit and loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company. The Company has no further obligations for future provident fund.

ii) Superannuation and ESIC: Contributions to Superannuation fund and employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the standalone statement of profit and loss on an accrual basis. The Company has no further obligations for future superannuation fund benefits other than its annual contributions.

c. Compensated absences:

The Company provides for compensated absences and long term service awards subject to Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date and the awards are accrued based on number of years of service of an employee. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognised in full in the standalone statement of profit and loss in the period in which they occur. The Company also off a short term benefi in the form of encashment of unavailed accumulated compensated absences above certain limits for all of its employees and same is recognised as undiscounted liability at the balance sheet date.

d. Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for services rendered by employees, are recognised in the standalone statement of profit and loss during the period when the employee renders the service.

2.10 Taxation:

Tax expense comprises of current tax and deferred tax. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period.

Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemptions in accordance with the local tax laws existing in the respective countries.

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 income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit has a legally enforceable right and intends to settle the asset and liability on a net basis.

Deferred income taxes: Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India. MAT credit is recognised for future economic benefits in the form of adjustment of future income tax liability and is considered as an asset if there is probable evidence that the Company will pay normal income tax.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The Company recognises interest levied and penalties related to income tax assessments in interest expenses.

2.11 Employee Stock Option Plans:

Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. 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 amortization). The share based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest. The expense is recognised in the statement of profit and loss with a corresponding increase to the 'share option outstanding account', which is a component of equity.

2.12 Research and development:

Research costs are recognised as an expense in the standalone statement of profit and loss in the period they are incurred. Development costs are recognised in the standalone statement of profit and loss unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete the development project and use the asset and the costs can be measured reliably.

2.13 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period. For calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects 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).

2.14 Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

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 the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.15 Recent 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, applicable 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.”

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. 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.

Note -3: Property, Plant and Equipment

Particulars	Computers	Furniture and Fixtures	Vehicles	Office Equipments	Leasehold Improvements	Total
Gross Block						
Balance as at 1 April 2020	32	27	5	5	1	70
Additions	4	0		2	0	6
Disposals/Deletions	-	2	-	0	-	2
Balance as at 31 March 2021	**36**	**25**	**5**	**7**	**1**	**74**
Accumulated Depreciation						
As at 1 April 2020	25	13	3	3	1	45
Depreciation for the year	4	5	1	0	0	10
Accumulated depreciation on disposals	-	2	-	0	-	2
Balance as at 31 March 2021	**29**	**16**	**4**	**3**	**1**	**53**
Net Block as at 31 March 2021	**7**	**9**	**1**	**4**	**0**	**21**
Gross Block						
Balance as at 1 April 2021	36	25	5	7	1	74
Additions for the year ended March 2022	1	0	0	3	0	4
Disposals/Deletions	0	0	0	0	0	0
Balance as at 31 March 2022	**37**	**25**	**5**	**10**	**1**	**78**
Accumulated Depreciation						
As at 1 April 2021	29	16	4	3	1	53
Depreciation for the year ended March 2022	5	5	1	1	0	12
Accumulated Amortization on disposals	0	0	0	0	0	0
Balance as at 31 March 2022	**34**	**21**	**5**	**4**	**1**	**64**
Net Block As at 31 March 2022	**3**	**4**	**0**	**6**	**0**	**14**

Note -4: Right of Use Assets

Particulars	Office Premises	Total
Gross Block		
Balance as at 1st April 2020	41	41
Additions	56	56
Deletions	16	16
Balance as at 31 March 2021	**81**	**81**
Accumulated Amortization		
As at 1st April 2020	23	23
Amortization for the year	27	27
Accumulated Amortization on disposals	16	16
As at 31 March 2021	**34**	**34**
Net Block as at 31 March 2021	**47**	**47**
Gross Block		
Balance as at 1st April 2021	81	81
Additions for the year ended March 2022	406	406
Deletions	48	48
Balance as at 31 March 2022	**439**	**439**
Accumulated Amortization		
As at 1st April 2021	34	34
Amortization for the year ended March 2022	62	62
Accumulated Amortization on disposals	48	48
As at 31 March 2022	**48**	**48**
Net Block As at 31 March 2022	**391**	**391**

TECH MAHINDRA CERIUM PRIVATE LIMITED

Note -5: Intangible Assests

Particulars	Softwares	Total
Gross Block		
Balance as at 1 April 2020	0	0
Additions	0	0
Deletions	-	-
Balance as at 31 March 2021	**0**	**0**
Accumulated Amortization		
As at 1 April 2020	0	0
Amortization for the year	0	0
Accumulated Amortization on disposals	-	-
As at 31 March 2021	**0**	**0**
Net Block As at 31 March 2021	**0**	**0**
Gross Block		
Balance as at 1 April 2021	0	0
Additions for the year ended March 2022	0	0
Deletions	-	-
Balance as at 31 March 2022	**0**	**0**
Accumulated Amortization		
As at 1 April 2021	0	0
Amortization for the year ended March 2022	0	0
Accumulated Amortization on disposals	-	-
As at 31 March 2022	**0**	**0**
Net Block As at 31 March 2022	**0**	**0**

Note -6

Non-current investments in subsidiaries

	As at	
	31-Mar-22	**31-Mar-21**
(Valued at cost unless stated otherwise)		
Unquoted investments		
Investment in equity instruments		
200,000 (31 March 2021: 200,000) equity shares of Tech Mahindra Cerium Systems Inc., a wholly owned subsidiary, of USD 0.001 each, fully paid up	0	0
2,403,468 (31 March 2021 2,403,468) equity shares of Tech Mahindra Cerium Systems SDN.BHD, a wholly owned subsidiary, of MYR 1.00 each, fully paid up	43	43
Total	**43**	**43**

Note 7

Other Financial Assets - Non Current
(Unsecured, considered good)

	As at	
	31-Mar-22	**31-Mar-21**
To parties other than related parties		
a) Interest Receivable		
Interest accrued on deposits and advances	0	0
	0	**0**
b) Security Deposits		
Unsecured, considered good	40	8
	40	8
c) Bank deposits having maturities of more than 12 months from the Balance Sheet date		
Unsecured, considered good	1	1
	1	**1**

	As at 31-Mar-22	As at 31-Mar-21
To related parties		
d) Advances to Related Parties		
Unsecured, considered good	0	3
	0	**3**
Total	**41**	**12**

Note 8

Other Non-Current Assets
(Unsecured, considered good)

	As at 31-Mar-22	As at 31-Mar-21
Prepaid Expenses	12	1
Capital Advances	1	-
Total	**13**	**1**

Note -9

Trade Receivables
(Unsecured, considered good unless otherwise stated)

	As at 31-Mar-22	As at 31-Mar-21
Trade receivable - Billed (Unsecured)		
Considered good	247	139
Less: Allowance for expected credit loss	-	-
	247	**139**
Credit Impaired	0	0
Less: Allowance for expected credit loss	(0)	(0)
	-	**-**
Total trade receivable - Billed (Unsecured)	**247**	**139**
Trade receivable - Unbilled (Unsecured, Considered Good)	56	18
Total	**303**	**156**

Note - 10

Cash and Cash Equivalents

	As at 31-Mar-22	As at 31-Mar-21
Cash in hand	0	0
Balances with banks		
In current accounts	695	237
Total	**695**	**237**

Note 11

Other Financial Assets
(Unsecured, considered good)

	As at 31-Mar-22	As at 31-Mar-21
Security Deposits	1	5
Total	**1**	**5**

Note 12

Other current assets
(Unsecured, considered good)

	As at	
	31-Mar-22	**31-Mar-21**
Advances to Employees	1	1
Contracts Assets	442	144
Prepaid Expenses	24	8
Balance with Government Authorities	1	-
Other Advances	4	1
Total	**472**	**154**

13 Equity Share Capital

	31-Mar-22	**31-Mar-21**
Authorized		
40,00,000 (31 March 2021 : 40,00,000) equity shares of Rs. 10 each	40	40
	40	**40**
Issued, subscribed and fully paid up		
30,80,862 (31 March 2021 : 30,02,033) equity shares of Rs. 10 each	31	30
	31	**30**

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	31-Mar-22		**31-Mar-21**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Equity shares				
At the commencement of the year	3,002,033	30	2,816,107	28
Issued during the year	87,879	1	185,926	2
Buy Back of shares during the year	(9,050)	(0)	-	-
At the end of the year	**3,080,862**	**31**	**3,002,033**	**30**

b) 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 are in proportion to its share of the paid-up equity capital of the Company. 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 all preferential amounts in proportion to the number of equity shares held.

c) Particulars of shareholders holding more than 5% shares of a class of shares

	31-Mar-22		**31-Mar-21**	
	Number of shares	**% total holding in shares**	**Number of shares**	**% total holding in shares**
Equity shares of Rs. 10 each fully paid-up held by				
Tech Mahindra Limited*	2,215,405	71.91%	1,808,400	60.24%
NVL Holdings Pvt Ltd	329,439	10.69%	450,915	15.02%
Surya Palisetti	230,421	7.48%	315,386	10.51%
Sudhakar Palisetti	-	-	166,533	5.55%

* Pursuant to a share purchase agreement, Tech Mahindra Limited ('TechM') acquired 51% stake in the Company on 09 April, 2020 for a total consideration of Rs. 1,454 Million, out of which Rs. 916 Million was paid upfront to the shareholders of the Company. Further, TechM has also entered into an agreement to purchase the remaining 49% stake over a period of three-year, ending 31 March, 2023. Subsequently, TechM has acquired 9.24 % stake in previous year. Also, TechM had made earnout payment for first tranche.

* In Current Year, Tech Mahindra Limited ('TechM') acquired additional 11.67% stake in the Company.

Promoter Holdings

Shares held by promotes at the end of the year	For 31 March 2022		For 31 March 2021		Percentage of change during the year
Promoter name	**No of shares**	**% of total shares**	**No of shares**	**% of total shares**	
Tech Mahindra Limited	2,215,405	71.91%	1,808,400	60.24%	11.67%
NVL Holdings Pvt Ltd	329,439	10.69%	450,915	15.02%	-4.33%
Surya Palisetti	230,421	7.48%	315,386	10.51%	-3.03%
Sudhakar Palisetti	121,669	3.95%	166,533	5.55%	-1.60%

14 Other Equity

	31/Mar/22	31/Mar/21
Securities Premium		
At the commencement of the year	188	68
Transferred from share option outstanding account on exercise of stock options	57	120
Transfer from secutities premium on buy back of equity shares	(11)	-
At the end of the year (a)	**234**	**188**
Capital Reserve		
At the commencement of the year	315	-
Addition on account of employment linked contingent consideration	550	315
At the end of the year (b)	**865**	**315**
Share option outstanding Account		
At the commencement of the year	113	234
Add: Amortisation of Share Based Payments to Employees (net)		8
Less: Transferred to Securities Premium on exercise of stock options	(57)	(120)
Less: Transfer to Retained Earnings on account of stock options lapsed	(2)	(9)
At the end of the year (c)	**54**	**113**
Capital Redemption Reserve		
At the commencement of the year	-	-
Addition on account of buy back of equity shares	0	-
At the end of the year (d)	**0**	**-**
Retained earnings		
At the commencement of the year	(213)	(57)
Profit/(Loss) for the year	118	(169)
Other comprehensive income	(3)	3
Transfer from Share option oustanding account on account of options lapsed	2	9
Tax Paid on buy back of equity shares	(1)	-
At the end of the year (e)	**(97)**	**(213)**
Total (a + b + c + d + e)	**1,056**	**403**

Note - 15 : Other Financial Liabilities - Non Current

	As at	
	31-Mar-22	**31-Mar-21**
Dues payable to employees	50	26
Total	**50**	**26**

Note - 16: Provisions - Non Current

	As at	
	31-Mar-22	**31-Mar-21**
Provision for Employee Benefits		
Gratuity (Refer Note 34)	44	32
Compensated Absences	7	5
Total	**51**	**37**

Note - 17: Other Financial Liabilities - Current

	As at	
	31-Mar-22	**31-Mar-21**
Accrued Employee Liabilities	29	2
Total	**29**	**2**

Note - 18: Other Current Liabilities

	As at	
	31-Mar-22	**31-Mar-21**
Unearned revenue	-	4
Statutory dues payable	67	59
Others	0	0
Total	**67**	**63**

Note - 19: Provisions - Current

	As at	
	31-Mar-22	**31-Mar-21**
Provision for employee benefits		
Gratuity (Refer Note 34)	4	3
Compensated Absences	2	1
Total	**6**	**4**

Note - 20: Revenue from Operations

	31-Mar-22	**31-Mar-21**
Sale of services	3,196	1,651
Total	**3,196**	**1,651**

Note - 21: Other Income

	31-Mar-22	**31-Mar-21**
Interest Income		
-On bank deposits	0	0
- Others	2	1
Gain on sale of Property, Plant & Equipments	-	0
Foreign Exchange Gain (net)	54	9
Liabilities no longer required written back.	0	0
Miscellaneous Income	2	2
Total	**58**	**12**

Note - 22: Employee Benefits Expense

	31-Mar-22	31-Mar-21
Salaries and wages, including bonus*	2,444	1,557
Contribution to Provident and other Funds	40	23
Gratuity (Refer Note 34)	19	13
Share Based Payments to Employees	-	8
Staff Welfare Expenses	5	0
Total	**2,508**	**1,601**

***Notes:**

1. Salaries and wages includes an amount of Rs. 550 million (31 March 2021: Rs. 315 million) on account of employment linked contingent consideration pursuant to share purchase agreement entered between Tech Mahindra Limited, the Company and its shareholders dated 09 April, 2020.
2. Bonus expense also includes an amount of of Rs. 25 million (31 March 2021: Rs. 26 million) for cash bonus accrued to ESOP holders in accordance with Amended ESOP Plan 2020, which is expected to be paid out by 30 April 2023, subject to Optionee continues to be in the employment of the Company, until 31 March 2023.

Note - 23: Finance Cost

	31-Mar-22	31-Mar-21
Interest on short term loan & cash credits	-	0
Other interest expenses	0	0
Finance cost related to Lease Liabilities	20	6
Total	**20**	**6**

Note - 24 : Depreciation and Amortization Expense

	31-Mar-22	31-Mar-21
Depreciation/Amortisation on Property ,Plant and Equipment & Intangible Assets	12	10
Amortisation on ROU Asset	62	27
Total	**74**	**37**

Note - 25: Other Expenses

Particulars	31-Mar-22	31-Mar-21
Power & Fuel Expenses	3	2
Rates and taxes	2	0
Communication Expenses	8	9
Travelling Expenses	3	1
Recruitment Expenses	0	1
Legal and other professional expense	6	8
Statutory auditors fee (Refer Note 29)	1	1
Repair and maintenance expenses		
- Buildings (including leased premises)	5	3
- Machinery and Computers	1	1
- Others	-	0
Insurance charges	17	11
Advertisement, Promotion & Selling Expenses	0	0
General Office Expenses	1	2
Bad Debts written off	-	0
Donation	-	0
Miscellaneous Expenses	1	3
Total	**48**	**42**

Note - The requirements as stipulated by the provisions of Section 135 are not applicable to the Company.

26 Commitments and Contingencies

a) Capital Commitments

The Company does not have any capital commitments as at year ended 31 March 2022 and 31 March 2021.

b) Bank guarantees and letters of comfort

i. Bank Guarantees outstanding as at 31 March, 2022: 1 Million (31 March, 2021: 1 Million).

c) Contingent Liabilities for Taxation Matters

There are no pending litigations on the Company.

d) 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 had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company 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.

27 Diminution in value of Investments in Subsidiaries

The Company has investments in subsidiaries. These investments are accounted for at cost less any provision for impairment. Management assesses the operations of the subsidiaries/entities, Inc.luding the future projections, to identify indications of diminution, other than temporary, in the value of the investments recorded in the books of account and, accordingly no additional provision is required to be made, other than the amounts already provided for in the books of account.

In case where impairment triggers are identified, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized if the investment's carrying amount exceeds the greater of its fair value less costs to sell and value in use.

28 Auditors' Remuneration (Exclusive of GST)

Particulars	**31-Mar-22**	**31-Mar-21**
Audit Fees	1	1
For other service (buy back, certifications, etc.)	0	-
For Reimbursement of expenses	0	-
Total	**1**	**1**

29 Related party relationships and transactions

A. Name of related party :

Name	**Relation**
Tech Mahindra Limited	Holding Company (w.e.f 9 April 2020)
Tech Mahindra Cerium Systems Sdn Bhd	Direct Subsidiary
Tech Mahindra Cerium Systems Inc..	Direct Subsidiary

B. Key management personnel (KMP)

Sudhakar Palisetti (Director)

Vivek Satish Agarwal (Non- Executive Director w.e.f. 9 April 2020)

Ravichandran Lakshminarayanan (Non- Executive Director w.e.f. 9 April 2020 and upto 29 November 2021)

Johnson Henry Geddam (Director upto 9 April 2020)

Bandaru Venkaiah Naidu (Director upto 9 April 2020)

Jayakumar Gorla (Director upto 9 April 2020 and Chief Operating Officer w.e.f. 9 April 2020)

Jayaraman Ganapathy (Independent Director w.e.f. 2 June 2021)

Bangre Prabhakararao Sachin Kumar (Independent Director w.e.f. 2 June 2021)

Narasimham Venkata Rachakonda (Non- Executive Director w.e.f. 13 December 2021)

C. Disclosure of related party transactions:

Nature of Transaction	Name of the Related Party	31-Mar-22	31-Mar-21
Revenue from operations	Tech Mahindra Cerium Systems Sdn Bhd	129	30
	Tech Mahindra Cerium Systems Inc.	12	30
	Tech Mahindra Limited	73	1
		214	**61**
Subcontracting Expenses	Tech Mahindra Cerium Systems Sdn Bhd	15	31
	Tech Mahindra Cerium Systems Inc.	26	-
	Tech Mahindra Limited	-	0
		41	**31**
Expense reimbursable by	Tech Mahindra Cerium Systems Sdn Bhd	3	0
	Tech Mahindra Cerium Systems Inc.	-	0
	Tech Mahindra Limited	39	49
		42	**49**
Remuneration	Sudhakar Palisetti	7	7
	Jayakumar Gorla	5	5
		12	**12**

Note - Remuneration excludes employment linked contingent consideration, employee stock options and provision for employee benefits as separate valuation for the key management personnel is not available.

D. Closing balances:

	Name of the Related Party	31-Mar-22	31-Mar-21
Unbilled Revenue	Tech Mahindra Limited	4	-
Contract Assets	Tech Mahindra Cerium Systems Sdn Bhd	32	34
	Tech Mahindra Cerium Systems Inc.	4	5
	Tech Mahindra Limited	32	-
Provision for expenses	Tech Mahindra Cerium Systems Sdn Bhd	2	40
	Tech Mahindra Cerium Systems Inc.	2	-
Trade Payable	Tech Mahindra Cerium Systems Sdn Bhd	64	-
Reimbursement amount receivable	Tech Mahindra Cerium Systems Sdn Bhd	0	3
Trade Receivables	Tech Mahindra Limited	19	1
	Tech Mahindra Cerium Systems Sdn Bhd	61	-

Note -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.

30 Share based payments

Amended Employee Stock Option Plan 2020

The Company had instituted 'Employee Stock Option Plan 2019' (ESOP 2019) for eligible employees of the Company. ESOP 2019 was subsequently amended in its entirety through Amended Employee Stock Option Plan 2020 ("Amended ESOP Plan 2020") dated 11 March, 2020.The vesting period for all the options issued shall be one year from the date of grant of options. Each option carries with it the right to purchase one equity share of the Company at the exercise price determined by the Company at the time of grant.

Details of activity of the ESOP scheme

	31-Mar-22	31-Mar-21
Options outstanding at the beginning of the year	175,760	376,332
Granted during the year	-	-
Forfeited / surrendered during the year	-	-
Exercised during the year	87,879	185,926
Lapsed during the year	3,351	14,646
Options outstanding at the end of year	84,530	175,760
Options exercisable at the end of the year	84,530	175,760

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31-Mar-22		31-Mar-21	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 10	-	84,530	0.77	175,760

During the year ended 31 March 2022, there were no options granted.

The Company recorded an employee compensation cost NIL for the year ended 31 March 2022 (31 March 2021 : INR 8 million) in the Statement of Profit and Loss.

31 Financial instruments - Fair values and risk management

Accounting classifications and fair values

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

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

	Fair value through P&L	Amortized cost	Total carrying value	Total Fair Value*
Assets:				
Cash and cash equivalents	-	695	695	695
Investments	-	43	43	43
Trade receivables	-	303	303	303
Other financial assets	-	43	43	43
Total	**-**	**1,083**	**1,083**	**1,083**
Liabilities:				
Trade and other payables	-	180	180	180
Lease liabilities	-	405	405	405
Other financial liabilities	-	80	80	80
Total	**-**	**665**	**665**	**665**

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

	Fair value through P&L	Amortized cost	Total carrying value	Total Fair Value*
Assets:				
Cash and cash equivalents	-	237	237	237
Investments	-	43	43	43
Trade receivables	-	156	156	156
Other financial assets	-	17	17	17
Total	**-**	**453**	**453**	**453**
Liabilities:				
Trade and other payables	-	84	84	84
Lease liabilities	-	51	51	51
Other financial liabilities	-	27	27	27
Total	**-**	**162**	**162**	**162**

*The fair value of cash and cash equivalents, other balances with bank, trade receivables, loans, trade payables, borrowings and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

Fair value Hierarchy:

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

The different levels have been defined as follows:

Level-1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities at net market value.

Level-2 – Inputs other than quoted prices included within level-1 that are observable for 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). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

A. Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risk. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in significant credit risk concentrations. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. The derivatives are entered into with banks and financial institutions with are high credit ratings.”

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was INR 1083 million, INR 453 million as of 31 March 2022 and 31 March 2021 respectively being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, loans and other financial assets.

b) Trade receivable

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Details of concentration of revenue are included in Note 38. The management 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. More than 95% of the Company's customers have been transacting with the Company for over three years, and none of these customers' balances are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics such as geographic location, industry, history with the Company and existence of previous financial difficulties.

At 31 March 2022, the carrying amount of the Company's most significant customer is 95 million (31 March 2021: 70 million).

Particulars	31-Mar-22	31-Mar-21
Balance at the beginning of the year	0	0
Movement in the expected credit loss allowance on trade receivables and other financial assets:	-	-
Provided / (Reversed / Utilized) during the year (Net)	-	-
Balance at the end of the year	**0**	**0**

Ageing for Trade Receivables

i) For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	< 6 months	6 months – 1 year	1-2 year	2-3 year	> 3 year	Total
i. Undisputed Trade Receivables considered good	247	0			-	247
ii. Undisputed Trade Receivables considered doubtful	-	-	-	-	0	0
iii. Undisputed Unbilled revenue	56	-	-	-	-	56
iv. Disputed Trade Receivables considered good	-	-	-	-	-	-
v. Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
vi. Disputed Unbilled revenue considered doubtful	-	-	-	-	-	-
Total	**303**	**0**	**-**	**-**	**0**	**303**

ii) For the year ended 31 March 2021

Particulars	Outstanding for following periods from due date of payment					
	< 6 months	6 months – 1 year	1-2 year	2-3 year	> 3 year	Total
i. Undisputed Trade Receivables considered good	139	-	-	-	-	139
ii. Undisputed Trade Receivables considered doubtful	-	-	-	-	0	0
iii. Undisputed Unbilled revenue	18	-	-	-	-	18
iv. Disputed Trade Receivables considered good	-	-	-	-	-	-
v. Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
vi. Disputed Unbilled revenue considered doubtful	-	-	-	-	-	-
Total	**156**	**-**	**-**	**-**	**0**	**156**

B. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange currency risk.

a) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar and Malaysian Ringgit against the respective functional currency of the Company.

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

	Currency	31-Mar-22	31-Mar-21
Trade Receivables	USD	164	118
	MYR	61	-
Unbilled Revenue	USD	46	10
	MYR	-	-
Contract asset	USD	408	111
	MYR	32	34
Cash and cash equivalents	USD	0	0
	MYR	0	0

	Currency	31-Mar-22	31-Mar-21
Payables (Trade and others)	MYR	64	-

A reasonably possible strengthening by 1% of USD and MYR against the Indian Rupee as at 31 March 2022, 31 March 2021 will affect the statement of profit and loss by the amounts shown below:

Currency	31-Mar-22	31-Mar-21
USD	2	1
MYR	(0)	0

C. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are remaining contractual maturities of financial liabilities at the reporting date. The amount are gross and undiscounted and include contractual interest payments.

As at 31 March 2022

	Less than 1 year	1-5 years	More than 5 years	Total
Non Derivative Financial Liabilities				
Lease liabilities	115	400	5	520
Trade Payables	180	-	-	180
Other financial liabilities	30	50	-	80
Total	**325**	**450**	**5**	**780**

As at 31 March 2021

	Less than 1 year	1-5 years	More than 5 years	Total
Non Derivative Financial Liabilities				
Lease liabilities	27	30	-	57
Trade Payables	84	-	-	84
Other financial liabilities	2	26	-	28
Total	**113**	**56**	**-**	**169**

32 Ageing for Trade Payable

i) For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	< 1 year	1-2 year	2-3 year	> 3 year	Total
i. MSME *	46	-	-	-	46
ii. Others	89	-	-	-	89
iii. Unbilled dues	46	-	-	-	46
iv. Disputed dues – MSME	-	-	-	-	-
v. Disputed dues - Others	-	-	-	-	-
Total	**180**	**-**	**-**	**-**	**180**

*MSME as per Micro, Small and, Medium and Enterprises Development Act, 2006.

ii) For the year ended 31 March 2021

Particulars	Outstanding for following periods from due date of payment				
	< 1 year	1-2 year	2-3 year	> 3 year	Total
i. MSME *	15	-	-	-	15
ii. Others	12	-	-	-	12
iii. Unbilled dues	57	-	-	-	57
iv. Disputed dues – MSME	-	-	-	-	-
v. Disputed dues - Others	-	-	-	-	-
Total	**84**	**-**	**-**	**-**	**84**

33 Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given as follows

Based on the information available with the Company, there are below outstanding amounts payable to creditors who have been identified as "suppliers" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

Sr. No.	Particulars	31-Mar-22		31-Mar-21	
		Principal	Interest	Principal	Interest
I	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	46	-	15	-
	- Principal amount due to micro and small enterprises				
	a) Trade Payables				
	- Interest on the principal amount due	-	-	-	-
II	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year				
	- Payments made to suppliers beyond the appointed date	-	-	-	-
	-Interest on the principal amount	-	-	-	-
III	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 Micro, Small and Medium Enterprises Development Act, 2006		0		0
IV	The amount of interest accrued and remaining unpaid at the end of each accounting year		0		0
V	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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

34 Post employment benefit plans

i) Defined Contribution Plans

The Company makes contributions to Provident Fund, Superannuation Fund and National Pension sheme Fund which are defined contribution plans for qualifying employees. Under these Schemes, the Company contributes a specified percentage of the payroll costs to the respective funds

The Company has recognized the following expense in the Statement of Profit and Loss :

INR 38 million (31 March 2021: INR 23 million) for Provident Fund contributions.

ii) Defined Benefit Plan

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the company operates a scheme of gratuity which is a defined benefit plan. The following table sets out the Changes in Defined Benefit Obligation ('DBO') in the Balance Sheet are as under:

	31-Mar-22	31-Mar-21
Present Value of Obligation	48	35
Fair Value of Plan Assets	-	-
Surplus / (Deficit)	**(48)**	**(35)**
Net Asset / (Liability)	**(48)**	**(35)**

Expenses Recognized during the period

Particulars	**For the year ending**	
	31-Mar-22	**31-Mar-21**
In Income Statement	19	13
In Other Comprehensive Income	4	(4)
Total Expenses Recognized during the period	**23**	**9**

Changes in the Present Value of Obligation

Particulars	**For the year ending**	
	31-Mar-22	**31-Mar-21**
Present Value of Obligation as at the beginning	**36**	**26**
Current Service Cost	17	12
Interest Expense or Cost	2	2
Re-measurement (or Actuarial) (gain) / loss arising from:	3	(4)
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(10)	(0)
Present Value of Obligation as at the end	**48**	**36**

Bifurcation of Present Value of Obligation at the year as per Companies Act, 2013

Particulars	**For the year ending**	
	31-Mar-22	**31-Mar-21**
Current	4	3
Non-Current	44	32
Present Value of Obligation	**48**	**35**

Expenses Recognised in the Income Statement

Particulars	For the year ending 31-Mar-22	31-Mar-21
Current Service Cost	17	12
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	2	1
Expenses Recognised in the Income Statement	**19**	**13**

Other Comprehensive Income

Particulars	For the year ending 31-Mar-22	31-Mar-21
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	-1	0
- experience variance (i.e. Actual experience vs assumptions)	5	(4)
- Components of defined benefit costs recognised in other comprehensive income	**4**	**(4)**

Financial Assumptions

	31-Mar-22	31-Mar-21
Discount rate (per annum)	6.45%	6.15%
Salary growth rate (per annum)	4.00%	4.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments.It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, senority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Demographic Assumptions

	31-Mar-22	31-Mar-21
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Normal retirement age	60 Years	60 Years
Attrition / Withdrawal rate (per annum)	15.60%	15.60%

Attrition rate indicated above represents the Company's best estimate of employee turnover in future(other than on account of retirement,death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Sensitivity Analysis

Significant actuarial assumptions for the detemination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	31-Mar-22		31-Mar-21	
Defined Benefit Obligation (Base)	48		35	
	31-Mar-22		31-Mar-21	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	51	45	37	33
(% change compared to base due to sensitivity)	6.60%	-5.90%	6.7%	-6.0%
Salary Growth Rate (- / + 1%)	45	51	33	37
(% change compared to base due to sensitivity)	-6.10%	6.70%	-6.1%	6.7%
Attrition Rate (- / + 50% of attrition rates)	49	45	36	33
(% change compared to base due to sensitivity)	1.10%	-5.80%	1.8%	-6.0%
Mortality Rate (- / + 10% of mortality rates)	48	48	35	35
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period.

Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The scheme is managed on unfunded basis.

b) Maturity Profile of Defined Benefit Obligation

	31-Mar-22	31-Mar-21
Weighted average duration (based on discounted cashflows)	6 years	6 years
Expected cash flows over the next (valued on undiscounted basis):		
1 year	4	3
2 to 5 years	26	19
6 to 10 years	24	17
More than 10 years	23	16

35 Leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has used a single discount rate to a portfolio of leases with similar characteristics. The Company has used incremental borrowing rate of 12.30% p.a. as a discount rate to a portfolio of leases with similar characteristics.

Lease agreements pertain to office premises taken on lease and license. The Company has applied Ind AS 116 using the modified retrospective approach. The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. On application of Ind AS 116, the nature of expenses have changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

A. Right-of-use liabilities

	31-Mar-22	31-Mar-21
Non Current	333	28
Current	73	23

B. Cash Flows

	31-Mar-22	31-Mar-21
Payment for Principal portion	48	25
Payment for Interest Portion	24	6
Total cash outflow for leases	72	31

C. Maturity analysis – contractual undiscounted cash flows of leases under the purview of Ind AS 116

	31-Mar-22	31-Mar-21
Less than one year	115	27
One to five years	400	30
More than five years	5	-
Total undiscounted cash flows	**520**	**57**

Disclosure on cash and non-cash changes for liabilities arising from financing activities:

Mentioned below are the components of liabilities related to financing activities in cash flow for the year ended 31 March, 2022

Particulars	Opening balance	Cash flow	Net Additions to lease liability	Closing Balance
Lease liability	51	(72)	426	405

Mentioned below are the components of liabilities related to financing activities in cash flow for the year ended 31 March, 2021

Particulars	Opening balance	Cash flow	Net Additions to lease liability	Closing Balance
Lease liability	20	(31)	62	51

36 Current Tax and Deferred Tax

The income tax expense for the year ended can be reconciled to the accounting profit as follows:

Particulars	31-Mar-22	31-Mar-21
Profit/(Loss) before tax	306	(127)
Enacted tax rate	25.17%	25.17%
Income tax expense calculated at enacted tax rate	77	(32)
Effect of expenses disallowed for tax purpose	141	79
Others	(30)	(6)
Income tax expense recognised in statement of profit and loss	**188**	**41**

The tax rate used for the above reconciliation is the rate as applicable for the respective period payable by corporate entities in India on taxable profits under the Indian income tax laws.

Deferred Tax:

The following is the analysis of Deferred Tax Assets presented in the Balance Sheet:

	31-Mar-22	31-Mar-21
Deferred Tax Assets	137	45
Deferred Tax Liabilities	-99	(12)
Deferred Tax Assets (Net)	**38**	**33**

The tax effect of significant temporary differences that has resulted in deferred tax assets are given below:

	As at 31 March 2021	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2022
Employee Benefits	10	2	1	13
Property, Plant and Equipment	4	1	-	5
Provisions	18	-2	-	16
Other Items	1	3	-	4
Net Deferred Tax Assets	**33**	**4**	**1**	**38**

	As at 31 March 2021	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2022
Employee Benefits	7	2	1	10
Property, Plant and Equipment	3	1	-	4
Provisions	11	7	-	18
Other Items	1	0	-	1
Net Deferred Tax Assets	**22**	**10**	**1**	**33**

37 Earnings Per Share

Basic Earning per share

The calculation of basic earnings per share for the year ended 31 March 2022 was based on profit attributable to equity shareholders of 118 million (31 March 2021 : 169 million - Loss), and the weighted average number of equity shares outstanding of 3.07 million (31 March 2021 : 2.93 million).

Diluted Earning per share

The calculation of basic earnings per share for the year ended 31 March 2022 was based on profit attributable to equity shareholders of 118 million (31 March 2021 : 169 million - Loss), and the weighted average number of equity shares after adjustment for the effects of all dilutive potential equity 3.15 million (31 March, 2021 : 3.10 million).

Particulars	31-Mar-22	31-Mar-21
Profit after taxation	118	(169)
No of Equity Shares outstanding as at year end	3,080,862	3,002,033
Weighted average Equity Shares outstanding as at year end	3,070,739	2,929,191
Add: Dilutive impact of employee stock options	83,233	173,064
No of Equity Shares for calculating Diluted Earnings Per Share	3,153,972	3,102,255
Nominal Value per Equity Share (in INR.)	10	10
Earnings Per Share (Basic) (in INR.)	38.46	(57.53)
Earnings Per Share (Diluted) (in INR.) *	37.44	(57.53)

*Since diluted loss per share is decreased when taking the impact of employee stock options into account (from Rs. 57.53 to Rs 54.32), the employee stock options are anti-dilutive and are ignored in the calculation of diluted loss per share. Therefore, during the previous year diluted loss per share is Rs. 57.53.

38 Disclosures as per Ind AS 115 - Revenue from Contract with Customers

a. Disaggregation of revenue from contracts with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers

Revenue for year ended 31 March 2022

Particulars	Services	Revenue from Subsidiary	Total
Revenue from Time and Material contracts	529	-	529
Revenue from Fixed Price contracts	2,526	141	2,667
Total revenue from contracts with customers	**3,055**	**141**	**3,196**
Geographical Markets			
a. United States of America	44	12	56
b. India	3,009	-	3,009
b. Rest of World	2	129	131
Total revenue from contracts with customers	**3,055**	**141**	**3,196**

Revenue for year ended 31 March 2021

Particulars	Services	Revenue from Subsidiary	Total
Revenue from Time and Material contracts	574	-	574
Revenue from Fixed Price contracts	1,016	61	1,077
Total revenue from contracts with customers	**1,590**	**61**	**1,651**
Geographical Markets			
a. United States of America	227	31	258
b. India	1,344	-	1,344
b. Rest of World	19	30	49
Total revenue from contracts with customers	**1,590**	**61**	**1,651**

b. Trade receivables and Contract balances:

Particulars	31-Mar-22	31-Mar-21
Trade Receivables	247	139
Contract assets	442	144
Unbilled revenue	56	17
Unearned Revenue	-	4

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related services are performed. Revenue for fixed price services contracts is recognized on percentage of completion basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a trade receivable now for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables are non-interest bearing and generally have a credit period of 60 days.

Changes in contract assets	**31-Mar-22**	**31-Mar-21**
Balance at the beginning of the year	145	56
Revenue recognized during the year	2,620	1,154
Invoices raised during the year	2,323	1,065
Balance at the end of the year	442	145

The unearned revenue primarily relate to the advance consideration received on contracts entered with customers for which no work is performed at the reporting date, and therefore revenue will be recognized when rights become unconditional.

Changes in unearned revenue	**31/Mar/22**	**31/Mar/21**
Balance at the beginning of the year	4	-
Revenue recognized net of unearned revenue for the year	(4)	4
Balance at the end of the year	-	4

Revenue recognized during the current year from:	**31/Mar/22**	**31-Mar-21**
Amounts included in contract liability at the beginning of the period	-	-
Performance obligations satisfied in previous periods	-	-

c. **Performance Obligation**

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the company has applied the practical expedient in Ind AS 115. Accordingly, the company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts, or the performance obligation is part of a contract that has an original expected duration of one year or less. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc).

39 Additional regulatory information

(i) Financial ratios

	A	B	C = (A/B)	D = (A/B)	
Particulars	**Numerator**	**Denominator**	**31-Mar-22**	**31-Mar-21**	**Variance**
Current Ratio (in times)	Total Current Assets	Total Current liabilities	3.00	2.65	13.15%
Debt equity ratio (in times) *	Total Debt (1)	Total Equity	0.37	0.12	218.17%
Debt service coverage ratio (in times) **	Earnings available for debt service (2)	Debt Service (3)	8.24	5.28	55.96%
Return on Equity Ratio (in %) **	Proft after tax	Total Equity	11%	-39%	127.92%
Net capital turnover ratio (in times) ***	Total Turnover	Net Working Capital (4)	3.32	4.84	-31.39%
Trade receivable turnover ratio (in times) ****	Total Turnover	Average Trade Receivable	14.18	9.52	48.89%
Trade payables turnover ratio (in times)	Total Turnover	Average Trade Payables	19.38	19.22	0.82%
Net profit ratio (in times) **	Net Profit	Total Turnover	0.04	-0.10	135.83%
Return on capital employed (in %) **	Earning before interest and tax	Average Capital employed(5)	22%	-14%	252.05%

(1) Debt represents lease liabilities

(2) Net Profit after tax +/(-) Non-Cash operating expenses / (income) + Interest

(3) Interest and Lease payments for the year

(4) Current Assets – Current Liabilities

(5) Net worth + lease liabilities

* Increase in Debt quity ratio is on account of increase in lease liability due to new premises taken.

** Increase in ratio is on account of increase in profits for the year.

*** Variance is on account of increase in net working capital from previous year as compared to sales.

**** Variance is on account of increase in turnover from previous year as compared to trade receivable and unbilled revenue.

(ii) The Company has not availed borrowings from banks or financial institutions on the basis of security of current assets and has not been declared a wilful defaulter by any bank or financial institutions or government or government authority.

40 The Company does not have transactions with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956.

41 The Company does not hold any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

42 Previous years figures have been regrouped / reclassified in line with the current year figures, wherever necessary.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration Number :101248W / W-100022

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: 10 May 2022

For and on behalf of the Board of Directors of

Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti
Director
DIN: 02861107
Place: Bangalore
Date: 10 May 2022

Vivek Satish Agarwal
Director
DIN: 05218475
Place: Bangalore
Date: 10 May 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Tech Mahindra Cerium Private Limited (Formerly known as Cerium Systems Private Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tech Mahindra Cerium Private Limited (hereinafter referred to as the "Holding Company") (Formerly known as Cerium Systems Private Limited) and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

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

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's director's report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's 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 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 consolidated 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 consolidated 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 consolidated 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 appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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, based on our audit, 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 purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, incorporated in India 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 Holding Company and its subsidiary companies 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) There were no pending litigations as at 31 March 2022 which would impact the consolidated financial position of the Group.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies during the year ended 31 March 2022.

d) (i) 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 Holding Company or its subsidiary companies, incorporated in India 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 Holding Company or its subsidiary companies, incorporated in India 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, no funds have been received by the Holding Company or its subsidiary companies, incorporated in India from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies, incorporated in India 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 Parties 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 Holding Company and its subsidiary companies have neither declared nor paid any dividend during the year.

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 during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, 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 & Co. LLP
Chartered Accountants
Firm’s Registration No.101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN: 22215165AISXXX5086

Place: Pune
Date: 10 May 2022

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements

(Referred to in our report of even date)

(xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No.101248W/W-100022)

Ashish Gupta
Partner
Membership No. 215165
UDIN: 22215165AISXXX5086

Place: Pune
Date: 10 May 2022

Annexure B to the Independent Auditor's report on the consolidated financial statements of Tech Mahindra Cerium Private Limited (Formerly known as Cerium Systems Private Limited) for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Tech Mahindra Cerium Private Limited (hereinafter referred to as "the Holding Company") (Formerly known as Cerium Systems Private Limited), as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective 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").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements were 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 consolidated 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 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 consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 & Co. LLP
Chartered Accountants
(Firm's Registration No.101248W/W-100022)

Ashish Gupta
Partner
Membership No. 215165
UDIN: 22215165AISXXX5086

Place: Pune
Date: 10 May 2022

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022

(All amounts are Indian Rupees in Million and '0' represents amount less than million)

	Note No.	31-Mar-22	31-Mar-21
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	15	23
(b) Right-of-Use Asset	4	396	47
(c) Intangible Assets	5	0	0
(d) Financial Assets	6	42	9
(e) Income Taxes Assets (Net)		-	23
(f) Deferred Tax Assets (Net)		38	32
(g) Other Non-Current Assets	7	13	1
Total Non-Current Assets		**504**	**135**
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	8		
(1) Billed		204	178
(2) Unbilled		63	22
(ii) Cash and Cash Equivalents	9	942	394
(iii) Other Financial Assets	10	2	6
(b) Other Current Assets	11	478	130
Total Current Assets		**1,689**	**730**
Total Assets		**2,193**	**865**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	31	30
(b) Other Equity	13	1,255	536
Total Equity		**1,286**	**566**
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liability		336	28
(ii) Other Financial Liabilities	14	50	26
(b) Provisions	15	51	36
Total Non - Current Liabilities		**437**	**90**
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
(A) Total outstanding dues to micro enterprises and small enterprises	33	46	15
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		78	34
(ii) Lease Liability		75	23
(iii) Other Financial Liabilities	16	39	8
(b) Other Current Liabilities	17	70	65
(c) Provisions	18	6	4
(d) Income Tax Liabilities (Net)		156	60
Total Current Liabilities		**470**	**209**
Total Equity and Liabilities		**2,193**	**865**

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration Number :101248W / W-100022

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: 10 May 2022

For and on behalf of the Board of Directors of
Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti
Director
DIN: 02861107

Vivek Satish Agarwal
Director
DIN: 05218475

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are Indian Rupees in Million and '0' represents amount less than million)

		Note No.	For the year ended 31-03-2021	For the year ended 31-03-2020
I	Revenue from Operations	19	3,530	2,098
II	Other Income	20	56	13
III	**Total Income (I +II)**		**3,586**	**2,111**
IV	**EXPENSES**			
	Employee Benefit Expense	21	2,725	1,905
	Subcontracting Expenses		285	81
	Finance Costs	22	21	6
	Depreciation and Amortisation Expense	23	76	40
	Other Expenses	24	76	68
	Total Expenses		**3,183**	**2,100**
V	**Profit before Tax (III-IV)**		**403**	**11**
VI	**Tax Expense**			
	Current tax		233	81
	Deferred Tax (credit)		(5)	(11)
	Total Tax Expense		**228**	**70**
VII	**Profit/(Loss) after Tax**		**175**	**(59)**
VIII	**Other Comprehensive Income**			
	I. Items that will not be re-classified to Profit or Loss			
	- Remeasurements of the Defined Benefit Liabilities / (Asset)		(4)	4
	- Income tax relating to items that will not be reclassified to Profit or Loss		1	(1)
	II. Items that may be re-classified to Profit or Loss			
	Exchange differences in translating the Financial Statements of Foreign Operations - gain/(loss) (net)		10	(2)
IX	**Total Other Comprehensive Income**		**7**	**1**
X	**Total Comprehensive Income for the year (VII + IX)**		**182**	**(58)**
	Earnings per share ('EPS') of nominal value of share Rs. 10 (31 March 2022: Rs. 10) (March 31, 2021 : Rs. 10)			
	Basic EPS	36	56.83	(20.10)
	Diluted EPS	36	55.33	(20.10)

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration Number :101248W / W-100022

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: 10 May 2022

For and on behalf of the Board of Directors of
Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti
Director
DIN: 02861107

Vivek Satish Agarwal
Director
DIN: 05218475

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are Indian Rupees in Million and '0' represents amount less than million)

	For the year ended 31-Mar-2022	For the year ended 31-Mar-2021
Cash flows from operating activities:		
Profit/(Loss) Before Tax	403	11
Adjustments for :		
Depreciation and Amortisation Expenses	76	40
Bad debts and advance written off, allowance/(reversal) of doubtful receivables/ unbilled revenue and advances (net)	-	0
Net (gain)/loss on disposal of Property, Plant and Equipment and Intangible Assets	-	(0)
Sundry Balances written back	0	(0)
Finance Costs	21	6
Share Based Payments to Employees	-	8
Employment linked Contingent Consideration (Refer Note 21)	550	315
Unrealised Exchange (Gain) / Loss (net)	8	(2)
Interest Income	(2)	(1)
	1,056	**377**
Changes in working capital :		
Trade Payables	128	23
Other financial liabilities, other liabilities and provisions	21	36
Trade Receivables		
(1) Billed	(24)	40
(2) Unbilled	(41)	(19)
Contract assets	(331)	(68)
Other financial assets and other assets	(57)	15
Cash generated from operating activities before taxes	752	404
Income taxes paid, net	(117)	(4)
Net cash generated from Operating activities (A)	635	400
Cash Flow from Investing Activities:		
Purchase of property plant and equipment and intangible assets (net of disposal)	(4)	(6)
Interest income received	2	1
Net cash generated used in Investing activities (B)	(2)	(5)
Cash Flow from Financing Activities:		
Repayment of borrowings (net)	-	(25)
Proceeds from Issuance of Equity Shares from exercise of stock options	1	2
Buy back of shares and tax there on	(10)	-
Tax on buy back of equity shares	(2)	-
Repayment of lease liabilities	(53)	(27)
Interest paid	(21)	(6)
Net Cash Flow from Financing Activities (C)	**(85)**	**(56)**
Net Increase/(decrease) in cash and cash equivalents during the year (D) = (A+B+C)	**548**	**339**
Cash and cash Equivalent at the beginning of the year (E)	**394**	**55**
Cash and Cash Equivalents at the end of the year (F) = (D+E) (refer note 9)	**942**	**394**

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration Number :101248W / W-100022

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: 10 May 2022

For and on behalf of the Board of Directors of
Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti
Director
DIN: 02861107

Vivek Satish Agarwal
Director
DIN: 05218475

TECH MAHINDRA CERIUM PRIVATE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are Indian Rupees in million except per share and number of shares data, and '0' represents amount less than million)

A. Equity Share Capital

Balance as at 1 April 2021	Changes in Equity Share Capital during the year	Balance as at 31 March 2022
30	1	31

Balance as at 1 April 2020	Changes in Equity Share Capital during the year	Balance as at 31 March 2021
28	2	30

B. Other Equity

Currency INR

Particulars	Share application Money pending allotment	Reserves & Surplus					Foreign Currency Translation Reserve	Total
		Capital reserve	Securities Premium	Share Option Outstanding Account	Capital Redemption Reserve	Retained Earnings		
Balance as at 1st April, 2021		**315**	**188**	**113**	**-**	**(74)**	**(6)**	**536**
Profit for the year						175		**175**
Other Comprehensive Income						(3)	10	**7**
Transfer from share option outstanding account on exercise of stock options			57					**57**
Transfer to secutities premium on exercise of stock options				(57)				**(57)**
Transfer from secutities premium on buy back of equity shares			**(11)**					**(11)**
Transfer from Equity shares on account of buy back of equity shares					**0**			**0**
Received on exercise of options	**1**							**1**
Transfer on allotment of Equity shares	**(1)**							**(1)**
Contribution from Parent entity toward employee compensation		**550**						**550**
Tax on buy back of Equity shares						**(1)**		**(1)**
Transfer to retained earnings on account of lapsed stock options				**(2)**		**2**		**-**
Balance as at 31st March, 2022	**-**	**865**	**234**	**54**	**0**	**98**	**4**	**1,255**

Currency INR

Particulars	Share application Money pending allotment	Reserves & Surplus					Foreign Currency Translation Reserve	Total
		Capital reserve	Securities Premium	Share Option Outstanding Account	Capital Redemption Reserve	Retained Earnings		
Balance as at 1st April, 2020		**-**	**68**	**234**		**(27)**	**(4)**	**271**
Loss for the year						(59)		**(59)**
Other Comprehensive Income						3	(2)	**1**
Transfer from share option outstanding account on exercise of stock options			120					**120**
Transfer to secutities premium on exercise of stock options				(120)				**(120)**
Received on exercise of options	2							**2**
Transfer on allotment of Equity shares	(2)							**(2)**
Contribution from Parent entity toward employee compensation		315						**315**
Share Based Payments to Employees (net)				8		-		**8**
Transfer to retained earnings on account of lapsed stock options				(9)		9		**-**
Balance as at 31st March, 2021	**-**	**315**	**188**	**113**	**-**	**(74)**	**(6)**	**536**

Nature and Purpose of reserves :-

Securities premium :

Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

Capital Reserve:

Capital Reserve has been created on account of employment linked contingent consideration payable by Tech Mahindra Limited to employees of the company pursuant to share purchase agreement entered between Tech Mahindra Limited, the Company and its shareholders dated 09 April, 2020.

Retained Earnings:

Retained earnings are the profits that a company has earned to date, less any dividends or other distributions paid to shareholders.

Share option outstanding Account

The company has established equity settled share based payment plans for ceratin categories of employees of the Company. Refer Note 30 for further details.

Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration Number :101248W / W-100022

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: 10 May 2022

For and on behalf of the Board of Directors of
Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti
Director
DIN: 02861107

Vivek Satish Agarwal
Director
DIN: 05218475

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are Indian Rupees in million except per share and number of shares data, and '0' represents amount less than million)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Corporate Information:

Tech Mahindra Cerium Private Limited (Formerly known as Cerium Systems Private Limited), herein referred to as "Company" was incorporated on 5th day of September 2013 as a Company with the limited liability under the Companies Act, 1956. The Company is engaged into providing design services in semi-conductor industry and embedded software services. The address of the registered office is No.527, 22nd Main, Sector-1, Agara, HSR Layout, Karnataka, Bangalore-560102. During the current financial year, the Company was acquired by Tech Mahindra Limited pursuant to a share purchase agreement dated 09 April 2020. Accordingly, as per the proviso to section 2(71) of the Companies Act, 2013, the Company is deemed to a public company.

The Board of Directors approved the consolidated financial statements for the year ended 31 March 2022 and authorized for issue on 10 May 2022.

2 Significant accounting policies:

2.1 Statement of Compliance:

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as"Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

2.2 Basis for preparation of Consolidated financial statements

These consolidated financial statements are presented in Indian rupees ("INR") which is also the Group's functional currency. All amounts have been reported in Indian Rupees except for share and earnings per share data, unless otherwise stated. These consolidated financial statements have been prepared on the historical cost basis and on an accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. All assets and liabilities have been classified as current and non-current as per the Group'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 Group has considered an operating cycle of 12 months. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share-based Payments, leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as 'value in use', in Ind AS 36 Impairment of assets.

The consolidated financial statements comprise the financial statements of Tech Mahindra Cerium Private Limited and its subsidiaries Tech Mahindra Cerium Systems SDN BHD (incorporated in Malaysia) and Tech Mahindra Cerium Inc. (incorporated in USA) (the Group and its subsidiaries constitute "the Group"). The Group consolidates all entities which are controlled by it. The Group establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity. The consolidated financial statements of the Group companies are consolidated on a line-byline basis and intra-group balances, transactions including unrealized gain / loss from such transactions and cash flows are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

2.3 Use of Estimates:

The preparation of consolidated financial statements requires the management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of consolidated financial statements, disclosure of contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expenses during the reported period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical accounting estimates

i) Revenue Recognition

The Group applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Group to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations. The Group exercises judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

ii) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2.11.

iii) Other estimates

The share based compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

2.4 Property, Plant & Equipment and Intangible assets:

Property, Plant & Equipment and intangible assets are stated at cost less accumulated depreciation/amortisation and net of impairment. 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 costs of bringing the item 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. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work in progress. Depreciation on Property, Plant & Equipment (including assets taken on lease), other than freehold land, is charged based on the straight line method on the estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the certain categories of assets, where the life of the assets has been assessed based on internal technical estimate, considering the nature of the asset and estimated usage of the asset, the operating conditions of asset, past history of replacement, anticipated technological changes.

The estimated useful lives of assets are as follows:

Particulars	Life
Furniture and Fixtures	5 years
Vehicles	5 years
Computers	3 years
Office Equipments	5 years

The estimated useful life of intangible assets (software) is 1 to 4 years and these are amortized on a straight line basis. Project specific intangible assets are amortized over their estimated useful life on a straight line basis or over the period of the license/project period, whichever is lower.

The estimated useful life and residual values of Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period.

Assets acquired under leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term.

An item of Property, Plant & Equipment and intangible asset 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 arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.5 Foreign Operations:

For the purpose of these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

2.6 Leases:

At inception of the contract, the Group determines whether the contract is a lease or contains a lease arrangement. 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.

Group as a lessee

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of- use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of- use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re- measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease. When the Group 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 Group 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 Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

2.7 Impairment of Assets:

i) Financial assets

The Group applies the expected credit loss model for recognizing impairment loss on financial assets.

Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is assessed at customer level separately. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at lifetime expected credit loss.

ii) Non Financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the consolidated statement of profit and loss.

2.8 Revenue recognition:

Revenue from business include revenue earned from services rendered on ‘time and material’ basis and fixed price development contracts.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services, net of indirect taxes, discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

Revenue from time and material 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 on fixed price development contracts is recognised using the ‘percentage of completion’ method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognised only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the consolidated statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability (“Unearned revenue”) arises when there are billing in excess of revenue.

Fixed price development contracts and related services, the performance obligation is satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The Group accounts for volume discount and pricing incentives to customers as a reduction based on ratable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning the discount/incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Group recognises the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Group recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the consolidated selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the consolidated selling price, or as a termination of the existing contract and creation of a new contract if not priced at the consolidated selling price.

The Group disaggregates revenue from contracts with customers by nature of services and geography verticals.

2.9 Foreign currency transactions:

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the profit or loss.

2.10 Financial Instruments:

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and 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 measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method less impairment losses, if these financial assets are held within a business model whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial assets not measured at amortised cost are carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in ‘other comprehensive income’, for investment in equity instruments which are not held for trading.

The Group, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in ‘other comprehensive income’, subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL, are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment as per Ind AS 27 Consolidated and Separate Financial Statements.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at FVTPL. For financial liabilities carried at amortised cost, the carrying amounts approximate fair values due to the short term maturities of these instruments. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

ii) Derecognition of financial instruments

The Group 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 Group retains substantially all the risk and rewards of transferred financial assets, the Group continues to recognise the financial asset and also recognises the borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group’s obligation are discharged, cancelled or have expired.

2.11 Employee Benefits

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. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee’s last drawn salary and the tenure of the employment.

b. Defined contribution plans:

i) Provident fund: The eligible employees of the Group are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the consolidated statement of profit and loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Group. The Group has no further obligations for future provident fund.

ii) Superannuation and ESIC: Contributions to Superannuation fund and employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the consolidated statement of profit and loss on an accrual basis. The Group has no further obligations for future superannuation fund benefits other than its annual contributions.

c. Compensated absences:

The Group provides for compensated absences and long term service awards subject to Group's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date and the awards are accrued based on number of years of service of an employee. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognised in full in the Consolidated statement of profit and loss in the period in which they occur. The Group also off a short term benefi in the form of encashment of unavailed accumulated compensated absences above certain limits for all of its employees and same is recognised as undiscounted liability at the balance sheet date.

d. Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for services rendered by employees, are recognised in the consolidated statement of profit and loss during the period when the employee renders the service.

2.12 Taxation:

Tax expense comprises of current tax and deferred tax. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period.

Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemptions in accordance with the local tax laws existing in the respective countries.

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 income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit has a legally enforceable right and intends to settle the asset and liability on a net basis.

Deferred income taxes: Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India. MAT credit is recognised for future economic benefits in the form of adjustment of future income tax liability and is considered as an asset if there is probable evidence that the Group will pay normal income tax.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The Group recognises interest levied and penalties related to income tax assessments in interest expenses.

2.13 Employee Stock Option Plans:

Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. 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 amortization). The share based compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest. The expense is recognised in the statement of profit and loss with a corresponding increase to the 'share option outstanding account', which is a component of equity.

2.14 Research and development:

Research costs are recognised as an expense in the consolidated statement of profit and loss in the period they are incurred. Development costs are recognised in the consolidated statement of profit and loss unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete the development project and use the asset and the costs can be measured reliably.

2.15 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period. For calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects 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).

2.16 Provisions and Contingent Liabilities:

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

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 Group 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 the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.17 Recent 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, applicable 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.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. 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.

Note -3: Property, Plant and Equipment

Particulars	Computers	Furniture and Fixtures	Vehicles	Office Equipments	Leasehold Improvements	Total
Gross Block						
As at 1 April 2020	33	28	5	6	1	**73**
Additions	3	0	-	2	0	**6**
Deletions	-	2	-	0	-	**2**
Foreign currency translation	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 31 March 2021	36	26	5	8	1	**77**
Additions	1	-	-	3	-	**4**
Deletions	**-**	**-**	**-**	**-**	**-**	**-**
Foreign currency translation	-	-	-	-	-	**-**
Balance as at 31 March 2022	37	26	5	11	1	**81**
Accumulated Depreciation						
As at 1 April 2020	25	13	3	4	1	**46**
Depreciation for the year	4	5	1	0	0	**10**
Accumulated depreciation on disposals	**-**	**2**	**-**	**0**	**-**	**2**
Foreign currency translation	(0)	(0)	-	(0)	-	**(0)**
As at 31 March 2021	29	16	4	4	1	**54**
Depreciation for the year	5	5	1	1	0	**12**
Accumulated depreciation on disposals	**-**	**-**	**-**	**-**	**-**	**-**
Foreign currency translation	(0)	(0)	(0)	0	(0)	**0**
As at 31 March 2022	34	21	5	5	1	**66**
Net block						
As at 31 March 2021	7	10	1	4	0	**23**
As at 31 March 2022	**3**	**5**	**0**	**6**	**0**	**15**

Note -4: Right of Use Assets

Particulars	**Office Premises**	**Total**
As at 1 April 2020	46	46
Additions	56	56
Deletions	16	16
Balance as at 31 March 2021	86	86
Additions	412	412
Deletions	53	53
Balance as at 31 March 2022	**445**	**445**
Accumulated Amortization		
As at 1 April 2020	26	26
Amortization for the year	29	29
Accumulated Amortization on disposals	16	16
Foreign currency translation reserve Impact	(0)	(0)
As at 31 March 2021	39	39
Amortization for the year	64	64
Accumulated Amortization on disposals	54	54
Foreign currency translation reserve Impact	0	0
As at 31 March 2022	**49**	**49**
Net block		
As at 31 March 2021	47	47
As at 31 March 2022	**396**	**396**

Note -5: Intangible Assests

Particulars	**Softwares**	**Total**
Gross Block		
As at 1 April 2020	0	0
Additions	0	0
Deletions	-	-
Balance as at 31 March 2021	0	0
Additions	0	0
Deletions	-	-
Balance as at 31 March 2022	**0**	**0**
Accumulated Amortization		
As at 1 April 2020	0	0
Amortization for the year	0	0
Accumulated Amortization on disposals	-	-
As at 31 March 2021	0	0
Amortization for the year	0	0
Accumulated Amortization on disposals	-	-
As at 31 March 2022	**0**	**1**
Net Block		
As at 31 March 2021	0	0
As at 31 March 2022	0	0

Note 6

Other Financial Assets - Non Current
(Unsecured, considered good)

	As at	
	31-Mar-22	**31-Mar-21**
To parties other than related parties		
a) Interest Receivable		
Interest accrued on deposits and advances	**0**	0
	0	0
b) Security Deposits		
Unsecured, considered good	**41**	8
	41	8
c) Bank deposits/Margin Money Deposits having maturities of more than 12 months from the Balance Sheet date		
Unsecured, considered good	**1**	1
	1	1
Total	**42**	9

Note 7

Other Non-Current Assets
(Unsecured, considered good)

	As at	
	31-Mar-22	**31-Mar-21**
Prepaid Expenses	**12**	1
Capital Advances	**1**	-
Total	**13**	1

Note - 8

Trade Receivables
(Unsecured, considered good unless otherwise stated)

	As at	
	31-Mar-22	**31-Mar-21**
Trade receivable - Billed (Unsecured)		
Considered good	**204**	178
Less: Allowance for expected credit loss	**-**	-
	204	178
Credit Impaired	**0**	0
Less: Allowance for expected credit loss	**(0)**	(0)
	-	-
Total trade receivable - Billed (Unsecured)	**204**	178
Trade receivable - Unbilled (Unsecured, Considered Good)	**63**	22
Total	**267**	200

Note - 9

Cash and Cash Equivalents

	As at	
	31-Mar-22	**31-Mar-21**
Cash in hand	**0**	0
Balances with banks		
In Current Account	**942**	394
Total	**942**	394

Note 10

Other Financial Assets
(Unsecured, considered good)

	As at	
	31-Mar-22	**31-Mar-21**
Security Deposits	**2**	6
Total	**2**	6

Note 11

Other current assets
(Unsecured, considered good)

	As at	
	31-Mar-22	**31-Mar-21**
Advances to Employees	**2**	4
Contracts Assets	**447**	116
Prepaid Expenses	**24**	9
Other Advances	**4**	1
Balance With Government Authorities	**1**	-
Total	**478**	130

Note -12

Equity Share Capital

	As at	
	31-Mar-22	**31-Mar-21**
Authorized		
40,00,000 (31st March, 2021 : 40,00,000) equity shares of Rs. 10 each	**40**	40
	40	40
Issued, subscribed and fully paid up		
30,80,862 (31st March, 2021 : 30,02,033) equity shares of Rs. 10 each	**31**	30
	31	30

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	31-Mar-22		31-Mar-21	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	**3,002,033**	**30**	2,816,107	28
Issued during the year	**87,879**	**1**	185,926	2
Buy Back of shares during the year	**(9,050)**	**(0)**	-	-
At the end of the year	**3,080,862**	**31**	3,002,033	30

b) 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 are in proportion to its share of the paid-up equity capital of the Company. 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 all preferential amounts in proportion to the number of equity shares held.

c) Particulars of shareholders holding more than 5% shares of a class of shares

	31-Mar-22		31 March 21	
	Number of shares	% total holding in shares	Number of shares	% total holding in shares
Equity shares of Rs. 10 each fully paid-up held by				
Tech Mahindra Limited*	**2,215,405**	**71.91%**	1,808,400	60.24%
NVL Holdings Pvt Ltd	**329,439**	**10.69%**	450,915	15.02%
Surya Palisetti	**230,421**	**7.48%**	315,386	10.51%
Sudhakar Palisetti	**-**	**-**	166,533	5.55%

* Pursuant to a share purchase agreement, Tech Mahindra Limited ('TechM') acquired 51% stake in the Company on 09 April, 2020 for a total consideration of Rs. 1,454 Million, out of which Rs. 916 Million was paid upfront to the shareholders of the Company. Further, TechM has also entered into an agreement to purchase the remaining 49% stake over a period of three-year, ending 31 March, 2023. Subsequently, TechM has acquired 9.24 % stake in previous year. Also, TechM had made earnout payment for first tranche.

* In Current Year, Tech Mahindra Limited ('TechM') acquired additional 11.67% stake in the Company.

Promoter Holdings

Shares held by promotes at the end of the year	For 31 March 2022		For 31 March 2021		Percentage of change during the year
Promoter name	No of shares	% of total shares	No of shares	% of total shares	
Tech Mahindra Limited	2,215,405	71.91%	1,808,400	60.24%	11.67%
NVL Holdings Pvt Ltd	329,439	10.69%	450,915	15.02%	-4.33%
Surya Palisetti	230,421	7.48%	315,386	10.51%	-3.03%
Sudhakar Palisetti	121,669	3.95%	166,533	5.55%	-1.60%

Note -13

Other Equity

	31st March 2022	31st March 2021
Securities Premium		
At the commencement of the year	188	68
Transferred from share option outstanding account on exercise of stock options	57	120
Transfer from secutities premium on buy back of equity shares	(11)	-
At the end of the year (a)	**234**	**188**
Capital Reserve		
At the commencement of the year	315	-
Addition on account of employment linked contingent consideration	550	315
At the end of the year (b)	**865**	**315**
Share option outstanding Account		
At the commencement of the year	113	234
Add: Amortisation of Share Based Payments to Employees (net)	**-**	**8**
Less: Transferred to Securities Premium on exercise of stock options	(57)	(120)
Less: Transfer to Retained Earnings on account of stock options lapsed	(2)	(9)
At the end of the year (c)	**54**	**113**
Retained earnings		
At the commencement of the year	(74)	(27)
Profit/(Loss) for the year	175	(59)
Other comprehensive income	(3)	3
Transfer from Share option oustanding account on account of options lapsed	2	9
Tax on buy back of Equity shares	(1)	-
At the end of the year (d)	**98**	**(74)**
Capital Redemption Reserve		
At the commencement of the year	-	-
Addition on account of buy back of equity shares	0	-
At the end of the year (e)	**0**	**-**
Foreign currency translation reserve		
At the commencement of the year	(6)	(4)
Exchange differences in translating the Financial Statements of Foreign Operations arised during the year	10	(2)
At the end of the year (f)	**4**	**(6)**
Total (a + b + c + d + e + f)	**1,255**	**536**

Note - 14 :

Other Financial Liabilities - Non Current

	As at	
	31-Mar-22	**31-Mar-21**
Dues payable to employees	**50**	26
Total	**50**	26

Note - 15:

Provisions - Non Current

	As at	
	31-Mar-22	**31-Mar-21**
Provision for Employee Benefits		
Gratuity (Refer Note 34)	**44**	32
Compensated Absences	**7**	4
Total	**51**	36

Note - 16: Other Financial Liabilities - Current

	As at	
	31-Mar-22	**31-Mar-21**
Accrued Employee Liabilities	**39**	8
Total	**39**	8

Note - 17: Other Current Liabilities

	As at	
	31-Mar-22	**31-Mar-21**
Unearned revenue	**-**	4
Statutory dues payable	**70**	61
Others	**0**	0
Total	**70**	65

Note - 18: Provisions - Current

	As at	
	31-Mar-22	**31-Mar-21**
Provision for employee benefits		
Gratuity (Refer Note 34)	**4**	3
Compensated Absences	**2**	1
Total	**6**	4

Note - 19: Revenue from Operations

	31-Mar-22	**31-Mar-21**
Sale of services	**3,530**	2,098
Total	**3,530**	2,098

Note - 20: Other Income

	31-Mar-22	**31-Mar-21**
Interest Income		
- On Bank deposits	**0**	0
- Others	**2**	1
Profit/ (Loss) on sale of Property, Plant & Equipments	**-**	0
Foreign Exchange gain/(loss) net	**52**	9
Sundry Balances Written Back	**(0)**	0
Miscellaneous Income	**2**	3
Total	**56**	13

Note - 21: Employee Benefits Expense

	31-Mar-22	**31-Mar-21**
Salaries and Wages, including bonus*	**2,649**	1,844
Contribution to Provident and other Funds	**53**	40
Gratuity	**19**	13
Share Based Payments to Employees	**-**	8
Staff Welfare Expenses	**4**	0
Total	**2,725**	1,905

***Notes:**

1. Salaries and wages includes an amount of Rs. 550 million (31 March 2021: Rs. 315 million) on account of employment linked contingent consideration pursuant to share purchase agreement entered between Tech Mahindra Limited, the Company and its shareholders dated 09 April, 2020.

2. Bonus expense also includes an amount of of Rs. 25 million (31 March 2021: Rs. 26 million) for cash bonus accrued to ESOP holders in accordance with Amended ESOP Plan 2020, which is expected to be paid out by 30 April 2023, subject to Optionee continues to be in the employment of the Company, until 31 March 2023.

Note - 22:

Finance Cost

	31-Mar-22	31-Mar-21
Interest On Short Term Loan & Cash Credits	**-**	0
Other Interest Expense	**0**	0
Finance cost related to Lease Liabilities	**21**	6
Total	**21**	6

Note - 23 : Depreciation and Amortization Expense

	31-Mar-22	31-Mar-21
Depreciation/Amortisation on Property ,Plant and Equipment & Intangible Assets	**12**	11
Depreciation on ROU	**64**	29
Total	**76**	40

Note - 24: Other Expenses

	31-Mar-2021	31-Mar-2020
Power & Fuel Expenses	**3**	2
Rates and taxes	**2**	0
Communication Expenses	**10**	10
Travelling Expenses	**7**	6
Recruitment Expenses	**2**	2
Legal and other professional costs	**17**	17
Payment to statutory auditors (Refer Note 28)	**1**	1
Repair and maintenance Expenses		
- Buildings (including leased premises)	**5**	3
- Machinery and Computers	**1**	0
- Others	**0**	0
Insurance charges	**25**	20
Advertisement, Promotion & Selling Expenses	**1**	0
General Office Expenses	**2**	2
Bad Debts written off	**-**	0
Donation	**-**	0
Miscellaneous Expenses	**0**	4
Total	**76**	68

Note -25Commitments and Contingencies

a) Capital Commitments

The Group does not have any capital commitments as at year ended 31 March 2022 and 31 March 2021.

b) Bank guarantees and letters of comfort

Bank Guarantees outstanding as at 31 March, 2022: 1 million (31 March, 2021: 1 million).

c) Contingent Liabilities for Taxation Matters

There are no pending litigations on the Group.

d) 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 had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company 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 -26Corporate Social responsibility :

The requirements as stipulated by the provisions of Section 135 are not applicable to the Company.

Note -27 Particulars of Consolidation

The financial statements present the consolidated accounts of the Group, which consists of financial statements of Tech Mahindra Cerium private limited & its subsidiaries.

Direct Subsidiaries:

i) Tech Mahindra Cerium Systems Inc

ii) Tech Mahindra Cerium Systems SDN. BHD.

Note -28 Auditors' Remuneration (Exclusive of GST)

Particulars	31-Mar-22	31-Mar-21
Audit Fees	**1**	1
For other service (buyback, certifications, etc.)	**0**	-
For Reimbursement of expenses	**0**	-
Total	**1**	1

Note -29 Related party relationships and transactions

A. Name of related party :

Name	Relation
Tech Mahindra Limited	Holding Group (w.e.f 9 April 2020)
Tech Mahindra ICT Services (Malaysia) SDN BHD	Subsidiary of Holding Co
Tech Mahindra Cerium Systems SDN BHD	Direct Subsidiary
Tech Mahindra Cerium Systems INC	Direct Subsidiary

B. Key management personnel (KMP)

Sudhakar Palisetti (Director)

Vivek Satish Agarwal (Non- Executive Director w.e.f. 9 April 2020)

Ravichandran Lakshminarayanan (Non- Executive Director w.e.f. 9 April 2020 and upto 29 November 2021)

Johnson Henry Geddam (Director upto 9 April 2020)

Bandaru Venkaiah Naidu (Director upto 9 April 2020)

Jayakumar Gorla (Director upto 9 April 2020 and Chief Operating Officer w.e.f. 9 April 2020)

Jayaraman Ganapathy (Independent Director w.e.f. 2 June 2021)

Bangre Prabhakararao Sachin Kumar (Independent Director w.e.f. 2 June 2021)

Narasimham Venkata Rachakonda (Non- Executive Director w.e.f. 13 December 2021)

C. Disclosure of related party transactions:

Nature of Transaction	Name of the Related Party	31-Mar-22	31-Mar-21
Revenue from operations	Tech Mahindra Limited	**149**	18
Expense reimbursed	Tech Mahindra Limited	**39**	49
	Tech Mahindra ICT Services (Malaysia) SDN BHD	**0**	-
Remuneration	Sudhakar Palisetti	**7**	7
	Jayakumar Gorla	**5**	5

Note - Remuneration excludes employment linked contingent consideration, employee stock options and provision for employee benefits as separate valuation for the key management personnel is not available.

D. Closing balances:

Nature of Transaction	Name of the Related Party	31-Mar-22	31-Mar-21
Unbilled Revenue	Tech Mahindra Limited	**40**	5
Trade Receivables	Tech Mahindra Limited	**38**	1

Note - 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.

30 Share based payments

Amended Employee Stock Option Plan 2020

The Group had instituted 'Employee Stock Option Plan 2019' (ESOP 2019) for eligible employees of the Group. ESOP 2019 was subsequently amended in its entirety through Amended Employee Stock Option Plan 2020 ("Amended ESOP Plan 2020") dated 11 March, 2020.The vesting period for all the options issued shall be one year from the date of grant of options. Each option carries with it the right to purchase one equity share of the Group at the exercise price determined by the Group at the time of grant.

Details of activity of the ESOP scheme

	31-Mar-22	31-Mar-21
Options outstanding at the beginning of the year	**175,760**	376,332
Granted during the year	**-**	-
Forfeited / surrendered during the year	**-**	-
Exercised during the year	**87,879**	185,926
Lapsed during the year	**3,351**	14,646
Options outstanding at the end of year	**84,530**	175,760
Options exercisable at the end of the year	**84,530**	175,760

The weighted average remaining contractual life are as follows:

	31-Mar-22		31-Mar-21	
Range of Exercise Price	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 10	-	84,530	0.77	175,760

During the year ended 31 March 2022, there were no options granted.

The Company recorded an employee compensation cost NIL for the year ended 31 March 2022 (31 March 2021 : INR 8 million) in the Statement of Profit and Loss.

31 Financial instruments - Fair values and risk management

Accounting classifications and fair values

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

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

	Fair value through P&L	Amortized cost	Total carrying value	Total Fair Value*
Assets:				
Cash and cash equivalents	-	942	942	942
Trade receivables	-	267	267	267
Other financial assets	-	43	43	43
	-	**1,252**	**1,252**	**1,252**
Liabilities:				
Trade and other payables	-	124	124	124
Lease liabilities	-	410	410	410
Other financial liabilities	-	90	90	90
	-	**624**	**624**	**624**

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

	Fair value through P&L	Amortized cost	Total carrying value	Total Fair Value*
Assets:				
Cash and cash equivalents	-	394	394	394
Trade receivables	-	200	200	200
Other financial assets	-	14	14	14
Total	**-**	**608**	**608**	**608**
Liabilities:				
Trade and other payables	-	49	49	49
Lease liabilities	-	51	51	51
Other financial liabilities	-	34	34	34
Total	**-**	**134**	**134**	**134**

*The fair value of cash and cash equivalents, other balances with bank, trade receivables, trade payables, and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

Fair value Hierarchy:

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

The different levels have been defined as follows:

Level-1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities at net market value.

Level-2 – Inputs other than quoted prices included within level-1 that are observable for 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). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

A. Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risk. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Group result in significant credit risk concentrations. Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. The derivatives are entered into with banks and financial institutions with are high credit ratings.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was INR 1252 million and INR 609 million as of 31 March 2022 and 31 March 2021 respectively, being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, loans and other financial assets.

b) Trade receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Details of concentration of revenue are included in Note 38. The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period. More than 95% of the Group's customers have been transacting with the Group for over three years, and none of these customers' balances are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics such as geographic location, industry, history with the Group and existence of previous financial difficulties.

At 31 March 2022, the carrying amount of the Company's most significant customer is 95 million (31 March 2021: 70 million).

	As at	
	31-Mar-22	**31-Mar-21**
Balance at the beginning of the year	**0**	0
Movement in the expected credit loss allowance on trade receivables and other financial assets:	**-**	-
Provided / (Reversed / Utilized) during the year (Net)	**-**	-
Balance at the end of the year	**0**	0

Ageing for Trade Receivables

i) For the year ended 31 March 2022

Particulars		**Outstanding for following periods from due date of payment**					**Total**
		< 6 months	**6 months – 1 year**	**1-2 year**	**2-3 year**	**> 3 year**	
i.	Undisputed Trade Receivables considered good	204	0			0	204
ii.	Undisputed Trade Receivables considered doubtful	-	-	-	-	-	-
iii.	Undisputed Unbilled revenue	63	-	-	-	-	63
iv.	Disputed Trade Receivables considered good	-	-	-	-	-	-
v.	Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
vi.	Disputed Unbilled revenue considered doubtful	-	-	-	-	-	-
Total		**267**	**0**	**-**	**-**	**0**	**267**

ii) For the year ended 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months – 1 year	1-2 year	2-3 year	> 3 year	
i. Undisputed Trade Receivables considered good	178	-	-	-	0	178
ii. Undisputed Trade Receivables considered doubtful	-	-	-	-	-	-
iii. Undisputed Unbilled revenue	22	-	-	-	-	22
iv. Disputed Trade Receivables considered good	-	-	-	-	-	-
v. Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
vi. Disputed Unbilled revenue considered doubtful	-	-	-	-	-	-
Total	**200**	**-**	**-**	**-**	**0**	**200**

B. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange currency risk.

a) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar and Malaysian Ringgit against the respective functional currency of the Group.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

	Currency	31-Mar-22	31-Mar-21
Trade Receivables	USD	**164**	118
Unbilled Revenue	USD	**50**	19
	MYR	**4**	-
Contract Assets	USD	**427**	97
	MYR	**19**	8
Cash and cash equivalents	USD	**0**	0
	MYR	**0**	0

	Currency	31-Mar-22	31-Mar-21
Payables (Trade and others)	USD	**-**	-

A reasonably possible strengthening by 1% of USD and MYR against the Indian Rupee as at 31 March 2022 and 31 March 2021 will affect the statement of profit and loss by the amounts shown below:

Currency	31-Mar-22	31-Mar-21
USD	**2**	1
MYR	**0**	0

C. Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are remaining contractual maturities of financial liabilities at the reporting date. The amount are gross and undiscounted and include contractual interest payments.

As at 31 March 2022

	Less than 1 year	1-5 years	More than 5 years	Total
Non Derivative Financial Liabilities				
Lease liabilities	117	403	5	525
Trade Payables	124	-	-	124
Other financial liabilities	40	50	-	90
Total	**281**	**453**	**5**	**739**

As at 31 March 2021

	Less than 1 year	1-5 years	More than 5 years	Total
Non Derivative Financial Liabilities				
Borrowings	-	-	-	-
Lease liabilities	28	30	-	58
Trade Payables	-	-	-	-
Other financial liabilities	8	26	-	34
Total	**36**	**56**	**-**	**92**

32 Ageing for Trade Payable

i) For the year ended 31 March 2022

Particulars	**Outstanding for following periods from due date of payment**				**Total**
	< 1 year	**1-2 year**	**2-3 year**	**> 3 year**	
i. MSME	46	-	-	-	46
ii. Others	27	-	-	-	27
iii. Unbilled dues	51	-	-	-	51
iv. Disputed dues – MSME	-	-	-	-	-
v. Disputed dues - Others	-	-	-	-	-
Total	**124**	**-**	**-**	**-**	**124**

ii) For the year ended 31 March 2021

Particulars	**Outstanding for following periods from due date of payment**				**Total**
	< 1 year	**1-2 year**	**2-3 year**	**> 3 year**	
i. MSME	15	-	-	-	15
ii. Others	16	-	-	-	16
iii. Unbilled dues	18	-	-	-	18
iv. Disputed dues – MSME	-	-	-	-	-
v. Disputed dues - Others	-	-	-	-	-
Total	**49**	**-**	**-**	**-**	**49**

33 Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given as follows

Based on the information available with the Company, there are below outstanding amounts payable to creditors who have been identified as "suppliers" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

Sr. No.	Particulars	31-Mar-22		31-Mar-21	
		Principal	Interest	Principal	Interest
I	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	46	-	15	-
	- Principal amount due to micro and small enterprises				
	a) Trade Payables				
	- Interest on the principal amount due	-	-	-	-
II	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year				
	- Payments made to suppliers beyond the appointed date	-	-	-	-
	-Interest on the principal amount	-	-	-	-
	Principle amounts paid (includes unpaid) beyond appointed date	-	-	-	-
III	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 Micro, Small and Medium Enterprises Development Act, 2006		0		0
IV	The amount of interest accrued and remaining unpaid at the end of each accounting year		0		0
V	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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

34 Post employment benefit plans

i) Defined Contribution Plans

The Company makes contributions to Provident Fund, Superannuation Fund and National Pension sheme Fund which are defined contribution plans for qualifying employees. Under these Schemes, the Company contributes a specified percentage of the payroll costs to the respective funds

The Company has recognized the following expense in the Statement of Profit and Loss :

INR 38 million (31 March 2021: INR 23 million) for Provident Fund contributions.

ii) Defined Benefit Plan

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the company operates a scheme of gratuity which is a defined benefit plan. The following table sets out the Changes in Defined Benefit Obligation ('DBO') in the Balance Sheet are as under:

	31-Mar-22	31-Mar-21
Present Value of Obligation	**48**	35
Fair Value of Plan Assets	**-**	-
Surplus / (Deficit)	**(48)**	(35)
Net Asset / (Liability)	**(48)**	(35)

Expenses Recognized during the period

Particulars	For the year ending	
	31-Mar-22	**31-Mar-21**
In Income Statement	**19**	13
In Other Comprehensive Income	**4**	(4)
Total Expenses Recognized during the period	**23**	**9**

Changes in the Present Value of Obligation

Particulars	For the year ending	
	31-Mar-22	**31-Mar-21**
Present Value of Obligation as at the beginning	**36**	26
Current Service Cost	**17**	12
Interest Expense or Cost	**2**	2
Re-measurement (or Actuarial) (gain) / loss arising from:	**3**	(4)
Past Service Cost	**-**	-
Effect of change in foreign exchange rates	**-**	-
Benefits Paid	**(10)**	(0)
Present Value of Obligation as at the end	**48**	**36**

Bifurcation of Present Value of Obligation at the year as per Companies Act, 2013

Particulars	For the year ending	
	31-Mar-22	**31-Mar-21**
Current	**4**	3
Non-Current	**44**	32
Present Value of Obligation	**48**	**35**

Expenses Recognised in the Income Statement

Particulars	For the year ending	
	31-Mar-22	**31-Mar-21**
Current Service Cost	**17**	12
Past Service Cost	**-**	-
Loss / (Gain) on settlement	**-**	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	**2**	1
Expenses Recognised in the Income Statement	**19**	**13**

Other Comprehensive Income

Particulars	For the year ending	
	31-Mar-22	**31-Mar-21**
Actuarial (gains) / losses		
- change in demographic assumptions	**-**	-
- change in financial assumptions	**(1)**	0
- experience variance (i.e. Actual experience vs assumptions)	**5**	(4)
-Components of defined benefit costs recognised in other comprehensive income	**4**	**(4)**

Financial Assumptions

	31-Mar-22	**31-Mar-21**
Discount rate (per annum)	**6.45%**	6.15%
Salary growth rate (per annum)	**4.00%**	4.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments.It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, senority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Demographic Assumptions

	31-Mar-22	31-Mar-21
Mortality rate	**100% of IALM 2012-14**	100% of IALM 2012-14
Normal retirement age	**60 Years**	60 Years
Attrition / Withdrawal rate (per annum)	**15.60%**	15.60%

Attrition rate indicated above represents the Company's best estimate of employee turnover in future(other than on account of retirement,death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Sensitivity Analysis

Significant actuarial assumptions for the detemination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	31-Mar-22	31-Mar-21
Defined Benefit Obligation (Base)	**48**	35

	31-Mar-22		31-Mar-21	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	**51**	**45**	37	33
(% change compared to base due to sensitivity)	**6.60%**	**-5.90%**	6.7%	-6.0%
Salary Growth Rate (- / + 1%)	**45**	**51**	33	37
(% change compared to base due to sensitivity)	**-6.10%**	**6.70%**	-6.1%	6.7%
Attrition Rate (- / + 50% of attrition rates)	**49**	**45**	36	33
(% change compared to base due to sensitivity)	**1.10%**	**-5.80%**	1.8%	-6.0%
Mortality Rate (- / + 10% of mortality rates)	**48**	**48**	35	35
(% change compared to base due to sensitivity)	**0.0%**	**0.0%**	0.0%	0.0%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period.

Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The scheme is managed on unfunded basis.

b) Maturity Profile of Defined Benefit Obligation

	31-Mar-22	31-Mar-21
Weighted average duration (based on discounted cashflows)	**6 years**	6 years
Expected cash flows over the next (valued on undiscounted basis):		
1 year	4	3
2 to 5 years	26	19
6 to 10 years	24	17
More than 10 years	23	16

35 Leases

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has used a single discount rate to a portfolio of leases with similar characteristics. The Group has used incremental borrowing rate of 12.30% p.a. as a discount rate to a portfolio of leases with similar characteristics.

Lease agreements pertain to office premises taken on lease and license. The Group has applied Ind AS 116 using the modified retrospective approach. The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. On application of Ind AS 116, the nature of expenses have changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

A. Right-of-use liabilities

	31-Mar-22	31-Mar-21
Non Current	**336**	28
Current	**75**	23

B. Cash Flows

	31-Mar-22	31-Mar-21
Payment for Principal portion	**50**	27
Payment for Interest Portion	**24**	6
Total cash outflow for leases	**74**	33

C. Maturity analysis – contractual undiscounted cash flows of leases under the purview of Ind AS 116

	31-Mar-22	31-Mar-21
Less than one year	**117**	28
One to five years	**403**	30
More than five years	**5**	-
Total undiscounted cash flows	**525**	58

Disclosure on cash and non-cash changes for liabilities arising from financing activities:

Mentioned below are the components of liabilities related to financing activities in cash flow for the year ended 31 March, 2022

Particulars	Opening balance	Cash flow	Net Additions to lease liability	Closing Balance
Lease liability	51	(74)	433	410

Mentioned below are the components of liabilities related to financing activities in cash flow for the year ended 31 March, 2021

Particulars	Opening balance	Cash flow	Net Additions to lease liability	Closing Balance
Lease liability	23	(33)	62	51

36 Current Tax and Deferred Tax

The income tax expense for the year ended can be reconciled to the accounting profit as follows:

Particulars	31-Mar-22	31-Mar-21
Profit/(Loss) before tax	**403**	11
Enacted tax rate	**25.17%**	25.17%
Income tax expense calculated at enacted tax rate	**101**	3
Effect of expenses disallowed for tax purpose	**141**	79
Effect of income taxes related to prior years	**19**	0
Effect of tax on income at different rates	**3**	(6)
Effect of utilization of brought forward losses/unabsorbed depreciation	**(25)**	-
Others	**(11)**	(6)
Income tax expense recognised in statement of profit and loss	**228**	70

The tax rate used for the above reconciliation is the rate as applicable for the respective period payable by corporate entities in India on taxable profits under the Indian income tax laws.

Deferred Tax:

The following is the analysis of Deferred Tax Assets presented in the Balance Sheet:

	31-Mar-22	31-Mar-21
Deferred Tax Assets	**136**	44
Deferred Tax Liabilities	**(98)**	(12)
Deferred Tax Assets (Net)	**38**	32

The tax effect of significant temporary differences that has resulted in deferred tax assets are given below:

	As at 31st March, 2021	Recognised in Profit and loss	Recognised in OCI	As at 31st March, 2022
Employee Benefits	10	3	1	**14**
Property, Plant and Equipment	4	1	-	**5**
Provisions	18	(2)	-	**16**
Other Items	1	3	-	**3**
Net Deferred Tax Assets	**32**	**5**	**1**	**38**

	As at 1st April, 2020	Recognised in Profit and loss	Recognised in OCI	As at 31st March, 2021
Employee Benefits	7	2	1	10
Property, Plant and Equipment	3	1	-	4
Provisions	11	7	-	18
Other Items	0	1	-	1
Net Deferred Tax Assets	**21**	**10**	**1**	**32**

37 Earnings Per Share

Basic Earning per share

The calculation of basic earnings per share for the year ended 31 March 2022 was based on profit/(loss) attributable to equity shareholders of INR 175 Million (31st March, 2021 : INR (59) million), and the weighted average number of equity shares outstanding of 3 million (31st March, 2021 : 3 million).

Diluted Earning per share

The calculation of basic earnings per share for the year ended 31 March 2022 was based on profit/(loss) attributable to equity shareholders of INR 175 Million (31st March, 2021 : INR (59) million), and the weighted average number of equity shares after adjustment for the effects of all dilutive potential equity 3 million (31st March, 2021 : 3 million).

Particulars	31-Mar-22	31-Mar-21
Profit after taxation	**175**	(59)
No of Equity Shares outstanding as at year end	**3,080,862**	3,002,033
Weighted average Equity Shares outstanding as at year end	**3,070,739**	2,929,191
Add: Dilutive impact of employee stock options	**83,233**	173,064
No of Equity Shares for calculating Diluted Earnings Per Share	**3,153,972**	3,102,255
Nominal Value per Equity Share (in Rs.)	**10**	10
Earnings Per Share (Basic) (in Rs.)	**56.83**	(20.10)
Earnings Per Share (Diluted) (in Rs.) *	**55.33**	(20.10)

*Since diluted loss per share is decreased when taking the impact of employee stock options into account (from Rs. 20.10 to Rs 18.98), the employee stock options are anti-dilutive and are ignored in the calculation of diluted loss per share. Therefore, during the previous year diluted loss per share is Rs. 20.10.

38 Disclosures as per Ind AS 115 - Revenue from Contract with Customers

a. Disaggregation of revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers

Revenue for year ended 31 March 2022

Particulars	Services	Total
Revenue from Time and Material contracts	**694**	694
Revenue from Fixed Price contracts	**2,836**	2,836
Total revenue from contracts with customers	**3,530**	3,530
Geographical Markets		
a. Americas	**239**	239
b. India	**3,289**	3,289
c. Rest of World	**2**	2
Total revenue from contracts with customers	**3,530**	3,530

Revenue for year ended 31 March 2021

Particulars	Services	Total
Revenue from Time and Material contracts	**988**	988
Revenue from Fixed Price contracts	**1,111**	1,111
Total revenue from contracts with customers	**2,098**	2,098
Geographical Markets		
a. Americas	**634**	634
b. India	**1,445**	1,445
c. Rest of World	**19**	19
Total revenue from contracts with customers	**2,098**	2,098

b. Trade receivables and Contract balances:

Particulars	31/Mar/22	31/Mar/21
Trade Receivables	**204**	178
Contract assets	**447**	116
Unbilled revenue	**63**	22
Unearned Revenue	**-**	4

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related services are performed. Revenue for fixed price services contracts is recognized on percentage of completion basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables are non-interest bearing and generally have a credit period of 60 days.

Changes in contract assets	**31/Mar/22**	**31/Mar/21**
Balance at the beginning of the year	**116**	48
Revenue recognized during the year	**2,511**	1,099
Invoices raised during the year	**2,180**	1,031
Balance at the end of the year	**447**	**116**

The unearned revenue primarily relate to the advance consideration received on contracts entered with customers for which no work is performed at the reporting date, and therefore revenue will be recognized when rights become unconditional.

Changes in unearned revenue	**31/Mar/22**	**31/Mar/21**
Balance at the beginning of the year	**4**	-
Revenue recognized net of unearned revenue for the year	**(4)**	4
Balance at the end of the year	**-**	**4**

c. Performance Obligation

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts, or the performance obligation is part of a contract that has an original expected duration of one year or less. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc).

39 Segment Reporting

a) Business Segments:

The Company is engaged mainly in the business of very large scale integration (VLSI) & Embedded software services. As defined in Ind AS 108, the ‘Chief Operating Decision Maker (CODM) considers entire business as single operating segment. The Company’s operating divisions are managed from India. There is only one customer who accounts for more than 10% of the Company’s revenue.

b) Geographical segments:

The geographical information analyses the Company’s revenues by the Company’s country of domicile (i.e. India) and outside India presenting geographical information, segment revenue has been on the geographic location of customers.

Particulars	**31 March 2022**			
		Outside India		
	India	**USA**	**Others**	**Total**
Revenue from customers	3,289	239	2	3,530

Particulars	**31 March 2021**			
		Outside India		
	India	**USA**	**Others**	**Total**
Revenue from customers	1,445	634	19	2,098

Management believes that it is currently not practical to bifurcate assets based on geographies. Hence, no disclosure is provided for the same.

40 Disclosure related to entities considered in consolidated financial statements:

For the year ended 31 March 2022

Name of the entity in the Group	Net Asset		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
1. Tech Mahindra Cerium Private Limited	84.50%	1,087	67.66%	118	-37.30%	-3	63.62%	116
Foreign Subsidiary								
1. Tech Mahindra Cerium Systems Inc	11.06%	142	11.43%	20	0.00%	0	11.00%	20
2. Tech Mahindra Cerium Systems SDN. BHD.	8.02%	103	22.62%	40	0.00%	0	21.78%	40
Total	103.58%	1,332	101.71%	178	-37.30%	-3	96.40%	175
Intercompany elimination	-3.58%	-46	-1.71%	-3	137.30%	10	3.60%	7
Total	**100.00%**	**1,286**	**100.00%**	**175**	**100.00%**	**7**	**100.00%**	**182**

For the year ended 31 March 2021

Name of the entity in the Group	Net Asset		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
1. Tech Mahindra Cerium Private Limited	76.50%	433	284.29%	-168	346.79%	3	283.45%	-165
Foreign Subsidiary								
1. Tech Mahindra Cerium Systems Inc	20.75%	117	-147.63%	87	0.00%	0	-149.61%	87
2. Tech Mahindra Cerium Systems SDN. BHD.	10.93%	62	-36.66%	22	0.00%	0	-37.15%	22
Total	108.18%	612	100.00%	-59	346.79%	3	96.70%	-56
Intercompany elimination	-8.18%	-46	0.00%	0	-246.79%	-2	3.30%	-2
Total	**100.00%**	**566**	**100.00%**	**-59**	**100.00%**	**1**	**100.00%**	**-58**

41 The Company does not have transactions with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956.

42 The Company does not hold any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

43 Previous years figures have been regrouped / reclassified in line with the current year figures, wherever necessary.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration Number :101248W / W-100022

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: 10 May 2022

For and on behalf of the Board of Directors of
Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti
Director
DIN: 02861107

Vivek Satish Agarwal
Director
DIN: 05218475

ZEN3 INFOSOLUTIONS PRIVATE LIMITED

Board of Directors
Mr. Vivek Satish Agarwal - Director
Mr. Narasimham Venkata Rachakonda- Director

Registered Office
Vaishnavi's Cynosure, Unit No-8A, Sy.No.18
Telecom Nagar, Gachibowli, Serilingammpally
Hyderabad – 500032

Auditors
M/s. K.Vijayaraghavan & Associates LLP
Plot 54, Sagar Society, Road No.2, Banjara Hills,
Hyderabad, Telangana 500034

Bankers
Axis Bank Limited

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the **Seventh (7th)** Annual Report together with the Audited Financial Statements of your company for the financial year ended 31st March, 2022.

FINANCIAL HIGHLIGHTS

Financial results of your Company are as under:

(Rs. In Lakhs)

Particulars	2021-22	2020-21
Turnover	11802.60	10608.19
Profit before Depreciation	1255.90	1423.76
Less: Depreciation	475.9	529.84
Profit/Loss before tax	780.00	893.91
Less: Income Tax Expense		
Current Tax including prior year taxes	374.6	375.84
Deferred Tax	-46.08	-58.73
Profit After Tax	452.20	576.80

RESULTS OF THE OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The Company has achieved a Turnover of Rs. 11802.60/- Lakhs as against previous year turnover of Rs. 10608.19/- Lakhs and earned the Net Profit of Rs.452.20/- as against Net profit Rs. 576.80/- Lakhs of Previous year. During the year the performance of the Company is quite impressive, and your directors feel that, barring unforeseen circumstances, your company will achieve better results in the coming years.

DIVIDEND

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended March 31, 2022.

TRANSFER TO RESERVES

The Company has transferred Rs. 452.20 Lakh to Reserves & Surplus during the year under review.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

The Company does not have any Subsidiary, Joint venture, or Associate Company.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

SHARE CAPITAL

During the year there were no changes in the Share Capital of the company

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company for the Financial Year 2021-22 is available on the Company's website at https://zen3tech.com/

MEETINGS OF THE BOARD OF DIRECTORS

The Company had 4 (Four) Board Meetings during the financial year under review. The details are given below:

Sl. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1.	11/05/2021	3	3	100
2.	28/06/2021	3	2	100
3.	22/10/2021	3	2	100
4.	14/02/2022	2	2	100

General Meetings:

Type	Date of Meeting	Total members	No. of Members Present	% of Members Share Holding
AGM	23.07.2021	2	2	100

AUDITORS

The members at the 4th Annual General Meeting of the Company held on 30.09.2019, appointed M/s K.Vijayaraghavan & Associates LLP, Hyderabad, (Firm's Regn.No: 004718S), as Statutory Auditors of the Company to hold office for five consecutive years till the conclusion of the 9th Annual General Meeting of the Company in the calendar year 2024.

Further they confirmed that they are not disqualified to continue as Statutory Auditors.

AUDITORS' REPORT

There are no qualifications or reservations or adverse remarks in the Auditor's Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory and needs no further explanation.

COMPLIANCE WITH INDIAN ACCOUNTING STANDARDS (Ind AS)

The company being the wholly owned subsidiary of a Listed Company has adopted the Indian Accounting Standards (In AS) notified under Section 133 of the Companies Act,2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as such the financial statements are prepared accordingly

These financial statements are the third financial statements of the Company under Ind AS.

LOANS, GUARANTEES AND INVESTMENTS

Your Directors confirm that there were no loans, guarantees or investments made by the Company under section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

RELATED PARTY TRANSACTIONS

Your Directors confirm that all contracts or arrangements entered by the company during the financial year with related parties were in the ordinary course of business and on an arm's length basis as disclosed in Form No. AOC- 2 as per Annexure-1 and is attached to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

A. Conservation of Energy, Technology Absorption

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy have not been furnished considering the nature of activities undertaken by the company are service in nature during the year under review. Your company, however, has taken significant measures to reduce energy consumption by using energy efficient computers and by using energy efficient equipment. Energy conservation is a consistent focus area for your company both from a cost control and a social responsibility perspective and further the company has not imported any technology during the period under review 2021-2022.

The details of Foreign Exchange Earnings and Outgo during 2021-22 are given below:

B. Foreign Exchange earnings		Rs.75,86,68,947/-
C. Foreign Exchange outgo- Travelling Expenses	NIL	NIL

DEPOSITS

Your Directors, report that the company has neither accepted nor renewed any deposits covered under Chapter V of the Companies Act 2013 during the year under review.

RISK MANAGEMENT

The Company does not have any Risk Management Policy.

CORPORATE SOCIAL RESPONSIBILITY

The Company has complied with the provisions of section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended for the Financial year 2021-22.

The Annual Report on Corporate Social Responsibility Activities of the Company for the Financial Year 2021-22 has been provided in the prescribed format as Annexure II to this report.

DIRECTORS

During the year Mr. Ravichandran Lakshminarayanan (DIN: 05205421), resigned from the office of directorship with effect from 30th November,2021.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and Company being unlisted sub clause of Sec – 134(3) is not applicable.

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

There is an adequate internal control system commensurate with the size of the Company and the nature of business.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

No cases were filed pursuant to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 during the year under review.

ORDER OF COURT

There were no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operations in future.

OTHER DISCLOSURES

Directors of your company hereby state and confirm that the Company has complied with all the applicable Secretarial Standards.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep and sincere gratitude and appreciation for cooperation extended by the Governmental Agencies, Shareholders.

Your Directors also place on record their appreciation for the contributions made by the employees through their dedication, hard work and commitment. Your Directors also convey thanks and appreciation to the valued customers and dealers for their continued patronage.

For and on Behalf of the Board

ZEN3 INFOSOLUTIONS PRIVATE LIMITED

Place: Hyderabad

Date: June 8 , 2022

Vivek Satish Agarwal	**Narasimham Venkata Rachakonda**
Director	Director
DIN: 05218475	DIN: 00339167

ANNEXURE -1

Form No. AOC-2

[Pursuant to clause (h) of dub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

M/s.Zen3 Infosolutions Private Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2021-22.

2. Details of material contracts or arrangements or transactions at arm's length basis:

The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2022 are as follows:

Name of related party	**Nature of relationship**	**Duration of contract**	**Salient terms#**	**Amount** (in Rupees)
Mr.Madhu Ponduru	Employee of Holding Company	Agreement Date: 01-07-2018, Duration for Contract 01-07-2018 to 30-06-2023	Rent paid for FY 2021-22	50,35,240/-
Manoj Kanumuri	KMP-CEO	Agreement Date: 01-07-2018, Duration for Contract 01-07-2018 to 30-06-2023	Rent paid for FY 2021-22	44,94,042/-
Surya Rao Kalla	Employee of Holding Company	Agreement Date: 01-07-2018, Duration for Contract 01-07-2018 to 30-06-2023	Rent paid for FY 2021-22	60,08,762/-
Divya Kalla	Relative of Surya Rao Kalla (Employee of Holding Company)	Agreement Date: 01-07-2018, Duration for Contract 01-07-2018 to 30-06-2023	Rent paid for FY 2021-22	10,54,170/-
Arundhati Kalla	Relative of Surya Rao Kalla (Employee of Holding Company)	Agreement Date: 01-07-2018, Duration for Contract 01-07-2018 to 30-06-2023	Rent paid for FY 2021-22	10,54,170/-
Zen3 Infosolutions (America) Inc	Sister Company	From time to time	Rendering Software Services	75,86,68,947/-
Oslo Solutions LLC	Sister Company	From time to time	Rendering Software Services	Nil

#since the contract was entered into in the ordinary course of business and on arm's length basis no approval is required, and no advance has been received.

For and on Behalf of the Board

ZEN3 INFOSOLUTIONS PRIVATE LIMITED

Place: Hyderabad

Date: June 8 , 2022

Vivek Satish Agarwal
Director
DIN: 05218475

Narasimham Venkata Rachakonda
Director
DIN: 00339167

Annexure-2

Annual Report on Corporate Social Responsibility Activities of

Zen3 Infosolutions Private Limited for the Financial Year 2020-21

CIN NO.: U72200TG2015PTC102411
Regd. Office : Vaishnavi's Cynosure,Unit No-8A, Sy.No.
18 Telecom Nagar,Gachibowlli, Serilingammpally Hyderabad TG 500032 IN
e-mail : info@zen3tech.com , website : www.zen3tech.com
Tel: +040-40011111

Introduction

Zen3 Infosolutions Private Limited, (hereinafter referred to as Company), is in the business of computer and related activities. The Company strives for holistic business growth. The company belives that alongwith economic performance, environmental and social stewardship is also required. The Company's focus has always been to contribute towards the sustainable development of society and environment.

The Corporate Social Responsibility (CSR) Contribution amount being less than Rupees Fifty Lacs for the Financial year 2021-2022, functions of the CSR Committee provided under section 135 of the Companies Act, 2013 are being discharged by the Board of Directors.

1. **Brief outline on CSR Policy of the Company.**

   Zen3 Infosloutions Private Limited implements its CSR Programs primarily through Tech Mahindra Foundation (TMF) (Section 25 Company set up under the Companies Act 1956). The CSR activities of the company are in accordance with Section 135 of the Companies Act 2013 and the Rules notified thereunder. CSR focus area for the company is primarily promotion of Education. Within this broad theme specific areas such as school education, education for employment and technical education are included. Persons with disability and Women's Empowerment are cross-cutting themes in these focused areas. The interventions in these thematic areas will be prioritized to reach the underserved segments of the population like women, economically and geographically disadvantaged and vulnerable and marginalized population.

2. **Composition of CSR Committee.**

   The functions of the CSR Committee provided under section 135 of the Companies Act, 2013 are being discharged by the Board of Directors.

   Board of Directors:

   Mr Vivek Satish Agarwal

   Mr Narasimham Venkata Rachakonda

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

   The CSR policy of the company can be accessed on the website of the Company www.zen3tech.com

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014. –** N.A.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year.** - NIL

6. **Average net profit of the company as per section 135(5).**

   FY 18-19 – Rs. 2,83,48,551/-

   FY 19-20 – Rs. 6,95,42,284/-

   FY 20-21 -- Rs. 8,93,91,455/-

   The Average Net Profit before Tax is Rs. 6,24,27,430/-

7. (a) **Two percent of average net profit of the company as per section 135(5)** – Rs. 12,48,549/-

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – NIL**

   (c) **Amount required to be set off for the financial year, if any –** NIL

   (d) **Total CSR obligation for the financial year (7a+7b-7c). –** Rs. 12,48,549/-

8. (a) CSR amount spent or unspent for the financial year 2021-2022

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.) - NIL				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 12,48,549/-	NIL	N.A.	N.A.	NIL	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year 2021-2022:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
NIL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year 2021-2022:

(1)	(2)		(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Programme	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
					State.	District.			Name.	CSR registration number.
1.	Education	Arise+	Schedule VII, Item 2 (promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects)	No	Delhi		Rs. 12,48,549/-	No	Tech Mahindra Foundation	CSR00001814
	Total						**12,48,549/-**			

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment – N.A.

(f) Total amount spent for the Financial Year 2020-2021 (8b+8c+8d+8e) – Rs. 12,48,549/-

(g) **Excess amount for set off -** NIL

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	12,48,549/-
(ii)	Total amount spent for the Financial Year	12,48,549/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** NIL

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2018-2019	NIL	NIL	NIL	NIL	NIL	NIL
2.	2019-2020	NIL	NIL	NIL	NIL	NIL	NIL
3.	2020-2021	NIL	NIL	NIL	NIL	NIL	NIL
	Total	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in Rs.).**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed /Ongoing.**
1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total							

10. **Details relating to the asset created or acquired through CSR spent in the financial year -** N.A.

(a) **Date of creation or acquisition of the capital asset(s). –** N.A.

(b) **Amount of CSR spent for creation or acquisition of capital asset. –** N.A.

(c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. –** N.A.

(d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). –** N.A

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). –** N.A.

For and on Behalf of the Board
ZEN3 INFOSOLUTIONS PRIVATE LIMITED

Place: Hyderabad
Date: June 8, 2022

Vivek Satish Agarwal
Director
DIN: 05218475

Narasimham Venkata Rachakonda
Director
DIN: 00339167

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ZEN3 INFOSOLUTIONS PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ZEN3 INFOSOLUTIONS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the standalone 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone 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 Board's Report including Annexures to Board's Report and Shareholder's information, 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 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, 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 is 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 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:

(a) 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.

(b) 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

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

(d) 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.

(e) Evaluate the overall presentation, structure and content of the 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.

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

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 Companies Act, 2013, we give in the "Annexure 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, 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 Cash Flow Statement 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.

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

(g) With respect to the other matters to be included in the 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 in its standalone financial statements.

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

iii. There has been no delay in transferring amounts, 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 (which are material either individually or in the aggregate) 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;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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

(c) The company has not declared or paid any dividend during the year in accordance with Section 123 of the Companies Act,2013.

For K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.004718S/S200040

K. Ragunathan
Partner
Membership No. 213723
UDIN : 22213723ALLEUV7003

Place: Hyderabad
Date: June 8 , 2022

ANNEXURE A TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements' section of our report to the members of Zen3 Infosolutions 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) A. 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.

B. The company has maintained proper records showing full particulars of Intangible assets.

(b) The Company has a programme of physical verification of property, plant and equipment and right-of-use assets by which property, plant and equipment and right of use assets are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified by the Management 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) The Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Accordingly, clause 3(i)(d) of the Order is not applicable.

(e) There are no proceedings which have been initiated during the year or are pending against the company as at 31st March, 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 five crore rupees, in aggregate at any points of time during the year, from banks or financial institutions on the basis of the security of current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable.

iii. The Company has neither made any investments, nor has it given loans or provided guarantee or security nor has it granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Accordingly,

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a)(A) and 3(iii)(a)(B) of the Order is not applicable.

(b) The Company has neither made any investments nor has given or provided any securities or guarantees. Hence, reporting under clause(iii)(b) of the Order is not applicable. –

(c) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Hence, reporting under clause(iii)(c) of the Order is not applicable.

(d) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Hence, reporting under clause(iii)(d) of the Order is not applicable.

(e) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Hence, reporting under clause(iii)(e) of the Order is not applicable.

(f) 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 during the year. Hence, reporting under clause 3(iii)(f) is not applicable. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

iv. The Company has not given any loans or guarantees/ made any investments within the meaning of section 185 and 186 of the Companies Act, 2013. Accordingly, Clause 3(iv) of the Order is not applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, clause 3(v) of the Order and compliance with the directives issued by the reserve bank of India and sections 73 to 76 of the Companies Act,2013 is not applicable.

vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the business activities carried about the Company. Accordingly, clause 3(vi) of the Order is not applicable.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues including Goods and Service tax, Provident fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities;

There were no undisputed amounts payable in respect Goods and Service tax, Provident fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

(b) There are no statutory dues relating to Goods and Service tax, Provident fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues which have not been deposited on account of any dispute.

viii. The Company does not have any 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 taken any loans or other borrowings from any lender. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(c) The Company has not taken any term loans during the year and there are no outstanding term loans at the beginning of the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, the Company has no funds raised on short-term basis. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) On an overall examination of the standalone 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 and joint venture as defined in the Act. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates and joint ventures. Accordingly, clause 3(ix)(f) of the Order is not applicable

x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(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 or partly or optionally) during the year. Accordingly, 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, 2013 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 during the year and up to the date of this report.

(c) The Company has not received any whistle blower complaints. Accordingly, clause 3(xi)(c) of the order is not applicable.

xii. The Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.

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

xiv. Based on the size and business activity, the Company does not have any requirement for an internal audit system. Accordingly, clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable to the Company.

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) In our opinion, The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c) of the Order are 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 in the current and in the immediately preceding financial year covered by our audit and 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. 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 standalone 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 indicating 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.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

For K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.004718S/S200040

K. Ragunathan
Partner
Membership No. 213723
UDIN : 22213723ALLEUV7003

Place: Hyderabad
Date: June 8 , 2022

ANNEXURE B TO THE AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Zen3 Infosolutions Private Limited 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 **ZEN3 INFOSOLUTIONS 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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 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 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 internal financial controls system over financial reporting of the Company.

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 standalone 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:

(a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(b) 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

(c) 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, 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 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 K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.004718S/S200040

K. Ragunathan
Partner
Membership No. 213723
UDIN : 22213723ALLEUV7003

Place: Hyderabad
Date: June 8 , 2022

ZEN3 INFOSOLUTIONS PRIVATE LIMITED

BALANCE SHEET AS AT

(Amount expressed in ₹ unless otherwise stated)

Particulars	Note	31-Mar-2022	31-Mar-2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	34.86	32.25
Right of use assets (for lease)	4	41.57	7.66
Intangible assets	3	0.90	0.90
Financial assets	5	7.83	12.60
Deferred Tax Assets (Net)	6	13.63	12.69
CURRENT ASSETS			
Financial assets			
- Trade Receivables	7	182.50	162.79
- Cash and Cash Equivalents	8	42.29	28.33
Other Current Assets	9	22.91	10.44
TOTAL ASSETS		**346.49**	**267.66**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	10	10.00	10.00
Other Equity	10	222.52	166.44
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings			
-Lease Liabilities		15.31	-
Provisions	11	27.77	33.64
Deferred Tax Liabilities (Net)		-	-
CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings			
(a)Lease Liabilities	12	27.55	8.77
(ii) Trade Payables	13	16.78	9.71
(iii) Other financial liabilities	14	19.15	20.87
Provisions	11	7.42	1.98
Current Tax Liabilities (Net)	15	-	16.25
TOTAL EQUITY AND LIABILITIES		**346.49**	**267.66**
Summary of significant accounting policies	1&2	0.00	0.00
The accompanying notes are an integral part of the financial statements.	3 to 28		

As per our report of even date
for K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.: S200040

For and on behalf of the Board of Directors of
Zen3 InfoSolutions Private Limited

K. Ragunathan
Partner
Membership No: 213723
Place: Hyderabad
Date: June 8, 2022

Vivek Satish Agarwal
Director
DIN: 05218475

Narasimham Venkata Rachakonda
Director
DIN: 00339167

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED

(Amount expressed in ₹ unless otherwise stated)

Particulars	Note	31-Mar-2022	31-Mar-2021
INCOME			
I. Revenue from operations	16	1,176.14	1,060.82
II. Other income	17	4.11	0.57
III. Total Income (I+II)		**1,180.26**	**1,061.39**
IV. EXPENSES			
Employee benefit expense	18	949.91	815.95
Finance Cost	19	2.65	2.76
Depreciation and Amortisation expense	20	47.59	52.98
Other Expenses	21	102.10	100.30
Total Expenses		**1,102.26**	**972.00**
V. Profit/ (loss) before exceptional items and tax (III-IV)		**78.00**	**89.39**
VI. Exceptional items		-	-
VII. Profit/ (loss) before tax		**78.00**	**89.39**
VIII. Tax expense			
a) Current tax		36.34	30.69
b) Prior Year Taxes		1.12	6.89
c) Deferred tax		(4.68)	(5.87)
Total Tax Expense		**32.78**	**31.71**
IX. Profit/ (loss) for the period from continuing operations (VII-VIII)		**45.22**	**57.68**
X. Profit/(Loss) from Discontinued Operations		-	-
XI. Tax Expense of Discontinued Operations		-	-
XII. Profit/(Loss) from Discontinued Operations (after tax) (X-XI)		-	-
XIII. Profit/ (loss) for the period (IX+XII)		**45.22**	**57.68**
XIV. Other comprehensive income			
a) (i) Items that will not be reclassified to profit or loss		14.83	4.68
(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.		0.24	
(ii) Income tax relating to items that will be reclassified to profit or loss.		**3.73**	**1.18**
XV. Total comprehensive income for the period (XIII+XIV) comprising Profit/(Loss) and other comprehensive income for the period.		10.85	3.51
XVI. Earnings per equity share (for discontinued operation)			
a) Basic			
b) Diluted			
XVII. Earnings per equity share (for discontinued and continuing operations)	22	45.22	57.68
a) Basic		45.22	57.68
b) Diluted		45.22	57.68

As per our report of even date
for K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.: S200040

For and on behalf of the Board of Directors of
Zen3 InfoSolutions Private Limited

K. Ragunathan
Partner
Membership No: 213723
Place: Hyderabad
Date: June 8, 2022

Vivek Satish Agarwal
Director
DIN: 05218475

Narasimham Venkata Rachakonda
Director
DIN: 00339167

ZEN3 INFOSOLUTIONS PRIVATE LIMITED

CASH FLOW STATEMENT

(Amount expressed in ₹ unless otherwise stated)

Particulars	31-Mar-2021	31-Mar-2020
(A) Cash Flows from Operating Activities		
Profit Before Taxation	78.00	89.39
Adjustments for:		
Depreciation on Plant, Property & Equipment	30.15	25.73
Amortization of Intangible Assets	0.62	1.73
Amortization of Right of Use of Assets	16.82	25.53
Gratuity and Leave Encashment	22.04	19.01
Interest Income	(0.04)	(0.05)
Finance cost on lease liabilities	2.65	2.76
Fair Value Change on account of leases	(0.24)	
Operating Profit before Working Capital Changes	**149.99**	**164.10**
Movements in working capital :		
(Increase) / Decrease in Trade Receivables	(19.71)	(109.21)
(Increase) / Decrease in Current Assets	(2.94)	15.58
(Increase) / Decrease in Other Financial Assets	4.77	0.68
Increase / (Decrease) in Trade Payables	7.07	3.90
Increase / (Decrease) in Current Liabilities	(2.72)	0.07
Cash Generated from / (used in) Operations	**136.47**	**75.12**
Benefits Paid	(6.65)	(2.19)
Income Taxes	(63.94)	(21.34)
Net Cash Flow from/ (used in) Operating Activities	**65.87**	**51.60**
(B) Cash Flows from Investing Activities	(33.38)	(24.79)
Purchase of Fixed Assets	0.04	0.05
Interest Income	(50.73)	-
Addition to Right of use of Asset	(84.07)	(24.75)
Net Cash Flow from/ (used in) Investing Activities		
		-
(C) Cash flows from Financing Activities	(2.65)	(2.76)
Finance cost on lease liabilities	34.09	(27.17)
Additional lease liabilities	31.44	(29.93)
Net Cash Flow from/ (used in) Financing Activities		
Net Increase in Cash and Cash Equivalents	13.24	(3.08)
Cash and Cash Equivalents at Beginning of Period	28.33	31.41
Cash and Cash Equivalents at End of Period	41.57	28.33
	42.29	**(0.72)**

As per our report of even date
for K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.: S200040

K. Ragunathan
Partner
Membership No: 213723
Place: Hyderabad
Date: June 8, 2022

For and on behalf of the Board of Directors of
Zen3 InfoSolutions Private Limited

Vivek Satish Agarwal
Director
DIN: 05218475

Narasimham Venkata Rachakonda
Director
DIN: 00339167

ACCOUNTING POLICIES

(Amount expressed in ₹ unless otherwise stated)

Company Overview and Significant Accounting Policies

1 Company Overview

Zen3 Infosolution Private Limited is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013 on 28th December, 2015. The Company is a leading software solutions group developing innovative solutions for media, travel and technology industries. It has a domain expertise in big data, machine learning and content solutions. The Company services customers in UK, US and India. It has technology professionals working in various worldwide locations delivering innovative digital media and technology solutions.

2 Significant Accounting Policies

2.1 Compliance Statement

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101-First time adoption of Indian Accounting Standards. 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.

2.2 Basis for preparation of Financial Statements

The financial statements have been prepared in Indian Rupees(INR) which is also the company's functional currency. These statements are prepared in accordance with Indian Accounting Standards (referred to as Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, 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 are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.3 Previous Year Comparative Figures

The company has voluntarily adopted Ind ASs, in accordance with Ind ASs notified under the Companies Act, 2013 from the FY 2019-20 onward. However, the company has chosen to present the comparative information in accordance with previous GAAP and confirms that there is no prominent impact as a result of which, except for those labelled specifically.

2.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Critical accounting estimates

a. Revenue Recognition

Revenue is recognized upon completion of Milestones described in customer agreements.

When the outcome of a transaction involving the rendering of service can be estimated reliably, the revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period.

b. Income taxes

Significant judgements are involved in determining the tax provisions. 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 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.

c. Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. Depreciation is charged on written down value basis and as per useful lives prescribed. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

d. Impairment

The company assesses at each balance sheet date whether there is any indication that an asset including intangible may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. 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.

e. Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation.

f. Defined Benefit Plans and Compensated Absences

Provision for Gratuity and Leave Encashment are made on the basis of actuarial valuation carried out on the Balance Sheet date by an Independent Actuary. An actuarial valuation involves making various assumptions like discount rate, mortality rates and these may differ from actual developments in future. A defined benefit obligation is highly sensitive to changes in such assumptions. These assumptions are reviewed at each reporting date.

2.5 Property, Plant & Equipment and Intangibles

a. Property, Plant & 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.

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'.

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 net profit 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 on assets is provided using the written down value method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on fixed assets added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

The Company has estimated the residual value to be 5% of the value of the asset.

The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end

b. Intangibles:

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 as under:

- Goodwill is amortised over a period of 10 years.
- SAP Upgrade License/ Implementation fees is amortised over a period of 24 months.
- Intangible assets on account of R&D Projects amortised over a period of 36 months.

The company uses a presumption that the useful life of an intangible asset will not exceed three years from the date when the asset is acquired.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as expenses in the Statement of Profit and Loss.

Amortization methods and useful lives are reviewed periodically including at each financial year end.

2.6 Impairment of Assets:

a. Financial Assets:

Expected Credit Losses:

The Management is of the view that all the monies receivable against sales will be received in full. The revenue policy has been revised from the current year whereby all the invoices are booked only after receipt of the customers' confirmation. Accordingly, no expected credit loss has been recognized.

b. Non Financial Assets

The company estimates the recoverable amount of the asset in case any indications exists that Plant, Property & Equipment and Intangibles may be impaired . Such 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 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 is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.7 Revenue Recognition:

a. Revenue from Operations

The company has adopted IND AS 115 using the modified retrospective method. The adoption of this standard did not have a significant impact on the financial statements of the company.

Revenue includes the gross inflows of economic benefits received and receivable by the company on its own account. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are excluded from revenue. Excise duty is included in "Gross Revenue" and is shown separately in profit and loss statement.

I. Measurement:

Revenue is measured at the fair value of consideration received or receivable.

II. Recognition

Revenue is disclosed inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

"Revenue from operations comprises of Income earned from DTA Services and Software Development Services. Revenue from software services primarily consists of services performed on a contract basis. The related revenue is recognized upon completion of Milestones described in customer agreements."

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.

When the outcome of a transaction involving the rendering of service can be estimated reliably, the revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

(i) The amount of revenue can be measured reliably;

(ii) It is probable that economic benefits will flow to the company;

(iii) The stage of completion of the transaction at the end of the reporting period can be measured reliably; and

(iv) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of service cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

b. Other income

Other income is comprised primarily of interest income, dividend income and rental income. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

2.8 Foreign Currency Transactions:

The functional currency of the company is the Indian rupee. These financial statements are presented in Indian Rupees.

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.

Liabilities and Assets in foreign currency are recognized in accounts as per the following governing principles:

(I) 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.

(II) Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. 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.

(III) 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.

2.9 Financial Instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order 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.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit and loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturity of three months or less when purchased, to be cash and cash equivalents.

Financial liabilities

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 and loss. For trade and other payables maturing with in one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.10. Employee Benefits:

The company has adopted IND AS 19-Employee Benefits, and has disclosed employee benefits accordingly through profit and loss statement and other comprehensive income.

Short-term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related employee service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits (such as medical care) for current employees are estimated and measured on an undiscounted basis.

a. Defined Benefit Plans:

The company provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred. Remeasurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in balance sheet with a charge or credit recognized in the other comprehensive income in the period in which they occur."

b. Defined Contribution Plans:

Company's contributions paid/payable during the year are recognized in the Profit and Loss Account.

(i) Provident Fund: The eligible employees of the company are entitled to receive the benefits of Provident Fund, a defined contribution plan, in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. Provident fund is administered through Regional Provident Fund Commissioner. The Company has no further obligations for future provident fund.

(ii) Employee State Insurance: The eligible employees of the Company are entitled to receive the benefits of Employee State Insurance, a defined contribution plan, in which both the employees and Company make monthly contributions at a specified percentage of the covered employees' salary.

c. Compensated Absences:

Hitherto compensated absences were considered to be long term in nature and was valued by an independent actuary and consequent to permanent change in leave policy of the company, compensated absences became short term in nature, liability against which is arrived at by estimating the liability to be discharged based on actual unused leave balances at Balance sheet date. Quantification of the change in the policy cannot be precisely estimated and hence not disclosed.

2.11 Taxation:

Income tax comprises current and deferred tax. It is recognised in profit and loss account except to the extent it is related to business combinations or to an item recognised directly in equity or other comprehensive income.

a. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates and tax laws enacted or substantially enacted by the reporting date.

Tax on income for the year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on expected outcome of assessments/appeals. As a prudence practice, MAT credit is not recognized as assets in the books in the year of occurrence and in the year of set off of MAT credit, net current tax expenses is only disclosed.

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.

a. Deferred Tax

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax liability 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 profit or loss at the time of the transaction;
- Temporary differences related to investment in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of 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. Deferred tax assets - unrecognized 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 deferred tax liabilities are offset only if there is a legally enforceable right to set off the 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 taxable 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 Research and Development

Revenue expenditure on research and development is charged under respective heads of account in the year in which it is incurred. Capital expenditure on research and development is included as a part of Property, Plant and Equipment.

2.13Earnings 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. 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.

2.14Provisions and Contingencies

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. When the company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset only when reimbursement is virtually certain.

A disclosure for contingent liability is made in the notes to accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

2.15Leases

The Company has adopted Ind AS 116 “”Leases”” with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 “”Leases”” and related interpretation and guidance. On transition to Ind AS 116, Right-of—use assets as at April 1, 2019 for leases previously classified as operating leases were recognised and measured with cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings as at April 1, 2019. As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

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

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 right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use 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 remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company's lease asset classes primarily consist of leases for building premises. 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.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹6.14 crore and a lease liability of ₹6.27 crore. The cumulative effect of applying the standard, amounting to ₹0.13 crore was debited to retained earnings. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11.2%

SBI's current interest rate for term loans has been taken for computation purposes as the Company does not have an implicit interest rate

2.16 Government Grant

Capital investment subsidy not specifically related to any fixed asset is credited to a specific reserve upon receipt and retained till the requisite conditions are fulfilled. On fulfilment of such conditions, the subsidy is transferred to Capital Reserve.

2.17 Borrowing Costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Company recognises other borrowing costs as an expense in the period in which it incurs them.

2.18 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

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.

NOTES TO ACCOUNTS FOR THE YEAR ENDED

(Amount expressed in ₹ unless otherwise stated)

3 Property, Plant and Equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2022:

Particulars	Computer Systems & Accessories	Servers and Networks	Furniture & Fittings	Office Equipment	Total
Gross Carrying Amount as at April 1, 2021 as per Ind AS	**79.24**	**0.92**	**13.73**	**1.26**	**95.16**
Additions	32.76		-	-	32.76
Disposals	-		-	-	-
Gross Carrying Amount as at March 31, 2022	**112.00**	**0.92**	**13.73**	**1.26**	**127.91**
Accumulated Depreciation as at April 1, 2021	**53.81**	**0.76**	**7.38**	**0.96**	**62.90**
Depreciation charge for the year	28.29	0.05	1.65	0.15	30.15
Disposals					-
Accumulated Depreciation as at March 31, 2022	**82.10**	**0.81**	**9.03**	**1.11**	**93.05**
Net Carrying Amount as at March 31, 2022	**29.90**	**0.11**	**4.71**	**0.15**	**34.86**

Intangible Assets

Following are the changes in the carrying value of Intangible Assets for the year ended March 31, 2022:

Particulars	Computer Software & Licenses	Total
Gross Carrying Amount as at April 1, 2021	7.93	7.93
Additions	0.63	0.63
Disposals	-	-
Gross Carrying Amount as at March 31, 2022	**8.56**	**8.56**
Accumulated Amortization as at April 1, 2021	7.03	7.03
Amortization expense	0.62	0.62
Disposals		-
Accumulated Depreciation as at March 31, 2022	**7.66**	**7.66**
Net Carrying Amount as at March 31, 2022	**0.90**	**0.90**

4 Right of Use Asset:

Particulars	31-Mar-22	31-Mar-21
Amount as on 01-04-2021	7.66	33.19
Additions	50.73	-
Termination	-	-
Depreciation	16.82	25.53
Carrying Value as on 31-03-2022	**41.57**	**7.66**

The Company has adopted Ind AS 116 “Leases” with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 “Leases” and related interpretation and guidance. On transition to Ind AS 116, Right-of—use assets as at April 1, 2019 for leases previously classified as operating leases were recognised and measured with cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings as at April 1, 2019. As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

5 Other Financial Assets

Particulars	31-Mar-22	31-Mar-21
Non - Current		
Rental and Other deposits	7.83	12.60
Total	**7.83**	**12.60**
Current		
Other Receivables	-	-
Total	**-**	**-**

6 Deferred Tax Asset (Net)

Particulars	31-Mar-22	31-Mar-21
Deferred Tax Assets (Net)	13.63	12.69
Total	**13.63**	**12.69**

7 Trade Receivables

Particulars	31-Mar-22	31-Mar-21
Considered good - secured	182.50	162.79
Considered good - unsecured		
Significant increase in credit risk		
Credit Impaired		
Total	**182.50**	**162.79**

Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 year - 2 years	2 years- 3 years	More than 3 years	Total
(i) undisputed trade receivables - considered good	167.67	14.83				182.50
(ii) undisputed trade receivables - which have significant increase in credit risk						-
(iii) undisputed trade receivables - credit impaired						-
(iv) disputed trade receivables - considered good						-
(v) disputed trade receivables - which have significant increase in credit risk.						-
(vi) disputed trade receivables- credit impaired.						-
Total	**167.67**	**14.83**	**-**	**-**	**-**	**182.50**

8 Cash and Cash Equivalents

Particulars	31-Mar-22	31-Mar-21
Balances with banks		
In Current Accounts		-
Rupee accounts	40.73	26.76
Foreign currency accounts	-	-
Bank Deposits with more than 12 months maturity	1.56	1.56
Cash on hand	0.00	0.01
Total	**42.29**	**28.33**

9 Other Assets

Particulars	**31-Mar-22**	**31-Mar-21**
Current Assets		
Prepaid expenses	6.00	8.48
Rental Advance	3.68	-
Loans and advances to employees	2.20	-
Balance with government authorities	1.37	1.67
Income Tax Refundable	9.53	0.21
Accrued Interest	0.14	0.09
Total	**22.91**	**10.44**

10 Equity Share Capital

Particulars	**31-Mar-22**		**31-Mar-21**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Authorised Share Capital	1,000,000	10,000,000	1,000,000	10,000,000
Issued, Subscribed and Paid Up Capital	1,000,000	10,000,000	1,000,000	10,000,000
Total	**1,000,000**	**10,000,000**	**1,000,000**	**10,000,000**

a. Reconciliation of Share Capital

Particulars	**31-Mar-22**		**31-Mar-21**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Share Capital at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Add: Issued during the year	-	-	-	-
Share Capital at the end of the year	1,000,000	10,000,000	1,000,000	10,000,000

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

b. Shares in the Company held by the Holding Company and Other Shareholders holding more than 5%

Particulars	**31-Mar-22**		**31-Mar-21**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Tech Mahindra Limited(Zen3 Infosolutions Inc as on 31 Mar 20)	999,999	9,999,990	999,999	9,999,990
- % of Shareholding	100.00%		100.00%	

d. Shares held by promoters at the end of the year

Promoters Name	**31-Mar-22**		**31-Mar-21**		**% change during the year**
	No. of Shares	**% of total shares**	**No. of Shares**	**% of total shares**	
Manoj Bhat	1	0%	1	0%	-
Tech Mahindra Limited	999,999	100%	999,999	100%	-

e. Other Equity

Particulars	**31-Mar-22**	**31-Mar-21**
Reserves and Surplus		
Opening balance	166,437,175	105,251,040
Add: Net Profit/(Loss) For the current year	45,224,922	57,680,792
Other Comprehensive Income(net of tax)	10,853,562	3,505,343
Closing Balance	**222,515,659**	**166,437,175**

11 (a) Provisions

Particulars	31-Mar-22	31-Mar-21
Non Current		
Gratuity	18.03	23.43
Leave Encashment	9.74	10.22
Total (Non Current)	**27.77**	**33.64**
Current		
Gratuity	3.62	0.95
Leave Encashment	3.81	1.02
Total (Current)	**7.42**	**1.98**

(b) Gratuity Disclosure

Particulars	31-Mar-22	31-Mar-21
Opening Liability	24.38	18.10
Current Service Cost	13.12	10.52
Interest Cost	1.52	1.16
Actuarial (gain)/loss	(14.83)	(4.68)
Benefits paid	(2.55)	(0.72)
Closing Liability	**21.64**	**24.38**

Particulars	31-Mar-22	31-Mar-21
Current Service Cost	13.12	10.52
Interest Cost	1.52	1.16
Benefits paid	(2.55)	(0.72)
Expense to be recognized in profit/loss statement	**12.09**	**10.96**

Particulars	31-Mar-22	31-Mar-21
Due to change in financial assumptions	1.87	0.35
Due to change in demographic assumptions	(7.69)	-
Due to experience adjustments	(9.02)	-
Actuarial (gain)/loss to be recognized in OCI	**(14.83)**	**0.35**

Particulars	31-Mar-22	31-Mar-21
Discount Rate	5.80%	6.35%
Withdrawal Rates	30%	10.00% pa
Salary Growth Rate	10.00%	8.00%
Rate of Return on Plan Assets	Not Applicable	Not Applicable

The rate used to discount post-employment benefit obligation(both funded and non-funded) shall be determined by reference to market yield at the Balance Sheet Date on government bonds.

Maturity Profile of Defined Benefit as on 31st March, 2021:

Year	Cashflow(Rs.)	Distribution(%)
1	3.62	1.90%
2	3.45	2.50%
3	3.54	3.00%
4	3.42	4.00%
5	3.16	4.60%
6 to 10	8.01	22.20%

Sensitivity Analysis:

Particulars	31-Mar-22	31-Mar-21
Discount Rate		
0.5% Increase	21.23	23.25
0.5% Decrease	22.06	25.60
Salary Growth		
0.5% Increase	22.02	25.33
0.5% Decrease	21.25	23.44
Withdrawal Rate		
10% Increase	20.54	23.90
10% Decrease	22.88	24.86

Sensitivity Analysis is performed by varying single parameter while keeping all the other parameters unchanged. It fails to focus on the interrelationship between the underlying parameters. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

12 (a) Lease Liabilities:

Particulars	31-Mar-22	31-Mar-21
Amount as on 01-04-2020	8.77	35.94
Additions to lease Liabilities	50.97	-
Terminations during the year	-	-
Interest Expense	2.65	2.76
Cash Outflows during the year	19.53	29.93
Carrying value as on 31-03-2022	**42.86**	**8.77**

Particulars	31-Mar-22	31-Mar-21
Current	27.55	8.77
Non - Current	15.31	-
Total	**42.86**	**8.77**

(b) The following table provides the contractual maturities of lease liabilities as at 31st March, 2022 on an undiscounted basis:

Maturity Analysis

Particulars	Undiscounted Future Cash Outflows
0-6 months	13.73
6-12 months	13.83
12-24 months	20.33
more than 24 months	-

13 Trade Payables

	Particulars	31-Mar-22	31-Mar-21
(a)	Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	
(B)	Total Outstanding Dues to Creditors other than Micro Enterprises and Small Enterprises	16.78	9.71
	Total	**16.78**	**9.71**

(a) The Company has not received confirmations for the current year about the status under “The Micro, Small and Medium Enterprises Development Act, 2006”, from various creditors, consequent to which, the classification of dues to such enterprises can not be compiled as at the Balance Sheet date.

Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					
	Less than 1 year	1-2 years	2 years- 3 years	More than 3 years	Total	Total
(i) MSME	12.45				12.45	182.50
(ii) Others	4.26	0.07			4.33	-
(iii) Disputed dues - MSME					-	-
(iv) Disputed dues - others					-	-
Total	**16.72**	**0.07**	**-**	**-**	**16.78**	**182.50**

14 Other Financial Liabilities

Particulars	31-Mar-22	31-Mar-21
Current		
Statutory Dues Payable	13.97	18.94
Salaries Payable	0.65	1.93
Other Liabilities	4.52	-
Total (Current)	**19.15**	**20.87**

15 Current Tax Liabilities (Net)

Particulars	31-Mar-22	31-Mar-21
Provision for income tax	-	16.25
Total	**-**	**16.25**

16 Revenue from operations

Particulars	31-Mar-22	31-Mar-21
Sale of Services	1,176.14	1,060.82
Total Revenue from operations	**1,176.14**	**1,060.82**

17 Other Income

Particulars	31-Mar-22	31-Mar-21
Interest on Fixed deposit	0.04	0.05
Others	0.13	0.15
Total Other Income	**0.17**	**0.20**

* Mandatorily measured at fair value through profit or loss

Other Gains/(Losses)

Particulars	31-Mar-22	31-Mar-21
Foreign exchange gain/(loss)	3.94	0.37
Total Other Gains/(Losses)	**3.94**	**0.37**

18 Employee Benefit Expenses

Particulars	31-Mar-22	31-Mar-21
Salaries and Wages	868.36	751.92
Contribution to ESI and PF	45.53	24.70
Gratuity and Leave Encashment	22.04	19.01
Insurance	3.87	0.89
Professional Tax	0.01	-
Staff welfare expenses	10.11	19.43
Total	**949.91**	**815.95**

19 Finance Cost

Particulars	31-Mar-22	31-Mar-21
Finance Cost - Leases	2.65	2.76
Total Finance Cost	**2.65**	**2.76**

20 Depreciation and Amortisation Expense

Particulars	31-Mar-22	31-Mar-21
Computer Systems & Accessories	28.29	22.99
Servers and Networks	0.05	0.24
Furniture & Fittings	1.65	2.23
Office Equipment	0.15	0.26
Computer Software & Licenses	0.62	1.73
Right of Use of Asset	16.82	25.53
Total Finance Cost	**47.59**	**52.98**

21 Other Expenses

Particulars	31-Mar-22	31-Mar-21
Administrative Expense	3.68	2.51
Discount Allowed	5.42	2.96
Repairs and Maintenance	7.69	7.59
Office Maintenance	0.24	0.36
Electricity charges	3.40	4.33
Rent	7.75	3.21
Recruitment Expenses	5.84	5.14
Fees and Registration Charges	0.37	0.74
Internet & Telephone Charges	6.36	6.81
Memberships	5.34	2.17
Travelling & Accomodation	1.09	0.44
Security Charges	2.12	2.14
Cloud Storage Expenses	10.25	13.88
Consultancy Charges	27.11	38.13
Professional Charges	12.49	7.63
Insurance	0.00	0.35
Auditors' Remuneration	-	-
Audit Fee	0.50	0.20
Taxation matters	0.09	-
Certification Fees	-	
Out of Pocket expenses	-	
Donations	1.25	0.81
Miscellaneous Expenses	1.10	0.59
Interst on Income Tax	-	0.25
Bank Charges	0.02	0.06
Total of Other Expenses	**102.10**	**100.30**

22 Earnings Per Share

Particulars	31-Mar-22	31-Mar-21
Net profit/(loss) for the year attributable to equity share holders	45.22	57.68
Weighted average number of Equity Shares	1	1
Par value per Share	10	10
Earnings per share from continuing operations	45.22	57.68

23 Related party disclosure

I. Name of Related Party and description of relationship.

Nature of Relationship	Name
Holding Company	Tech Mahindra Limited
Key Managerial Personnel	Manoj Kanumuri
	Surya Rao Kalla
	Madhu Ponduru
	Divya Kalla
	Arundhati Kalla
Director	Narasimham Venkata Rachakonda
	Vivek Satish Agarwal
Common Director - Narasimham Venkata Rachakonda	Satyam Venture Engineering Services Private Limited
	Tech Mahindra Cerium Private Limited
	Allyis India Private Limited
	Ryzohm Services Private Limited
Common Director - Vivek Satish Agarwal	Comviva Technologies Limited
	Born Commerce Private Limited
	Excellere Edulearning Private Limited
	Tech Mahindra Cerium Private Limited
	Tech Mahindra Growth Factories Limited
Sister Company	Zen3 Infosolutions Inc.

II. Transactions Carried out with Related Parties in Ordinary Course of Business

a) Holding - Tech Mahindra Limited

Particulars	31-Mar-22	31-Mar-21
Services Rendered (Tech Mahindra Limited)	204.22	50.72

b) Sister Company - Zen3 Infosolutions Inc.

Particulars	31-Mar-22	31-Mar-21
Sale of Services	758.67	658.85

c) Key Managerial Personnel - Manoj Kanumuri

Particulars	31-Mar-22	31-Mar-21
Rent Expense	4.08	4.49
Rental Advance	2.04	2.04
Travelling and Accomodation Expenses	-	-

d) Key Managerial Personnel - Surya Rao Kalla

Particulars	31-Mar-22	31-Mar-21
Rent Expense	6.53	6.01
Rental Advance	2.30	2.30

e) Key Managerial Personnel - Madhu Ponduru

Particulars	31-Mar-22	31-Mar-21
Rent Expense	5.47	5.04

f) Key Managerial Personnel - Divya Kalla

Particulars	31-Mar-22	31-Mar-21
Rent Expense	1.14	1.05
Rental Advance	0.57	0.57

g) Key Managerial Personnel - Arundhati Kalla

Particulars	31-Mar-22	31-Mar-21
Rent Expense	1.14	1.05
Rental Advance	0.57	0.57

III. Balances outstanding

Particulars	31-Mar-22	31-Mar-21
Trade Payables :		
Divya Kalla	-	-
Arundhati Kalla	-	-
Madhu Ponduru	-	-
Surya Rao Kalla	-	-
Manoj Kanumuri	-	-
Tech Mahindra Limited	-	2.56
Trade Receivable		
Tech Mahindra Limited	131.15	52.17
Long term Loans and Advances :		
Divya Kalla	0.57	0.57
Arundhati Kalla	0.57	0.57
Surya Rao Kalla	2.30	2.30
Manoj Kanumuri	2.04	2.04
Tech Manindra - Vizag Rental Advance	1.45	-

24 Segment Reporting

The Chief Operating Decision Maker ('CODM') evaluates the Company's performance and allocates resources based on analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The operating segment has been identified to be "Software Services" as the CODM reviews business performance at an overall Company level as one segment.

25 Earnings in Foreign Currency

Particulars	31-Mar-22	31-Mar-21
Revenue		
Business Support services rendered	758.67	658.85

26. Contingent Liabilities

Particulars	31-Mar-22	31-Mar-21
Bank Guarantee	0.50	0.50

As per our report of even date
for K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.: 004718S

For and on behalf of the Board of Directors of
Zen3 InfoSolutions Private Limited

K. Ragunathan
Partner
Membership No: 213723
Place: Hyderabad
Date: June 8, 2022

Vivek Satish Agarwal
Director
DIN: 05218475

Narasimham Venkata Rachakonda
Director
DIN: 00339167

TECH MAHINDRA FINTECH HOLDINGS LIMITED

Board of Directors
Mr. Vivek Satish Agarwal
Mr. Vikram Narayanan Nair

Registered Office
401, Grafton Gate,
Milton Keynes,
MK9 1AQ

Bankers
HSBC Bank Plc

Auditor
KNAV
Rear Ground Floor, Hygeia Building
66-68 College Road
Harrow, HA1 1BE
United Kingdom

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Directors present their strategic report for the year ended 31 March 2022.

Principal activities

The principal activity of the company is to hold an investment in the holding companies which control the Target Group of companies.

Business performance

The company was formed to acquire the share capital of Target Topco Limited. In August 2016 the Company purchased 100% of the share capital of Target Topco Limited, the ultimate UK parent of Target Group Limited. Between FY20 and FY22 restructuring of group entities was undertaken with Target Topco Limited dissolved in January 2020 and Target TG Investments Limited dissolved in July 2021. With these changes, the Company now holds 100 % of the share capital of Target Group Limited. The company does not carry on any activities other than holding an investment in Target Group Limited. During the year under review there are no major changes in the business. The Net loss for the year amounted to £136,475 (2021: £ 64,737).

Risks & uncertainties

As a holding company the directors have not identified any specific risks or uncertainties, other than the ability to meet liabilities as they fall due which is covered by the financial support offered by the parent company.

Position of the company at the year end

At the end of the year the company has a cash balance of which is deemed to be sufficient to meet current liabilities as they fall due. Any shortfall would be covered by the financial support offered by the parent company as mentioned in the risks above.

Statement of directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Board of Directors determines the purpose and values of the Company. The primary role of the Board is that of trusteeship, to protect and enhance stakeholders' value through the strategic supervision of the Company and its subsidiaries.

The Directors of the Company have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and its significant subsidiaries, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006. Section 172 considerations are embedded in decision making at Board level and throughout the Group the Company heads.

By order of the board

Vikram Narayanan Nair Director	**Vivek Satish Agarwal** Director

Place : London
Date: 20th June 2022

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors have pleasure in presenting their Directors 'report and the financial statements for the year ended 31 March 2022

Principal activities

The principal activity of the company is to hold an investment in the holding companies which control the Target Group of companies.

Results and Dividend

The results of the operations for the year under review are set out in the Profit and Loss Account in the ensuing pages.

The directors do not recommend the payment of any dividend (2021: £Nil).

Directors

The directors who held office during the year were as follows:

Mr. Vivek Satish Agarwal

Mr. Patrick Michael Byrne (Resigned on 26th October 2021)

Mr. Vikram Narayanan Nair

Political contributions

There were no political contributions made during the current or prior year.

Going concern

The company does not carry on any activities other than holding an investment in Target Group Limited

As at 31 March 2022, the company had net current assets of £541,187 (2021: £674,809), including cash of £408,939 (2021: £458,419), net assets of £83,741,187 (2021: £83,874,809) and reported a loss for the year then ended of £136,475 (2021:£64,737). The directors have prepared the financial statements on a going concern basis which they consider to be appropriate for the following reasons.

Tech Mahindra Limited, as the parent company has indicated that they will provide necessary funding to support the company to meet its obligations as they fall due for at least twelve months from the approval of these financial statements.

The directors are confident that the company will have sufficient funds to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern

Energy and Carbon Reporting

The company has not disclosed detailed energy and carbon information, as it is a low energy user with <40,000 kwh energy use. The company holds a large group and the energy and carbon information for its immediate subsidiary, Target Group Limited, and its subsidiaries under this company are reported in Target Group Limited's Directors Report. These consolidated financial statements are available for public viewing on Companies House.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditors, KNAV are deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the board

Vikram Narayanan Nair Director	**Vivek Satish Agarwal** Director

Place : London
Date: 20th June 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company Law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECH MAHINDRA FINTECH HOLDINGS LIMITED

Opinion

We have audited the financial statements of Tech Mahindra Fintech Holdings Ltd (the 'company') for the year ended 31 March 2022 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities as set out above, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

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 (UK) 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.

Extent to which the audit is capable of detecting irregularities, including fraud

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations – this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the Company and industry, discussions with management, we identified Companies Act 2006, Financial Reporting Standard 102 and UK taxation legislation as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of directors minutes;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Amanjit Singh FCA
Senior Statutory Auditor
For and on behalf of KNAV, Statutory Auditor

Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

Date: 20th June 2022

TECH MAHINDRA FINTECH HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

Particulars	**Note**	**Year ended 31-Mar-2022 £'000**	**Year ended 31-Mar-2021 £'000**
Administrative Expenses		(138)	(227)
Operating Profit /(Loss)		**(138)**	**(227)**
Other Income		2	-
Income from shares in group undertakings	7	-	3,640
Interest payable and similar expense	5	-	(3,478)
Profit /(Loss) before Tax		**(136)**	**(65)**
Tax on Loss		-	-
Profit /(Loss) after tax for the period		**(136)**	**(65)**
Other comprehensive income			
Total comprehensive income/(loss) for the year		**(136)**	**(65)**

See accompanying notes forming part of the financial statements

All amounts relate to continuing operations.

BALANCE SHEET

	Note	As at 31-Mar-2022 £000	As at 31-Mar-2021 £000
INVESTMENTS	**7**	83,200	83,200
CURRENT ASSETS			
Debtors	**8**	143	229
Cash at bank and in hand		409	458
		552	**687**
CREDITORS: amounts falling due within one year	**9**	**(11)**	**(12)**
NET CURRENT LIABILITIES		541	675
TOTAL ASSETS LESS NET CURRENT LIABILITIRS		**83,741**	**83,875**
NET ASSETS		**83,741**	**83,875**
CAPITAL AND RESERVES			
Called up share capital	**10**	60	60
Share premium Account		107,585	107,582
Profit and Loss Account		(23,904)	(23,767)
SHAREHOLDERS FUNDS		**83,741**	**83,875**

These financial statements were approved by the board of directors on 20th June 2022 and were signed on its behalf by:

Vikram Narayanan Nair
Director

Vivek Satish Agarwal
Director

Place : London

See accompanying notes forming part of the financial statements

STATEMENT OF CHANGES IN EQUITY

Particulars	Called Up Share Capital £000	Share Premium Account £000	Profit and Loss Account £000	Total Equity £000
Balance as at 1st April 2020	10	102,632	(23,702)	78,940
Addition during the year	50	4,950	-	5,000
Profit(Loss) for the period	-	-	(65)	(65)
Total Comprehensive Profit /(Loss) for the period	**-**	**-**	**(65)**	**(65)**
Balance as on 31 March 2021	**60**	**107,582**	**(23,767)**	**83,875**
Balance as at 1st April 2021	60	107,582	(23,767)	83,875
Addition/Adjustments during the year	0	2	-	2
Profit /(Loss) for the period (refer note 10)	-	-	(136)	(136)
Total Comprehensive profit /(loss) for the period	**-**	**-**	**(136)**	**(136)**
Balance as at 31st March 2022	**60**	**107,585**	**(23,904)**	**83,741**

Notes

(forming part of the financial statements)

1 Accounting policies

Tech Mahindra Fintech Holdings Limited ('the Company') is a private company limited by shares, incorporated, registered and domiciled in England and Wales, in the United Kingdom.

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Companies Act 2006.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. The Company's ultimate parent undertaking, Tech Mahindra Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Tech Mahindra Limited are prepared in accordance with Indian Accounting Standards and are available to the public and may be obtained from the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website (www. techmahindra.com). In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;
- the requirements of Section 11 Basic Financial Instrument.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement Convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The company does not carry on any activities other than holding an investment in Target Group Limited

As at 31 March 2022, the company had net current assets of £541,187 (2021: £674,809), including cash of £408,939 (2021: £458,419), net assets of £83,741,187 (2021: £83,874,809) and reported a loss for the year then ended of £136,475 (2021:£ 64,737). The directors have prepared the financial statements on a going concern basis which they consider to be appropriate for the following reasons.

Tech Mahindra Limited, as the parent company has indicated that they will provide necessary funding to support the company to meet its obligations as they fall due for at least twelve months from the approval of these financial statements.

The directors are confident that the company will have sufficient funds to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern

1.3 Foreign Currency

Transactions in foreign currencies are translated to the companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non- monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognized in the profit and loss account.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavorable to the company; and
- where the instrument will or may be settled in the company's own equity instruments, it is either a non- derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Basic financial instruments

Trade and other debtors and creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. In the Company balance sheet, investments in subsidiaries acquired for consideration are measured by reference to purchase price less any impairment.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand are included within liabilities.

1.6 Impairment

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is 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. For financial assets carried 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.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

1.7 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured 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 amount required to settle the obligation at the reporting date.

1.8 Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.9 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2 Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS102 requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, turnover, costs, expenses and other comprehensive income that are reported and disclosed in the financial statements and accompanying notes. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant estimates and assumptions are used as follows:

Provisions against impairment of investments –This is explained under note 1.6

3 Auditor's remuneration

Auditor's remuneration:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Audit of these financial statements	**5**	
Amounts receivable by the company's auditor and its associates in respect of:		
Audit -related services	**-**	-
	5	5

4 Staff numbers and costs

During the reporting period, the company had no employees (2021: Nil)

5 Directors' remuneration

No remuneration or benefits were paid to any of the directors during the period. The directors are remunerated by other group companies, however none of their remuneration was in respect of this company, due to its nature as a non-trading holding company.

6 Interest payable and similar expenses

	Year ended 31 March 2022 £000	Year ended 31 March 201 £000
Interest on loans	-	3,478
Total interest payable and similar expenses	**-**	**3,478**

7 Taxation

Reconciliation of effective tax rate

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Profit / (loss)for the year	**(136)**	(65)
Total tax credit	**-**	-
Profit /(Loss)Loss before tax	**(136)**	(65)
Tax using the UK corporation tax rate of 19% (2020:19%)	**(26)**	(12)
Movement in deferred tax not recognised	**26**	12
Group tax relief claimed	**-**	-
Total tax credit included in profit or loss	**-**	-

The main rate of corporation tax is 19% (2021:19%)

No deferred tax has been recognised on the carried forward losses, as due to the nature of the company it cannot be estimated when these will be utilised.

8 Fixed asset investments

	Year ended 31 March 202 £000	Year ended 31 March 2021 £000
Cost		
At 1 April	83,200	203,210
Adjustment acquisition cost against dividend – Target TG Investment Ltd	-	(120,010)
At 31 March	83,200	83,200
At 1 April	83,200	203,210
At 31 March	**83,200**	**83,200**

Investment in Target Group Limited

After dissolution of Target Topco Limited, the Company bought all the shares of Target Group Limited from its holding company, Target TG Investments Limited, for a value of £120,010,000 in March 2020.

Investments in Subsidiaries are accounted at cost less any provision for impairment. The directors have assessed the operations of the subsidiary entities, including the future projections, to identify indications of diminution in the value of the investments recorded in the books of accounts. Based on the performance of subsidiaries and relevant economic and market indicators which are adversely impacted as a result of Covid-19, the Company has reassessed the recoverable amount in its subsidiaries as on March 31, 2022. Estimates of future cash flows used in the value in use calculations are specific to the entity and based on its business plans. The future cash flows consider potential risks given the current economic environment and key assumptions, such as volume forecasts and margins. The discount rate used in the calculation reflects market's assessment of the risks specific to the investee company as well as time value of money. The discount rate (pre-tax rate) used to determine the value of the investment is 13%. The financial projections and future cash flows, based on which the investments have been tested for impairment, consider the increase in economic uncertainties due to the COVID-19 pandemic, reassessment of the discount rates, growth rates in arriving at the terminal value and subjecting these variables to sensitivity analysis. In FY20, the recoverable amount was lower than the carrying value of investments and the Company had recognised an impairment loss of £36,810,000 on its investment in Target Group Limited. The value of the investment currently remains at £83,200,000 (2021 - £83,200,000) at the end of the year.

The company's wholly owned subsidiaries as at 31 March 2022 were as below

Subsidiary underdaking	Registered Office	Class of Shared held	% Held
Target Group Limited	Target House, Cowbridge Road East, Cardiff, S Glamorgan, CF11 9AU	Ordinary	100%

9 Debtors

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Amounts owed by group undertakings	52	52
Prepayments	91	177
	143	**229**

Debtors are all due within one year. Amounts due to group undertakings are interest free, unsecured and repayable on demand

10 Creditors: amounts falling due within one year

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Other creditors	11	12
	11	**12**

11 Share capital

	Number of shares	
Allotted, called up and fully paid	**31-Mar-22**	**31-Mar-21**
Balance at 1 April	6,000,001	1,000,001
Issued during the year	-	5,000,000
Balance as at 31 March	6,000,001	6,000,001

Types of Shares	**No of shares**	**Face Value**
		£
Ordinary shares of £0.010 each	58,75,001	58,75,001
A1 shares of £0.0001 each	62,500	62,500
A2 voting shares of £0.0200 each	62,500	62,500
	6,000,001	**6,000,001**

A1 Shares have no voting rights attached, are non-redeemable and are not entitled to dividends.

A2 Shares are entitled to the greater of: two votes per share held, and such number of votes that would give the holder 5% of voting rights in the company (reducing other classes accordingly). The shares are non-redeemable and are not entitled to dividends.

Ordinary shares are entitled to one vote, and are entitled to dividends.

In May 2017, the company issued 17,816 A1 ordinary shares of £ 0.0001 each to the employees of Target Group at a premium of £ 0.1599. These shares were financed by a loan from the company to the employees at zero interest rate. The company had established Tech Mahindra Fintech Holding Limited Employee Benefit Trust ("Trust") and allotted 19,059 A1 ordinary shares of £0.0001 each. In the current financial year the Trust has been dissolved and the entire shareholding has been transferred to Tech Mahindra Limited.

Reserves

The share premium reserve contains the premium arising on issue of equity shares.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

12 Ultimate controlling party

The Company is a subsidiary undertaking of Tech Mahindra Limited. The ultimate controlling party is Tech Mahindra Limited and its registered office is Gateway Building, Apollo Bunder, Mumbai – 400001, India.

The largest group in which the results of the company are consolidated is that headed by Tech Mahindra Limited, Gateway Building, Apollo Bunder, Mumbai – 400001, India. The consolidated financial statements of Tech Mahindra Limited are available to the public on the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website (www.techmahindra.com).

13 Related party transactions

At 31 March 2022, £ Nil (2021: £ Nil) is due in relation to intercompany loans and £52,079 (2021: £52,079) is receivable in relation to group tax relief from the immediate parent company. Amounts owed by group undertakings are interest free, unsecured and repayable on demand. There were no transactions with related parties during the year.

14 Post balance sheet events

There is no material subsequent event.

TARGET GROUP LIMITED

Board of Directors
Mr. Vivek Satish Agarwal
Mr. Roger Newman
Ms. Aileen Wallace
Mr. A.J. McIntyre – w.e.f. 4th August 2021
Mr. Patrick Michael Byrne – up to 31st July 2021

Registered Office
Target House, 5-19
Cowbridge Road East,
Castlebridge, Cardiff,
CF11 9AU

Bankers
HSBC Bank

Auditors
KNAV Limited
Hygeia Building, Ground Floor
66-68 College Road
Harrow, Middlesex
HA1 1BE

STRATEGIC REPORT

This strategic report has been prepared for the Group as a whole ("Target"), so includes matters which are significant to Target Group Limited and its subsidiary undertakings.

Review of the business

Principal activities

The principal activities of Target are the provision of transformational outsourcing, business process management and managed services to the financial services sector. We enable clients to transform performance by delivering a world class combination of customer experience, regulatory compliance and productivity through our digital technology and process improvement capabilities. Our services are delivered in highly regulated mission critical environments, and our platform supports over £29bn of business. We have over 40 years' experience and are trusted by over 50 financial institutions, including some of the top 20 global banks.

Through Elderbridge Limited we act as Lender of Record on a number of lending portfolios, providing management services for portfolio owners in the FCA regulated environment.

Covid-19 Pandemic

During the COVID-19 pandemic we recognised we had a crucial role to play in helping administer financial accounts for millions of customers, many of whom were concerned about their finances during a difficult time. Our customer service, and the safety and well-being of our staff continue to be our priorities as impact of the COVID-19 diminish

Financial review

The year ended 31 March 2022 has been challenging, we have continued to deliver critical projects for our clients whilst managing our response to COVID-19 and keeping our employees safe.

Turnover for the year ended 31 March 2022 of £76,689k (31 March 2021 of £70,960k) represents an increase of 8% (2021: increase of 2%). The gross margin for the year was 23% (2021: 27%). We continued to invest in developing our sales pipeline and securing new business opportunities. As a result, we have an extremely healthy pipeline and have secured significant new contract revenue supporting the year on year increase in revenue.

Operating loss decreased from £8,351k for the year ended 31 March 2021 to an operating loss of £4,860k for the year ended 31 March 2022. We have continued to invest in our platforms and operating model during the year which will deliver future cost savings, but not all of our investment meets the capitalisation thresholds available. This has resulted in additional costs in the year, but it is important investment to ensure we continuously improve our services to clients and customers, whilst driving efficiencies into our operations.

The impact of macroeconomic challenges on our customers will be an area we closely monitor. Our proven track record in successfully supporting our customers through challenging times provides confidence that we will continue to meet the changing needs of our customers and colleagues as we move forward

The following data illustrate the annualised comparison:

	2022 £000	**2021 £000**
Revenue	76,689	70,960
EBITDA	(2,797)	(3,589)

Our markets

Our clients are predominantly providers of lending, payment, investment and insurance products, across both the public and private sectors. We service these markets through four key offerings; transformational outsourcing, business process outsourcing, managed services and software, all of which are supported by our professional services and consultancy teams.

Business performance

We have continued to work with Tech Mahindra, of which Target is a 100%-owned subsidiary, in bringing new technology to bear in helping our clients succeed.. We have been delighted that in our core markets existing and new clients have chosen to put more business with Target, enabling us to continue to grow our franchise and create additional, sustainable annuity revenue streams. This combined Target/Tech Mahindra approach allowed us to secure the largest deal in Targets history.

In our existing client portfolio, we saw several clients chose to renew their contracts with Target, and a number also placed new business with us during the year. These are relationships that we value deeply. We expect that our continued focus on operational excellence will see us secure additional contract extensions as we move forward.

People

In July 2021 Patrick Byrne stepped down from his board position as a non-executive director, having worked for Target in various role for 10 years. The directors of the company would like to thank Patrick for his dedication during his time at Target Group

In August 2021, Andrew McIntyre joined the board as non-executive director. Andrew was a partner at EY for 28 years before retiring in 2016. Andrew currently holds a number of non-executive director roles across financial servicing organisations, and brings a wealth of expertise to the organisation.

The average number of colleagues has reduced in the year from 1,237 to 1,129.

Our culture programme continues to thrive. Built around a clear set of values and behaviours, our employee recognition scheme 'Target Wins' ensures we recognise individuals and teams that make an outstanding contribution across the business. We also have a localised reward scheme, "MyRecognition" which provides small rewards to swiftly recognise great examples of our Target values and behaviours.

Engagements levels as measured by the Best Companies survey increased. We have placed a greater focus on colleague well-being through a range of initiatives and events, which has resulted in us being well placed to support colleagues through COVID-19.

Our Diversity & Inclusion working group continues to drive initiatives at the heart of our values. At Target we are delighted to have a diverse workforce and we have continued to support and encourage engagement through a number of activities involving our employees. It has been a difficult year to deliver some of the activities that were planned but we have been able to provide these virtually and online where possible.

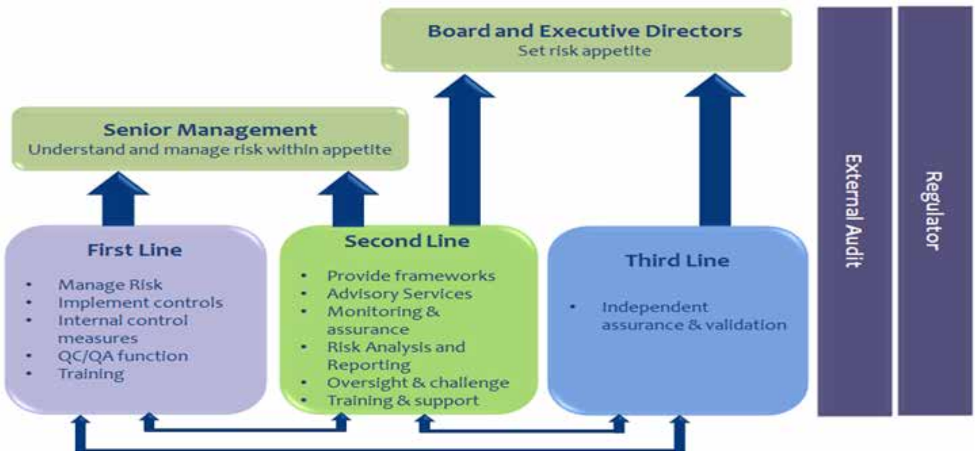
Corporate social responsibility

As a Group, we are passionate about engaging with our local community and taking responsibility for the environment around us, we have been able to do this virtually, and in person as the COVID-19 restrictions have eased.

Principal risks and uncertainties

Risk management in Target Group

Target seeks to embed effective risk management through the application of a 'Three Lines of Defence' model to manage and mitigate risks and provide assurance over preventative controls. The Framework is maintained by the Group Risk & Compliance function. Operation are the first line of defence and are responsible for day to day operational risk management. This is overseen by the Risk and Compliance Functions operating as the second line of defence. The third line is Internal Audit which operates as a co-sourced arrangement with external providers.



Outputs from risk management activities are reviewed through the Risk Governance Framework, culminating in escalation to the Board's Group Risk Committee or Group Audit Committee which are sub committees of the Target Group Board. We continue to review and evolve our Risk Management Framework, and as a result our Risk Governance Framework was updated during the year. The Framework is set out in the diagram below.

Principal risk outlook

Target is not risk averse but aims to offer innovative technology-based servicing, software and product propositions, within the constraints of its financial resources and without compromising customer outcomes, its reputation or its brand. It only pursues opportunities that are well understood, that support the vision and strategy of the group and where risks can be effectively managed.

The principal risks faced by the Group are summarised below:

Risk	Definition	Key mitigating actions
Conduct risk	The risk of a failure in our control and governance frameworks leading to unfair outcomes, detriment to our clients/customers and/or regulatory censure.	Target's governance and control frameworks are designed to minimise the risk of unfair outcomes. These frameworks are subject to regular review by Target, its clients and their auditors.
Information security risk	The risk of failure in our controls for protecting corporate, client and customer data, leading to loss of client and customer trust, material cost and reputational damage.	Target maintains extensive controls to safeguard data, including increasing employee awareness, physical and logical access controls and data encryption. We have also invested in additional controls and technology because of GDPR which will further mitigate this risk.
Operational risk	The risk of failing to effectively deliver the volume of simultaneous, complex change facing the business and thereby impacting on service delivery.	Target has a combined and comprehensive resource management approach that enables effective management of change across all business activities, while maintaining agreed standards of conduct and service level performance.

Section 172 Statement

Target Group is a trusted provider of outsourced services within the financial services sector and as such the group seeks to put the customers of its clients first, invests in its employees, supports the communities in which it operates and strives to generate sustainable profits for shareholders.

The Directors of the group have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Section 172 considerations are embedded in decision making at Board level and throughout the Group. Where applicable, any issues, factors and stakeholders which the Directors consider when discharging their duty under section 172(1) are detailed within the strategic report and directors' report within these annual statements.

Our business purposes and the risks facing our organisation are set out in the strategic report, including those relating to our people and our social responsibilities practices, including examples of stakeholder engagement with employees and suppliers.

Events after the reporting period

Elderbridge Limited, a wholly owned subsidiary of Target Group Limited, is investigating the potential impact of a complaint received from a customer. At this stage there is no indication of potential timescales for the investigation to conclude, and there is no certainty of liability, or of any resulting outflow of cash or other economic resources.

Future developments

Target Group is in an excellent position to take advantage of opportunities arising in the coming year.

A rapidly changing financial services market will lead to opportunities with both established players and disruptive entrants. The continued strengthening of our senior leadership team and our relationship with Tech Mahindra during the year leaves us well positioned to secure these new client opportunities.

Ultimately the success of Target will be determined by the success of our clients and I would like to take this opportunity to thank our clients for their continued custom.

By order of the board

5-19 Target House
Cowbridge Road East
Cardiff   CF11 9AU
Registered number 01208137

R Newman
Director

22nd June 2022

DIRECTORS' REPORT

The directors present their annual report together with the financial statements and auditor's report, for the year ended 31 March 2022.

In accordance with Section 414C (11) of the Companies Act 2006, certain information around the trading activities of the Group are contained within the Strategic Report.

Results and dividends

The Group's results are set out in the consolidated profit and loss account and the strategic report. The directors elected not to declare a dividend during the year (2021: £nil).

Directors

The directors who held office during the year were as follows:

P. M. Byrne (resigned 31 July 2021)

V.S. Agarwal

A. Wallace

R. Newman

A.J. McIntyre (appointed 4 August 2021)

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the prior period and remain in force at the date of this report.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risks.

Cash flow risk

All treasury matters are coordinated via the relevant group functions of our parent entity Tech Mahindra Limited.

There is minimal interest rate risk to the Group as we hold no external debt, except our finance leases.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of clients. Most of our clients are blue chip investment, retail banking, finance and insurance companies, and government bodies which represent a low credit risk.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses short-term debt finance, when required. Finance leases are used by the company to facilitate the purchase of long-term assets (note 1).

Regulatory risk

Target Servicing Ltd is classified as an Article 3 MiFID exempt firm and also holds the status as ISA Plan Manager with HMRC in respect of the Hartmoor Financial brand. Our compliance function reviews our regulatory requirements on an ongoing basis to ensure compliance with all relevant permissions held.

Elderbridge Limited was established in 2014 as a loan servicing company authorised and regulated by the Financial Conduct Authority (FCA). The entity holds various lending permissions for consumer credit and mortgages.

The group's compliance function reviews the group's regulatory requirements on an ongoing basis to ensure compliance with all relevant permissions held.

Political contributions

No political donations were made during the year (2021: nil).

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort will be made to ensure their employment with the Group continues and that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings with the Executive Committee ("ExCo") in the form of Town Halls, Heads of Department Scrums and group e-mail communications. The Town Halls are open forums and are a way of consulting regularly with employees on a wide range of matters affecting their current and future interests.

Energy and Carbon Reporting

For the period from 1 April 2021 to 31 March 2022 the consumption of reportable energy for the Group was 2,461,664 kWh and 19,220 miles of travel mileage reimbursements to employees. This equated to:

- 522 tCO2e from the purchase of electricity
- 41 tCO2e from the purchase of gas
- 5 tCO2e from miles travelled by employees

Energy efficiency:

The Group does not own any of its buildings, nor are they occupied under finance leases. We have no authority to improve the energy efficiency of the buildings without agreement and investment from our landlords.

Whilst we encourage energy efficiency best practice with our employees, the health and welfare of our employees always comes first. The extent of staff travel time and mileage has remained at a significantly reduced level during the year due to the impacts of COVID-19 working restrictions, however, we expect to see an increase in the extent of employee travel during 2022/2023.

Intensity Ratio:

The group used on average 1 kgCO2 for every £134.92 of turnover (2021: 1kg CO2 for every £129.36).

Methodology:

We have calculated our emissions based on the Activity data (kWh or mileage) x Emission Factor.

As our energy usage is invoiced directly from our energy suppliers, and we have taken the usage of electricity and gas directly from the supplier invoices to determine the Activity data. For mileage, we have used employee expense claims to determine the Activity data. We have used data from the Carbon Trust: (https://proddrupal-files.storage.googleapis.com/documents/resource/public/Conversion_factor_introductory_guide.pdf) as the emissions factor source.

Statement of engagement with suppliers, customers and others in a business relationship with the group

We value our customer relationships deeply and all clients have a specific Client Account Manager and Director to ensure regular and relevant engagement. Given that we are a business that provides long-term services to clients, the ability to develop and foster our client relationships is key to our success. We use client satisfaction surveys as a key metric to engage with our clients to monitor and continuously improve our services to them.

We proactively engage with our suppliers as we have a number of suppliers that are fundamental to the quality of our services, and therefore to ensuring that we meet the high standards of conduct that we set ourselves. We perform due diligence on our suppliers before entering a relationship to assess whether they meet the standards of conduct we expect. We conduct frequent supplier meetings, the regularity of which are done on a risk-based approach, with all suppliers tiered in accordance to their size and how business critical their services are to us.

Other information

An indication of any likely future developments in the business and particulars of significant events which have occurred since the end of the financial period are included in the Strategic Report.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the directors have appointed KNAV Limited as auditors of these financial statements.

By order of the board

Target House
Cowbridge Road East
Cardiff CF11 9AU
Registered number 01208137

R Newman
Director

22nd June 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the groups profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TARGET GROUP LIMITED

Opinion

We have audited the financial statements of Target Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors

As explained more fully in the Statement of Director's Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 (UK) 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.

Extent to which the audit is capable of detecting irregularities, including fraud

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the Group, Company and industry, discussions with management, we identified Companies Act 2006, Financial Reporting Standard 102, UK taxation legislation and the Financial Conduct Authority's regulations as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Group's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the Group and Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of directors minutes;
- enquiry of management of legal matters in the year and use of legal firms thereof.;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Amanjit Singh FCA (Senior Statutory Auditor)

For and on behalf of KNAV Limited (formerly Expomax Ltd), Statutory Auditor

Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

Date: 22nd June 2022

CONSOLIDATED PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2022

	Note	**Year ended 31 March 2022**	**Year ended 31 March 2021**
		£'000	£'000
Turnover	3	**76,689**	**70,960**
Cost of sales		(59,301)	(51,687)
Gross profit		**17,388**	**19,273**
Administrative expenses		(22,248)	(27,624)
Operating (loss)/profit		**(4,860)**	**(8,351)**
Interest payable and similar expenses	4	(141)	(102)
(Loss)/profit before taxation	7	**(5,001)**	**(8,453)**
Tax on profit	10	2,055	1,519
(Loss)/profit after taxation		**(2,946)**	**(6,934)**
Other comprehensive income		-	-
Total comprehensive income		**(2,946)**	**(6,934)**

All results relate to continued operations.

See accompanying notes forming an integral part of the financial statements

TARGET GROUP LIMITED

CONSOLIDATED BALANCE SHEET

at 31 March 2022

	Note	31 March 2022		31 March 2021	
		£000	£000	£000	£000
Fixed assets					
Other intangibles	11		-		453
Tangible assets	12		3,289		4,689
			3,289		**5,142**
Current assets					
Debtors – due within one year	14	25,146		24,309	
Debtors – due after one year	14	5,724		3,426	
		30,870		**27,735**	
Cash at bank and in hand		4,339		3,199	
		35,209		**30,934**	
Creditors: amounts falling due within one year	15	(30,475)		(22,640)	
Net current assets			**4,734**		**8,294**
Total assets less current liabilities			**8,023**		**13,436**
Creditors: amounts falling due after more than one year	16		(2,233)		(3,350)
Provisions for other liabilities	18		(445)		(1,795)
Net assets			**5,345**		**8,291**
Capital and reserves					
Called up share capital	19		810		810
Share premium account			501		501
Capital redemption reserve			68		68
Profit and loss account			3,966		6,912
Shareholders' funds			**5,345**		**8,291**

These financial statements were approved by the board of directors on 22nd June 2022 and were signed on its behalf by:

R. Newman
Director

Target House
Cowbridge Road East
Cardiff CF11 9AU
Registered number 01208137

COMPANY BALANCE SHEET

at 31 March 2022

	Note	**31 March 2022**		**31 March 2021**	
		£000		£000	
Fixed assets					
Intangible assets	11		-		433
Tangible assets	12		2,558		3,914
Investment in subsidiary undertakings	13		9,000		11,036
			11,558		**15,383**
Current and non-current assets					
Debtors – due within one year	14	13,204		12,943	
Debtors – due after one year	14	2,787		1,123	
		15,991		**14,066**	
Cash at bank and in hand		4,237		2,777	
		20,228		**16,843**	
Creditors: amounts falling due within one year	15	(31,151)		(32,697)	
Net current (liabilities)			**(10,923)**		**(15,854)**
Total assets less current liabilities			**635**		**(471)**
Creditors: amounts falling due after more than one year	16		**(438)**		(1,272)
Net assets			**197**		**(1,743)**
Capital and reserves					
Called up share capital	19		810		810
Share premium account			501		501
Capital redemption reserve			68		68
Profit and loss account			(1,182)		(3,122)
Shareholders' funds			**197**		**(1,743)**

The profit for the financial year dealt with in the financial statements of the parent company was £1,940k (2021: The loss for the financial year dealt with in the financial statements of the parent company was £4,315k).

These financial statements were approved by the board of directors on 22nd June 2022 and were signed on its behalf by:

R. Newman
Director

Target House
Cowbridge Road East
Cardiff CF11 9AU
Registered number 01208137

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity shareholders of the Group

	Share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2020	810	501	68	13,841	15,220
Total comprehensive income for the year					
Loss for the year	-	-	-	(6,934)	(6,934)
Disposal of Harlosh New Zealand in prior year	-	-	-	5	5
Balance at 31 March 2021	**810**	**501**	**68**	**6,912**	**8,291**
Total comprehensive income for the year					
Loss for the year	-	-	-	(2,946)	(2,946)
Balance at 31 March 2022	**810**	**501**	**68**	**3,966**	**5,345**

COMPANY STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity shareholders of the Company

	Note	Share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
		£000	£000	£000	£000	£000
Balance at 1 April 2020		810	501	68	1,193	2,572
Total comprehensive income for the year						
Dividend	21	-	-	-	-	-
Loss for the year		-	-	-	(4,315)	(4,315)
Balance at 31 March 2021		**810**	**501**	**68**	**(3,122)**	**(1,743)**
Total comprehensive income for the year						
Profit for the year		-	-	-	1,940	1,940
Balance at 31 March 2022		**810**	**501**	**68**	**(1,182)**	**197**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2022

1 Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

General information and basis of accounting

Target Group Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the registered office is given above.

The nature of the group's operations and its principal activities are set out in the Directors' report and Strategic report .

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The functional currency of Target Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

Target Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside these consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The consolidated financial statements of Tech Mahindra Limited, within which this Company is included, can be obtained from the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website (www.techmahindra.com).

Going concern

The directors have considered the use of the going concern basis in the preparation of the Group and Company financial statements in light of the current financial position of the Group and Company and their related forecast cash flows. They have concluded that it is appropriate at the date of signing the financial statements.

The Directors have considered the impact of the COVID-19 pandemic on the business, with a particular focus on its effect on the Group's and Company's employees, customers and suppliers.

The Group's products and services remained critical to customers during the pandemic and continue to remain critical as we fully move on. The group has remained open and operational throughout the pandemic to date, continuing to provide customers with our services, some of which have been undertaken remotely with minimal disruption. It is expected that the Group will move to a hybrid working model over the next 12 months. We do not expect significant disruption to the services being delivered, or to the Company's anticipated performance and strategic direction.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these consolidated financial statements in order to assess the Group's ability to continue as a going concern. This includes modelling of severe downside scenarios such as a drop in new business activity and unmitigated increases in the cost base.

The legacy impact of COVID-19, along with the current geopolitical uncertainty has been reflected in our revenue and cost forecasts. The directors anticipate revenues to continue improving, but the pressure on costs remain, with increasing price rises being suffered globally. To help alleviate some of this pressure, the various cost optimisation / reduction programmes introduced in FY22 will continue to impact both next year as well as bring about the longer-term benefits to the company.

Given this situation and the continued investment in the company's platforms, operations and new business opportunities, the forecasts indicate that, after taking account of reasonably possible downsides, the Group and Company will post an improved performance in the coming year, returning to a profitable position.

The company does not have any external debt or material financing arrangements in place currently and as a result, in this case, the forecasts, which have been prepared for a period of at least 12 months from the balance sheet date, indicate that the company will have sufficient funds through funding from its ultimate parent company, Tech Mahindra Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Tech Mahindra Limited providing additional financial support during that period. Tech Mahindra Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiary undertakings made up to 31 March 2022, and previously to 31 March 2021. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at the balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange differences arising on translation are recognised in the profit and loss account. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company.

Intangible assets - Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life. Provisions are made for any impairment.

Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. The directors consider each acquisition separately for the purpose of determining the amortisation period, being the period over which the directors estimate that economic benefit will continue to be derived from the purchase as:

Goodwill on consolidation arising on acquisition of subsidiary undertakings	5 – 10 years

Intangible assets – research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the Group is expected to benefit. This period is between 2 and 5 years. Provisions are made for any impairment. See note 2 for further details.

Other intangible assets

Intangible assets acquired as part of a business acquisition are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful economic lives as follows:

Customer contracts	5 years
Brand	5 years
Capitalised development costs	2 to 5 years

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Tangible fixed assets

Tangible fixed assets are stated at their historic cost, net of depreciation and any provision for impairment. Historical cost includes expenditure that is 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. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less the estimated residual value, of each asset on a straight-line basis over their estimated useful economic lives from the point they are brought into use as follows:

Short leasehold property	-	the term of the lease
Computer equipment	-	3-7 years
Fixtures and fittings	-	3-10 years

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Financial instruments

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an 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 instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions, are subsequently measured at amortised cost using the effective interest method:

a. Returns to the holder are (i) a fixed amount; or (ii) a positive fixed rate of return over the life of the instrument; or (iii) a positive variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.

b. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

c. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

d. There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss as described below.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is 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.

For financial assets carried 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.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Interest receivable and interest payable

Interest payable and similar charges include interest payable and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Turnover

Turnover represents the amounts, excluding value added tax, derived from the provisions of solutions to third party customers. Solutions can be provided in four ways: as software licence and related service sales, under facilities management contracts, under business transformation contracts and under business process outsourcing contracts.

Turnover for the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors.

Government grants

Government grants are accounted under the accruals model as permitted by FRS 102 and are recognised in the Profit and Loss in the same period as the related expenditure. The group has chosen to show the government grants received as other operating income.

Retirement benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Assets held under finance leases and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future obligations are recorded as liabilities, while the interest elements of the rental obligations are charged to the profit and loss account over the periods of the leases and to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged in the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Provisions

Provisions are recognised when the group 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 of the obligation can be estimated reliably. A provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors 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 the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Due to the complexity of some of the Group's contracts, there are judgements to be applied, including the measurement and timing of implementation revenue recognition and the recognition of assets and liabilities that result from the performance of the contract.

Research and development costs

In line with FRS 102, the Group capitalises expenditure on development activities where that expenditure meets the requirements of the standard i.e. a product or process is technically and commercially feasible, the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and the Group can measure reliably the expenditure attributable to the intangible asset during its development. Projects are assessed on an individual basis to determine which activities meet the eligibility criteria for capitalisation as an intangible asset. The days attributable to eligible activities based on the time recording system, together with management assessment of percentage attributable where required, are multiplied by the relevant day rate for that period and capitalised. Eligible non-staff costs are also capitalised where relevant.

There are also judgements applied to the period over which the costs will be recovered. This determines the amortisation period appropriate for the asset.

3 Turnover

Turnover by destination was UK £60,545k (2021: £70,234k) and rest of the world £16,144k (2021: £726k).

The table below sets out information for each of the group's industry segments:

	Software		**Services**		**Total**	
	2022	2021	**2022**	2021	**2022**	2021
	£000	£000	**£000**	£000	**£000**	£000
Turnover	**28,468**	23,916	**48,221**	47,045	**76,689**	70.960

4 Interest payable and similar expenses

	Year ended 31 March 2022	Year ended 31 March 2021
	£000	£000
Bank interest and charges	**21**	9
Hire purchase and finance interest	**74**	93
Other finance costs	**46**	-
	141	**102**

5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year was as follows:

	Number of employees	
	Year ended 31 March 2022	Year ended 31 March 2021
Technical and operational	**990**	1,106
Sales, marketing, management and administration	**138**	131
	1,129	1,237

The aggregate payroll costs of these persons were as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
	£000	£000
Wages and salaries	**36,184**	38,977
Social security costs	**3,325**	3,705
Pension costs	**1,585**	1,601
	41,093	44,283

6 (Loss) / Profit before taxation

	Year ended 31 March 2022	Year ended 31 March 2021
	£000	£000
Profit before taxation is stated after charging/(crediting):		
Amortisation of goodwill (note 11)	**-**	220
Amortisation of other intangible assets (note 11)	**186**	1,970
Impairment of intangible assets	267	-
Depreciation (note 12)		
Owned	**1,311**	1,705
Leased	**600**	760
Rentals under operating leases - property	**868**	1,143
Foreign exchange loss / (gain)	**47**	4
Government grants – furlough	**-**	(21)
Auditor’s remuneration:		
Audit of these financial statements	**50**	36
Audit of financial statements of other group companies pursuant to legislation	**30**	34

Auditor’s remuneration in respect of the company was £50k (2021: £36k). Audit of other group companies relates to the audit fees for the subsidiaries Target Servicing Limited, and Elderbridge Limited.

Amortisation and impairment charge:

The amortisation, impairment charge and impairment reversals are recognised in the following line items in the profit and loss account:

	2022	2021
	£000	£000
Administrative expenses	**453**	2,190

7 Profit and loss account of parent company

As permitted by Section 408 of the Companies Act 2006, no profit and loss account or statement of other comprehensive income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

8 Directors' remuneration

Emoluments of the directors were as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
	£000	£000
Directors' emoluments	**346**	1,321
Company contributions to money purchase pension scheme	**13**	14
	359	1,335

The number of directors who:

Are members of a money purchase pension scheme	**2**	3
Had awards receivable in the form of shares under a long-term incentive scheme	**0**	2

The aggregate of emoluments of the highest paid director were £201k (2021: £545k) and company pension contributions of £11k (2021: £nil) were made to a money purchase pension plan on their behalf.

9 Taxation

The tax charge for the period comprises:

	Year ended 31 March 2022	Year ended 31 March 2021
	£000	**£000**
Current tax:		
UK Corporation tax on (loss)/profit for the year	**-**	-
Adjustments in respect of prior periods	**470**	(44)
Total current tax (credit)/charge	**470**	**(44)**
Deferred tax:		
Impact of change in tax rate	**(1,522)**	-
Origination and reversal of timing differences	**(939)**	(1,486)
Adjustments in respect of prior periods	**(64)**	11
Total deferred tax (credit)/charge	**(2,055)**	**(1,475)**
Total tax (credit)/charge on (loss)/profit	**(2,055)**	(1,519)

10. The tax (credit)/charge is lower (2021:lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%) as explained below:

	Year ended 31 March 2022	Year ended 31 March 2021
	£000	£000
(Loss)/Profit for the year	**(2,946)**	(6,934)
Total tax (credit)/charge	**(2,055)**	(1,519)
(Loss)/Profit excluding taxation	**(5,001)**	(8,453)
Tax at 19% (2021:19%)	**(950)**	(1,606)
Effects of:		
Expenses not deductible for tax purposes	**10**	49
Group relief claimed	**-**	-
Tax losses utilised in the year	**-**	-
Impact of change in tax rate	**(1,522)**	
Adjustments in respect of prior periods	**407**	38
Total charge for the year as above	**(2,055)**	(1,519)

The Corporation tax is set to remain at 19% until 1 April 2023, when a rate of 25% will be enacted. The deferred tax balance as at 31 March 2022 has been calculated using a combination 19% for deferred tax losses expected to be utilised by 31 March 2023, and 25% on deferred tax losses expected to be utilised thereafter.

11 Intangible Fixed Assets

Group	**Development costs**	**Brand**	**Customer contracts**	**Goodwill**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Cost					
At 1 April 2021	7,856	145	213	776	**8,990**
Additions	-	-	-	-	**-**
Disposals	-	-	-	-	**-**
At 31 March 2022	**7,856**	**145**	**213**	**776**	**8,990**
Amortisation					
At 1 April 2021	7,403	145	213	776	**8,537**
Charge for the year	186				**186**
Impairment charge	267	-	-	-	**267**
At 31 March 2022	**7,856**	**-**	**-**	**-**	**8,990**
Net book value					
At 31 March 2022	**-**	**-**	**-**	**-**	**-**
At 31 March 2021	**453**	**-**	**-**	**-**	**453**

Company	Development costs	Total
	£000	£000
Cost		
At 1 April 2021	7,614	**7,614**
Additions	-	**-**
Disposals	-	**-**
At 31 March 2022	**7,614**	**7,614**
Amortisation		
At 1 April 2021	7,181	**7,181**
Charge for the year	170	**170**
Impairment charge	263	**263**
At 31 March 2022	**7,614**	**7,614**
Net book value		
At 31 March 2021	**-**	**-**
At 31 March 2021	**433**	**433**

Development costs relating to the design and build of core systems have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated, for dividend purposes, as a realised loss. These costs are being amortised over the life of the project to which they relate on a straight-line basis, which is no more than 5 years.

As part of the impairment testing carried out by the Company at 31 March 2022, the intangible asset relating to development cost was considered to have a net book value of £Nil and has been impaired accordingly.

12 Tangible fixed assets

Group	Short leasehold property	Computer equipment	Fixtures and fittings	Total
	£000	**£000**	**£000**	**£000**
Cost				
At 1 April 2021	250	22,260	1,856	24,366
Additions	-	418	93	511
Disposals	-	-	-	-
At 31 March 2022	**250**	**22,678**	**1,949**	**24,877**
Depreciation				
At 1 April 2021	204	17,921	1,552	19,677
Charge for the year	13	1,780	118	1,911
Disposals	-	-	-	-
At 31 March 2022	**217**	**19,701**	**1,670**	**21,588**
Net book value				
At 31 March 2022	**33**	**2,977**	**279**	**3,289**
At 31 March 2021	46	4,339	304	4,689

The Group has leased IT equipment and infrastructure which are considered to meet the definition of finance leases and are accounted for accordingly.

Included in tangible fixed assets of the Group are assets held under hire purchase and finance lease agreements with a cost and net book value at 31 March 2022 of £8,850k and £931k respectively (2021: £8,850k and £1,517k). The associated depreciation for the period on those assets was £587k (2021:£731k).

Company	**Short leasehold property**	**Computer equipment**	**Fixtures and fittings**	**Total**
	£000	**£000**	**£000**	**£000**
Cost				
At 1 April 2021	180	16,336	972	17,488
Additions	-	259	-	259
Disposals	-	-	-	-
At 31 March 2022	**180**	**16,595**	**972**	**17,747**
Depreciation				
At 1 April 2021	170	12,581	823	13,574
Charge for the year	7	1,547	61	1,615
Disposals	-	-	-	-
At 31 March 2022	**177**	**14,128**	**884**	**15,189**
Net book value				
At 31 March 2022	**3**	**2,467**	**88**	**2,558**
At 31 March 2021	10	3,755	149	3,914

Included in tangible fixed assets of the Company are assets held under hire purchase and finance lease agreements with a cost and net book value at 31 March 2022 of £6,938k and £925k respectively (2021: £6,938k and £1,512k). The associated depreciation for the period on those assets was £587k (2021: £721k).

13 Investment in subsidiary undertakings

Company	**2022**	**2021**
	£000	**£000**
Cost		
At 1 April 2021 and 31 March 2022	**17,888**	17,888
Provisions		
Provision for investment in Harlosh Limited	**(6,852)**	(6,852)
Disposal of Target Financial Systems Limited	**(2,035)**	-
Net book value		
At 31 March 2021 and 31 March 2022	**9,000**	11,036

At 31 March 2021, Harlosh Limited was not considered a going concern and a provision was recognised for the full cost of investment in Harlosh Limited.

During the year, Target Financial Systems Limited was liquidated. The net book value of the investment in Target Financial Systems Limited has been eliminated.

The directors assessed the carrying value of the company's investment in other subsidiaries at year-end and are of the opinion that they are not worth less than the carrying value in the financial statements.

The company's wholly owned subsidiaries at 31 March 2022 were:

	Country of incorporation	Principal activity	Class of shares	Percentage ownership
Subsidiary undertakings				
Target Servicing Limited	UK	Provision of business process outsourced services	Ordinary	100%
Harlosh Limited	UK	Provision of computer applications software and related services	Ordinary	100%
Elderbridge Limited	UK	Lender of record for loan portfolios	Ordinary	100%

The registered office of all subsidiary companies is Target House, Cowbridge Road East, Cardiff, CF11 9AU and the individual results of each entity have been included in these consolidated financial statements.

14 Debtors

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Trade debtors	**7,528**	8,307	**3,238**	3,566
Gross amount due from customers for contract work	**7,666**	9,455	**4,994**	1,539
Other debtors	**27**	56	**5**	8
Prepayments and accrued income	**3,369**	2,915	**1,569**	2,077
Deferred tax asset (note 17) **	**5,724**	3,198	**2,787**	1,378
Corporation Tax	**644**	1,165	**958**	911
Amounts due from group undertakings	**5,912**	2,639	**2,440**	4,587
	30,870	27,735	**15,991**	14,066

** Included in the above figures are the following amounts due after more than one year:

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Deferred tax asset (note 17)	**5,724**	3,426	**2,787**	1,123
	5,724	3,426	**2,787**	1,123

15 Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Obligations under finance leases	**831**	796	**831**	796
Trade creditors	**2,826**	1,652	**2,198**	687
Other taxes and social security costs	**1,345**	2,790	**(323)**	1,808
Other creditors	**414**	319	**385**	262
Accruals and deferred income	**9,403**	7,834	**6,077**	5,268
Amounts due to group undertakings	**15,656**	9,249	**21,983**	23,876
	30,475	**22,640**	**31,151**	**32,697**

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Obligations under finance leases (amounts payable in the second to fifth years inclusive)	**438**	1,272	**438**	1,272
Accruals and deferred income	**1,795**	2,078	**-**	-
	2,233	3,350	**438**	1,272

17 Deferred taxation

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
At beginning of year - asset	**3,198**	1,723	**1,378**	421
(Charge) / credit for the year in the P&L account	**2,526**	1,475	**1,409**	957
At end of year – asset (note 14)	**5,724**	3,198	**2,787**	1,378
The deferred tax asset comprises				
Tax losses carried forward	**5,054**	3,426	**2,300**	1,123
Other timing differences	**670**	(228)	**487**	255
	5,724	3,198	**2,787**	1,378

A further deferred tax asset of £54k (2021: £41k) for the group and £54k (2021: £41k) for the company has not been recognised due to uncertainty over its future utilisation. It is made up as follows:

	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
The unprovided deferred tax asset comprises				
Tax losses carried forward	**54**	41	**54**	41
	54	41	**54**	41

18 Provision for liabilities

The group had the following provisions during the year:

	Group	
	Onerous contract provision	**Total**
	£000	£000
As at 1 April 2021	**(1,795)**	(1,795)
(Charge) / credit for the year in the P&L account	**1,350**	**1,350**
As at 31 March 2022	**(445)**	**(445)**

Onerous contract provision

The group provides for any contract where the unavoidable cost of delivering our contractual obligations exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net costs of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

Company

The Company had no provision for liabilities as at 31 March 2022.

19 Share capital

	Ordinary shares of 5p each	'A' shares of 5p each	'B' shares of 5p each	Total
	Number	Number	Number	Number
Allotted, called up and fully paid				
At 31 March 2021 and 31 March 2022	11,557,417	1,476,287	3,161,200	16,194,904

	Ordinary Shares of 5p each	'A' Shares of 5p each	'B' Shares of 5p each	Total
	£000	£000	£000	£000
Allotted, called up and fully paid				
At 31 March 2021 and 31 March 2022	578	74	158	810

Both the 'A' and 'B' shares carry no right to vote at, attend or receive notice of general meetings of the company. They have rights to income or capital only on a sale of the business for a value above specific defined thresholds.

The Group and Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The capital redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

20 Financial instruments

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group		Company	
Financial assets	**2022 Total**	2021 Total	**2022 Total**	2021 Total
	£000	£000	**£000**	£000
Measured at undiscounted amount receivable				
Amounts due from customers (see note 14)	**18,762**	17,762	**8,232**	5,105
Amounts due from related undertakings (see note 14)	**2,344**	2,639	**2,440**	4,587
Other amounts	**9,764**	7,334	**5,319**	4,374
	30,870	27,735	**15,991**	14,066

	Group		Company	
Financial liabilities	**2022 Total**	2021 Total	**2022 Total**	2021 Total
	£000	£000	**£000**	£000
Measured at amortised cost				
Finance lease liabilities (see notes 15 & 16)	**1,269**	2,068	**1,269**	2,068
Measured at undiscounted amount payable				
Trade and other creditors	**15,783**	14,673	**8.338**	8,025
Amounts owed to related undertakings	**15,656**	9,249	**21,983**	23,876
	32,708	25,990	**31,590**	33,969

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group	
Financial assets	**2022 Total**	2021 Total
Interest income and expense	**£000**	£000
Total interest income for financial assets at amortised cost	**-**	-
Total interest expense for financial liabilities at amortised cost	**74**	93

The interest expense includes no interest (2021: none) that was recognised within cost of sales in Target Group Limited. The remainder relates to bank and other finance costs (note 4).

21 Dividend

No dividends were declared during the year (2021: £nil).

22 Commitments

Group capital commitments authorised and contracted at 31 March 2022 were £nil (2021: £nil).

Group total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 Total	2021 Total
	£000	£000
Group:		
In the first year	**939**	1,030
Between one and five years	**2,660**	3,761
After five years	**-**	183
	3,599	4,974

Total future minimum lease payments under non-cancellable finance leases are as follows:

	2022 £000	2021 £000
Company only:		
In the first year	**445**	825
Between one and five years	**1,079**	1,239
	1,524	2,064

Annual commitments at 31 March 2022 relate to property and car leases. The majority of leases of land and buildings are subject to rent reviews.

The company had no capital commitments or annual commitments at the year-end (2021: £nil).

23 Pensions

The assets of the pension schemes to which the group contributes on behalf of its employees are held within independently administered funds. The schemes are all defined contribution schemes thus the group's obligation is solely to make contributions based on a percentage of salary. Employer contributions to the schemes for the year amounted to £1,585k (2021: £1,601k). The pension liability at the year end was £266k (2021: £357k).

24 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group		Company
	2022	2021	**2022**
	£000	£000	**£000**
Creditors falling due after more than one year			
Finance lease liabilities (see note 16)	**438**	1,272	**438**
Creditors falling due within less than one year			
Finance lease liabilities (see note 15)	**831**	796	**831**

Terms and debt repayment schedule

Group	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2021	2020
					£000	£000
Finance lease liabilities	GBP	6%	2019 – 2023	Quarterly	831	796

Company	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2021	2020
					£000	£000
Finance lease liabilities	GBP	6%	2019 – 2023	Quarterly	831	796

25 Related party transaction

The group has taken advantage of exemptions available in FRS 102 from disclosing related party transactions with other companies that are wholly owned within the Tech Mahindra Limited group.

26 Events after the reporting period end

Elderbridge Limited, a wholly owned subsidiary of Target Group Limited, is investigating the potential impact of a complaint received from a customer. At this stage there is no indication of potential timescales for the investigation to conclude. There is no certainty of liability, or of any resulting outflow of cash or other economic resources.

27 Ultimate controlling party

The immediate parent company is Tech Mahindra Fintech Holdings Limited, a company incorporated in Great Britain and registered in England and Wales, with a registered office at 401 Grafton Gate, Milton Keynes, MK9 1AQ.

The ultimate parent company and largest group in which the results of the company are consolidated is Tech Mahindra Limited. The consolidated financial statements of Tech Mahindra Limited are available to the public on the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website (www.techmahindra.com). Tech Mahindra Limited is also the ultimate parent company and its registered office is Gateway Building, Apollo Bunder, Mumbai – 400001, India.

HEALTHNXT INC.

Board of Directors
Mr. Vivek Satish Agarwal
Mr. Richard Caplin

Registered Office
251 Little Falls Drive,
City of Wilmington, 19808,
County of New Castle Delaware

Bankers
JP Morgan Chase & Co

Auditors
CKH CPA's and Advisors, LLC

INDEPENDENT AUDITOR'S REPORT

To: Management HealthNxt Inc.
6440 Southpoint Parkway
Suite 300
Jacksonville, FL 32216

Opinion

We have audited the accompanying financial statements of HealthNxt Inc., a Delaware Incorporated company, which comprise the balance sheet as of March 31, 2022, and the related statement of operations, changes in shareholder's equity and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HealthNxt Inc. as of March 31, 2022, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of HealthNxt Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedule of Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HealthNxt Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 HealthNxt Inc.'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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HealthNxt Inc.'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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CKH CPA's and Advisors,LLC
Atlanta, Georgia
May 27, 2022

BALANCE SHEET AS OF MARCH 31, 2022

(All amounts are in USD)

	Notes	2022
Current assets		
Cash and cash equivalents		**83,006**
Accounts receivable, net	3	**115,914**
Prepaid expenses and other current assets		**17,707**
Total current assets		**216,627**
Non-current assets		
Deferred tax asset	4	**364,245**
Intangible assets, net	5	**1,985,885**
Equity securities	6	**3,000,000**
Total non-current assets		**5,350,130**
Total assets		**5,566,757**
Current liabilities		
Accounts payable		**320,509**
Due to related parties	7	**1,216,100**
Total current liabilities		**1,536,609**
Total liabilities		**1,536,609**
Stockholder's equity		
Equity attributable to stockholder of the Company	10	**4,030,149**
Total liabilities and Stockholder's equity		**5,566,757**

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

HEALTHNXT INC.

STATEMENT OF OPERATIONS FOR THE PERIOD ENDED ON MARCH 31, 2022

	Schedules / Notes	11 Months and 4 days of 2022
REVENUES		**124,782**
Sales of equipment		**124,782**
COST OF REVENUES		**92,016**
Cost of equipment		**92,016**
GROSS PROFIT (LOSS)		**32,767**
OPERATING EXPENSES:		
Personnel		**486,895**
Contract labour		**403,494**
Research and development		**353,118**
General and administrative	I	**523,357**
		1,766,863
OPERATING PROFIT (LOSS)		**(1,734,096)**
		-
Loss before income tax expense		**(1,734,096)**
INCOME TAX (EXPENSE) / BENEFIT	4	**364,245**
NET LOSS		**(1,369,851)**

All revenue and loss for the year is generated from continuing operations.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE YEAR ENDED MARCH 31, 2022

	Common Stock	Share Premium	Accumulated (Deficit)	Total Stockholder's Equity
Issue of common stock	188,350	5,211,650	-	5,400,000
Net loss for the period	-	-	(1,369,851)	(1,369,851)
Balance at March 31, 2022	$ 188,350	$ 5,211,650	$ (1,369,851)	$ 4,030,149

HEALTHNXT INC.

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2022

	11 Months and 4 days of 2022
Cash flows from operating activities	
Net Loss	**(1,369,851)**
Adjustments to reconcile net income to net cash provided (utilized) by operating activities:	
Deferred income tax benefit	**(364,245)**
Changes in operating assets and liabilities:	
Accounts receivable, net	**(115,914)**
Due to related parties	**1,216,100**
Prepaid expenses and other current assets	**(17,707)**
Accounts payable	**320,509**
Net cash provided (utilized) by operating activities	**(331,109)**
Cash flows from investing activities	
Capitalized software costs	**(1,985,885)**
Net cash used in investing activities	**(1,985,885)**
Cash flows from financing activities	
Shares issued (see supplemental disclosure below)	**2,400,000**
Net cash provided by financing activities	**2,400,000**
Net increase in cash	**83,006**
Cash and cash equivalents at beginning of year	**-**
Cash and cash equivalents at March 31	**83,006**

Supplemental disclosure of cash flow information:

The parent, Tech Mahindra (Americas) Inc., contributed the investment in VitalTech Holdings Inc. to the value of $3,000,000, in exchange for share capital.

1. GENERAL INFORMATION

HealthNxt Inc. ("the Company") is a virtual healthcare company that provides a fully integrated inpatient experience at home. The Company filed articles of incorporation with the State of Delaware on April 27, 2021. The company is a wholly owned subsidiary of Tech Mahindra (Americas) inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. ACCOUNTING ESTIMATES

Significant estimates and assumptions made by management include the determination of: The useful life and the average period of benefit associated with capitalized software costs.

The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the result of which forms the basis for making judgments about the carrying values of assets and liabilities.

C. REVENUE RECOGNITION

Revenue from software services contracts is recognized as the services are performed and amounts are earned. The Company considers amounts to be earned once evidence of an arrangement has been obtained, services are provided, fees are fixed or determinable, and collectability is reasonably assured.

The Company recognizes revenue from product sales generally upon delivery to the customer, or at the shipping point in situations where the customer picks up the product or where delivery terms so stipulate. This represents the point at which title and risks and rewards of ownership of the product are passed, provided that there are no uncertainties regarding customer acceptance, there is persuasive evidence that an arrangement exists, the price to the buyer is fixed or determinable and ability to collect is deemed reasonably assured.

D. COST OF REVENUE

Direct costs for employee or contractor placements consists of salaries and contract payments (mainly from hours), payroll taxes, insurance costs as well as reimbursable costs such as travel, lodging or entertainment.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. This includes all direct costs for the purchase of materials, employee cost and contractor expenses.

E. RESEARCH AND DEVELOPMENT AND ADVERTISING

The Company expenses all research and advertising costs as incurred. Advertising costs for period ended March 31, 2022, was zero. Qualifying development cost is capitalized as part of capitalized software costs.

F. INCOME TAXES

HealthNxt accounts for income taxes using Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740 the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. HealthNxt records valuation allowances against deferred tax assets as deemed necessary.

Per FASB ASC 740-10-20, the Company follows the recognition requirements for uncertain tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service (IRS) and all state jurisdictions where it operates.

In accordance with guidance in ASC 740-10-30-27, the Company uses a "separate return" method to allocate current and deferred taxes or benefits to members of the consolidated return group ("TMA and subsidiaries") by applying ASC 740 to each member as if they were separate tax payers. Under the "separate return" method, the subsidiary is assumed to file a separate return with the taxing authority, thereby reporting its taxable income or loss and paying the applicable tax to or receiving the appropriate refund from the Parent.

G. CASH

Cash and cash equivalents represents current accounts and demand deposits held at financial institutions. The Company considers all highly liquid investments with a maturity, when purchased, of three months or less to be cash equivalents. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value. Cash equivalents are held to meet short-term liquidity requirements, rather than for investment purposes. Cash and cash equivalents are held at major financial institutions and are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation (FDIC) limitations.

H. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are the amounts owed on invoiced contractual agreements either in process or completed by the Company. Accounts receivable are considered delinquent when payment is not received under terms described within the individual contract's terms.

An allowance for doubtful accounts is provided for those balances considered to be uncollectible based upon historical experience and the Company's specific review of outstanding account balances. Company policy is that accounts overdue in excess of 365 days and not subject to offsetting is a strong indicator that the receivable has potentially impaired. Bad debts are written off against the allowance when identified.

I. UNBILLED RECEIVABLES

Unbilled receivables represent accrued revenue earned and recognized on projects for which billings have not yet been presented to the customer.

J. CAPITALISED SOFTWARE COST

The Company capitalizes costs related to its major service products and certain projects for internal use incurred during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Internal-use software is amortized on a straight-line basis over its estimated useful life, which is generally five to ten years. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

K. EQUITY SECURITIES

The Company holds strategic investments in privately held equity securities in which the Company does not have a controlling interest or significant influence. Privately held equity securities without a readily determinable fair value are recorded at cost as described. If, based on the terms of these privately held securities, the Company determines that the Company exercises significant influence on the entity to which these securities relate, the Company will apply the equity method of accounting for such investments.

Privately held equity securities are valued using significant unobservable inputs or data in an inactive market and the valuation requires the Company's judgment due to the absence of market prices and inherent lack of liquidity. The carrying value is not adjusted for the Company's privately held equity securities if there are no observable price changes in a same or similar security from the same issuer or if there are no identified events or changes in circumstances that may indicate impairment, as discussed below. In determining the estimated fair value of its strategic investments in privately held companies, the Company utilizes the most recent data available to the Company. Valuations of privately held companies are inherently complex due to the lack of readily available market data. In addition, the determination of whether an orderly transaction is for a same or similar investment requires significant management judgment including the nature of rights and obligations of the investments, the extent to which differences in those rights and obligations would affect the fair values of those investments, and the impact of any differences based on the stage of operational development of the investee.

The Company regularly assesses its privately held equity securities strategic investment portfolio for impairment. The Company's impairment analysis encompasses an assessment of the severity and duration of the impairment and qualitative and quantitative analysis of other key factors including the investee's financial metrics, the investee's products and technologies meeting or exceeding predefined milestones, market acceptance of the product or technology, other competitive products or technology in the market, general market conditions, management and governance structure of the investee, the investee's liquidity, debt ratios and the rate at which the investee is using its cash.

L. RELATED PARTIES

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). The Company did business, including a lease agreement with a provider in which a certain employee of the Company owns an interest. Transactions involving related parties are carried out on an arm's length basis.

3. ACCOUNTS RECEIVABLE, NET

At March 31, 2022, accounts receivable balances were as follows:

	2022
	$
Amounts due for services rendered and billed	**115,914**
Less: allowance for doubtful accounts	**-**
Amounts due for services rendered and billed, net	**115,914**
Amounts due for services rendered, not billed	**--**
Total accounts receivable, net	**115,914**

Amortization expense for the year ending March 31, 2022 was $0. The intangible asset is in the development phase and no amortization recorded during the period.

4. INCOME TAXES

HealthNxt accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes, as described in Note 2F above.

	2022
	$
Current income tax (benefit) expense consists of the following:	
Federal	**-**
State	**-**
	-
Deferred income tax (benefit) expense consists of the following:	
Federal	**(364,245)**
State	**-**
	(364,245)
Total current and deferred income tax (benefit) expense	**(364,245)**

	2022
	$
Deferred tax asset consists of the following:	
Federal	**364,245**
State	**-**
	364,245

In the ordinary course of business there are many transactions with affiliated companies that affect the calculation and estimation of the Company's tax liability. Although management believes that the Company's tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's historical income tax provisions and accruals.

The Company does not anticipate any amount to be recognized related to the Company's uncertain tax position.

5. INTANGIBLE ASSETS, NET

At March 31, 2022, intangible asset balances were as follows:

	2022
	$
Externally developed software (developed by Tech Mahindra Ltd.)	**1,885,885**
Other capitalized development costs	**100,000**
Less: accumulated amortization	**-**
	1,985,885

Amortization expense for the year ending March 31, 2022 was $0. The intangible asset is in the development phase and no amortization recorded during the period.

6. EQUITY SECURITIES

At March 31, 2022 equity securities consisted of the following:

	2022
	$
VitalTech Holdings Inc.	**3,000,000**

The Company holds 2,142,858 shares of Series A-2 Preferred Stock of VitalTech Holdings Inc. (a private company), purchased at $ 1.40 per share. The Company received, at no additional consideration, warrants to purchase 3,571,428 additional shares of Series A-2 Preferred Stock pursuant to a Performance Based Warrant Program Agreement. The warrant was issued on October 21, 2020 and vest over a 3 year period based on revenue or subscriber milestones. See note 13 for additional information.

7. TRANSACTIONS WITH RELATED PARTIES

During the period ended March 31, 2022, the Company had transactions with Tech Mahindra (Americas), Inc.("TMA"). At March 31, 2022 the Company had balances due (to) from TMA as follows:

	2022
	$
Payment to TMA	**6,000**
Expense reimbursement	**(6,000)**
Ending balance, due from (to)	**-**

During the period ending March 31, 2022, the Company had transactions with Tech Mahindra Limited ("TechM"). At March 31, 2022 the Company had balances due (to) from TechM as follows:

	2022
	$
Cost of services	**(1,022,031)**
Ending balance, due (to) from	**(1,022,031)**

During the period ending March 31, 2022, the Company had transactions with Born Group Inc ("Born"). At March 31, 2022 the Company had balances due (to) from Born as follows:

	2022
	$
Expense reimbursement	**(116,812)**
Payments to	**43,900**
Ending balance, due (to) from	**(72,912)**

During the period ending March 31, 2022, the Company had transactions with CJS Solutions Group LLC March 31, 2022 the Company had balances due (to) from CJS as follows: ("CJS"). At

	2022
	$
Expense reimbursement	**(1,021,157)**
Payments to	**900,000**
Ending balance, due (to) from	**(121,157)**
Amounts due to related parties	**(1,216,100)**

8. COMMITMENTS AND CONTINGENCIES

The Company does not currently have any commitments or contingencies arising in the ordinary course of its business.

9. LITIGATION AND CONTINGENCIES

The Company is not currently involved in any legal proceedings which arose in its ordinary course of its business.

10. COMMON STOCK

	2022 Number of shares
Class A Common Stock shares of par value $0.01 issued and paid at $ 0.2867 per share	**18,835,019**

The Company is authorized to issue 30,000,000 shares of Class A Common Stock, par value $0.01 per share, and 26,000,000 shares of Class B Common Stock, par value $0.01 per share, and 19,000,000 shares of Class C Non-Voting Common Stock, par value $0.01 per share.

11. CONCENTRATION OF CREDIT RISK

REVENUE AND ACCOUNTS RECEIVABLE

The majority of the Company's sales are credit sales. The following are customer concentration for sales for the year ended March 31, 2022 and billed accounts receivable as at March 31, 2022.

Revenue concentration for the three months ended March 31, 2022:

	Amount, $	Concentration
Customer A	**115,914**	**100%**

Billed accounts receivable concentrations as at March 31, 2022:

	Amount, $	Concentration
Customer A	**115,914**	**100%**

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined under Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures" ("ASC 820"), as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1–inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2–inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or

model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

Level 3–inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

The carrying amounts of cash, equity securities, accounts receivable and accounts payable approximate fair value due to the short-term maturity of the instruments (these are all level 3).

13. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 27, 2022. Other than the below mentioned event, no significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

On April 28, 2022, the Company entered into an exchange agreement whereby the Company exchanged its warrants (see note 6) for new warrants to purchase common stock in VitalTech Holdings Inc. On the same date the Company exchanged its Series A.2 preferred stock for Series 1 preferred stock in Vitaltech Holdings Inc.

Warrants to purchase common stock attach the right to acquire an equivalent number of shares. The holders of common stock are entitled to one vote for each share of common stock held at meetings of shareholders.

Series 1 preferred stock shall accrue dividends at a rate per annum of $1 per share. At of the date of this report the Company held 2,274,418 performance warrants as well as 2,142,857 out of 52,357,838 Series 1 preferred stock shares, representing 4% ownership.

HEALTHNXT INC.

SUPPLEMENTAL SCHEDULE OF EXPENSES FOR THE YEAR ENDED MARCH 31, 2022

Schedule I

GENERAL, SALES AND ADMINISTRATIVE

	2022
	$
Professional expenses	**392,148**
Sales and marketing	**74,706**
Travel	**35,302**
Software subscription expense	**10,419**
Insurance	**6,000**
Bank charges	**4,782**
	523,357

TECH MAHINDRA-BAHRAIN LTD W.L.L

Directors
Mr. Hrishikesh Pandit
Mrs. Dhanashree Ajit Bhat

Registered Office
Flat 1126, Building 722
Road 1708, Block 317
Diplomatic Area, Manama
Kingdom of Bahrain

Bankers
Ahli United Bank B.S.C.
HSBC Middle East Limited

Auditors
KPMG Fakhro, Bahrain

TECH MAHINDRA-BAHRAIN LTD W.L.L

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

In accordance with the Commercial Companies Law, we have the pleasure in presenting the financial statements of Tech Mahindra Bahrain LTD W.L.L ("the Company") for the year ended 31 March 2022.

Financial highlights	**2022 (BHD)**	2021 (BHD)
Revenue	**203,179**	136,108
Gross profit	**38,581**	45,403
Total comprehensive income	**11,997**	8,558
Total equity	**410,120**	398,123

Representations and audit

The Company's activities for the year ended 31 March 2022 have been conducted in accordance with the Commercial Companies Law and other relevant statutes of the Kingdom of Bahrain. There have been no events subsequent to 31 March 2022.

The Company has maintained proper, complete accounting records and these, together with all other information and explanations, have been made freely available to the auditors KPMG Fakhro, who have expressed their willingness to continue in office for the audit of the year ending 31 March 2023.

On behalf of the Board of Directors

Dhanashree Bhat

Director

Place: Pune, India

Date: June 27, 2022

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Tech Mahindra -Bahrain- LTD WLL
Kingdom of Bahrain

Opinion

We have audited the financial statements of Tech Mahindra -Bahrain- LTD WLL. (the "Company"), which comprise the statement of financial position as at 31 March 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Bahrain, 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.

Other Information

The board of directors is responsible for the other information. The other information obtained at the date of this auditors' report is the Directors' 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 on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors for the Financial Statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the board of directors 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, 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.

Auditors' 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 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 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 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 the board of directors.
- 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 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 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, 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 board of 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 Regulatory Requirements

As required by the Commercial Companies Law, we report that:

a) the Company has maintained proper accounting records and the financial statements are in agreement therewith;

b) the financial information contained in the directors' report is consistent with the financial statements;

c) we are not aware of any violations during the year of the Commercial Companies Law or the terms of the Company's memorandum of association that would have had a material adverse effect on the business of the Company or on its financial position; and

d) satisfactory explanations and information have been provided to us by management in response to all our requests.

KPMG Fakhro

Partner Registration No. 137

27 June 2022

STATEMENT OF FINANCIAL POSITION

as at 31 March 2022

	Note	**31 March 2022**	Bahraini dinars 31 March 2021
ASSETS			
Trade and other receivables	4	**53,087**	193,162
Bank balances	6	**520,801**	396,985
Total assets		**573,888**	590,147
EQUITY AND LIABILITIES			
Equity			
Share capital	7	**50,000**	50,000
Statutory reserve	8	**25,000**	25,000
Retained earnings		**335,120**	323,123
Total equity		**410,120**	398,123
Liabilities			
Provision for employees' benefits	9	**16,484**	12,072
Total non-current liabilities		**16,484**	12,072
Trade payables and other liabilities	10	**18,179**	7,027
Due to Parent Company	5	**129,105**	172,925
Total current liabilities		**147,284**	179,952
Total equity and liabilities		**573,888**	590,147

The financial statements were approved by the Directors on 27 June 2022 and signed on its behalf by:

Mr. Hrishikesh Pandit	**Mrs. Dhanashree Ajit Bhat**
Director	Director

The accompanying notes 1 to 15 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2022

			Bahraini dinars
	Note	**2022**	2021
Revenue from services (net)	11	**203,179**	136,108
Cost of revenue	12	**(164,598)**	(90,705)
Gross profit		**38,581**	45,403
General and administrative expenses	13	**(27,080)**	(26,144)
Impairment allowance on trade receivables	4	**-**	(12,211)
Profit from operations		**11,501**	7,048
Other income		**496**	1,510
Profit for the year		**11,997**	8,558
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**11,997**	8,558

Mr. Hrishikesh Pandit
Director

Mrs. Dhanashree Ajit Bhat
Director

The accompanying notes 1 to 15 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

Bahraini dinars

2022	**Share capital**	**Statutory reserve**	**Retained earnings**	**Total equity**
At 1 April 2021	50,000	25,000	323,123	398,123
Total comprehensive income for the year	-	-	11,997	11,997
At 31 March 2022	**50,000**	**25,000**	**335,120**	**410,120**

2021	Share capital	Statutory reserve	Retained earnings	Total equity
At 1 April 2020	50,000	25,000	314,565	389,565
Total comprehensive income for the year	-	-	8,558	8,558
At 31 March 2021	50,000	25,000	323,123	398,123

The accompanying notes 1 to 15 are an integral part of these financial statements.

TECH MAHINDRA-BAHRAIN LTD W.L.L

STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

		Bahraini dinars
	2022	2021
Cash flow from operating activities		
Profit for the year	**11,997**	8,558
Adjustment for:		
Sundry balances write back	**-**	(1,061)
Interest on fixed deposit	**(90)**	(1,136)
Provision for employees' benefits	**4,412**	1,339
Profit for the year before changes in operating assets and liabilities	**16,319**	7,700
Changes in operating assets and liabilities:		
Trade receivables	**140,075**	(170,377)
Trade payables and other liabilities	**11,152**	(4,682)
Due to the Parent company	**(43,820)**	166,148
	107,407	(8,911)
Net cash generated from / (used in) operating activities	**123,726**	(1,211)
Cash flows from financing activities		
Interest received on fixed deposits	**90**	1,136
Net cash generated from financing activities	**90**	1,136
Net increase / (decrease) in cash and cash equivalents	**123,816**	(75)
Cash and cash equivalents at the beginning of the year	**396,985**	397,060
Cash and cash equivalents at the end of the year	**520,801**	396,985

The accompanying notes 1 to 15 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

1 REPORTING ENTITY

Tech Mahindra -Bahrain- LTD WLL (the "Company") was incorporated on November 3, 2009 as a Single Person Company in the Kingdom of Bahrain and registered with the Ministry of Industry, Commerce and Tourism under Commercial Registration number 73221-1. During the year 2021, the legal status of the Company changed from a single person company (SPC) to a with limited liability (WLL) entity subsequent to the issuance of Degree Law 20 of 2020 which acted to cover all SPC entities to WLL status automatically.

The Company is engaged in providing information technology services and telecommunication solutions.

The Company's registered office is in Manama, Kingdom of Bahrain. The Company is owned by Tech Mahindra Limited – India (the "Parent Company").

The Company's issued share capital consists of 500 ordinary shares at BD 100 each, issued and fully paid.

2 BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in conformity with the requirements of the Commercial Companies Law.

b) Basis of measurement

The financial statements have been prepared on the historical cost convention.

c) Functional and presentation currency

The financial statements are presented in Bahraini Dinars ("BD") being the functional currency of the Company.

d) New standards, amendments and interpretations effective from 1 January 2021

The standards, amendments and interpretations, which became effective as of 1 January 2021, are as follows:

- COVID-19 Related Rent Concessions (Amendments to IFRS 16); and
- Interest Rate Benchmark Reform - Phase 2

The adoption of these amendments had no significant impact on the financial statements.

e) New standards, amendments and interpretations issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2022 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these financial statements:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37), effective from on or after 1 January 2022;
- Property, Plant and Equipment (PPE): Proceeds before Intended Use (Amendments to IAS 16), effective on or after 1 January 2022;
- Classification of liabilities as current or non-current (Amendments to IAS 1), effective on or after 1 January 2023;
- COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16), effective on or after 30 June 2021;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practise Statement 2), effective on or after 1 January 2023; and
- Definition of Accounting Estimates (Amendments to IAS 8), effective on or after 1 January 2023.

The Company does not expect to have a significant impact on its financial statements from above new standards and amendments to standards.

f) Use of estimates and management judgement

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and 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.

Impairment of trade and other receivables

The Company measures expected credit loss for receivables that result from all possible default events over the expected life of the receivable. A financial asset is considered 'credit-impaired' when one or more events, that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting polices applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied by the Company and are consistent with those used in the previous period.

a) Revenue recognition

The Company recognises revenue when it transfers control of a product or service to a customer.

Revenue from contracts priced on a time and material basis is recognised when services are rendered. Revenue from fixed price contracts is recognised as performance obligation satisfied over a period of time based on the stage of completion of the contract. The stage of completion determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations.

The Company has entered into a service agreement with the Parent Company for reimbursement of costs incurred plus a mark-up ("cost plus method") which forms part of the revenue.

The Company has pass through billing agreement with Parent Company where the Company bills the third-party customers on behalf of Parent company and revenue is recognised on net basis.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

b) Cash and cash equivalents

Cash and cash equivalents comprise bank balances and short-term deposits with original contractual maturity period of three months or less. These are carried at amortised cost.

c) Financial instruments

(i) Recognition and initial measurement

The financial instruments of the Company consist primarily of trade and other receivables, balance with a bank, trade and other payables, due from and to parent company. The Company recognises financial instruments initially on the trade date, which is the date when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) 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 security; FVOCI – equity security; or FVTPL Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on de-recognition is also recognised in profit or loss.

(iii) De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to 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 or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position, when and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(v) Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk has not increased significantly since initial recognition.

Measurement of ECLs- Trade receivables

The Company measures expected credit loss for receivables that result from all possible default events over the expected life of the asset. This includes receivables that have objective evidence of impairment at the reporting date. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Measurement of ECLs- Cash and bank balances (General approach)

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

d) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

e) Trade and other payables

Trade and other payables expenses are recognised initially at fair value and subsequently stated at amortised cost.

f) Foreign Currencies

Transactions in foreign currencies are recognised in the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the reporting dates. All differences are taken to profit or loss.

g) Employee benefits

Provisions are made for end-of-service benefits to all expatriate employees. The entitlement to these benefits is based upon the employee's final salary and length of service. The expected costs of these benefits are accrued over the period of the employment.

For Bahraini employees, contributions are made to the Social Insurance Organisation based on a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

h) Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle such obligation.

i) Statutory reserve

In accordance with Commercial Companies Law, a minimum of 10% of the net profit is appropriated to a statutory reserve, until it reaches 50% of the paid-up share capital (excluding share premium). This reserve is not normally distributable except in certain circumstances.

j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

k) Leases

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 uses the definition of a lease in IFRS 16.

As a Lessee

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor 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.

4 TRADE AND OTHER RECEIVABLES

	31 March 2022	31 March 2021
Gross trade receivables	**12,211**	66,810
Less: Provision for impairment (i)	**(12,211)**	(15,289)
	-	51,521
Advance to supplier	**8,124**	2,068
Unbilled revenue	**39,418**	137,087
VAT receivable	**1,832**	1,642
Advance to employees and prepayments	**3,713**	844
	53,087	193,162

(i) The movements of the provision for impairment of trade receivables were as follows:

	31 March 2022	31 March 2021
At 1 April	**15,289**	3,078
Charge for the year	**-**	12,211
Bad debts written off	**(3,078)**	-
At 31 March	**12,211**	15,289

5 RELATED PARTY TRANSACTIONS

A significant portion of the Company's transactions in the normal course of business are with the Parent Company. All transactions are subject to controls embedded in respective processes in line with the Parent Company policies and procedures. These financial statements may not necessarily be indicative of the financial position that would have existed or of the Company's results of operations, if the Company had been operated as an unaffiliated Company.

	31 March 2022	31 March 2021
Due to Parent Company		
Tech Mahindra Limited – India	**129,105**	172,925
	129,105	172,925

The transactions with Parent Company are as follow:

	2022	2021
Revenue from services (note 11) (i)	**203,179**	136,108
Payable for pass through billings (ii)	**(88,463)**	(40,898)
Payable for pass through accruals (ii)	**(39,418)**	(137,087)
Payment made for pass through billings	**-**	177,985
Receivable/ liability recognised during the year	**135,359**	(180,564)
Payments received – net	**(166,837)**	(121,692)

(i) The Company earns no interest on cash at bank balance in current account.

(ii) Short term deposits with bank outstanding at year end, earns interest at a rate of 0.05% to 0.3% (2021: 0.01% to 0.3%) per annum with original maturity of less than 3 months.

6 BANK BALANCES

	31 March 2022	31 March 2021
Cash at bank (i)	**216,639**	73,092
Short term deposits with bank (ii)	**304,162**	323,893
	520,801	396,985

(i) The Company earns no interest on cash at bank balance in current account.

(ii) Short term deposits with bank outstanding at year end, earns interest at a rate of 0.05% to 0.3% (2021: 0.01% to 0.3%) per annum with original maturity of less than 3 months.

7 SHARE CAPITAL

The Company's issued share capital consists of 500 ordinary shares at BD 100 each, issued and fully paid.

8 STATUTORY RESERVE

In accordance with the Commercial Companies Law and the Company's Articles of Association 10% of the profit has been transferred to a statutory reserve. The Company resolved to discontinue such annual transfer when the reserve reached 50% of the issued share capital. The reserve is not available for distribution, except in the circumstances stipulated in the Commercial Companies Law.

9 PROVISION FOR EMPLOYEES' BENEFITS

	31 March 2022	31 March 2021
At 1 April	**12,072**	10,733
Charge for the year	**4,412**	1,339
At 31 March	**16,484**	12,072

10 TRADE PAYABLES AND OTHER LIABILITIES

	31 March 2022	31 March 2021
Trade payables	**377**	373
Accrued expenses	**8,069**	5,709
Accrued employees' benefits	**9,733**	945
	18,179	7,027

11 REVENUE FROM SERVICES (NET)

	2022	2021
Pass through billings to customers (note 5)	**127,881**	177,985
Less: Payable to Parent company on pass through billings (note 5)	**(127,881)**	(177,985)
Service revenue to Parent Company (note 5)	**203,179**	136,108
	203,179	136,108

12 COST OF REVENUE

	2022	2021
Staff costs	**138,784**	74,938
Travel expenses	**17,663**	15,767
Project specific expenses	**8,151**	-
	164,598	90,705

13 GENERAL AND ADMINISTRATIVE EXPENSES

	2022	2021
Professional fees	**12,840**	15,006
Insurance expenses	**5,785**	-
Rent expenses relating to short-term leases	**4,413**	4,180
Telephone and mobile charges	**2,843**	3,042
Foreign exchange loss (net)	**-**	794
Miscellaneous expenses	**1,199**	3,122
	27,080	26,144

14 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments include financial assets and financial liabilities. Financial assets of the Company include trade and other receivables (excluding salary advances and prepaid expenses) and bank balances.

The Company has exposure to the following risks from its use of financial instruments:

- credit risk

- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The note also presents certain quantitative disclosures in addition to the disclosures throughout the financial statements.

The Board of Directors of the Parent have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Parent's risk management framework ensures the Company's risk management. The Board of the Parent, which includes the Parent and its subsidiaries, oversees how the management monitors compliance with the Company's risk management framework and reviews its adequacy in relation to the risks faced by the Company.

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 obligation. The Company is principally exposed to credit risk on trade and other receivables and bank balances. The maximum credit risk is the carrying value of the assets.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 March 2022	31 March 2021
Trade and other receivables (i)	**41,250**	190,250
Bank balances (ii)	**520,801**	396,985
	562,051	587,235

(i) The Company gives a credit period of 30 days to its customers after which the receivables are classified as past due. Credit risk for trade receivables outstanding pertaining passthrough billing and credit risk rests with the Parent Company. The Company does not hold any collateral against the above receivables.

(ii) The Company limits its exposure to credit risk on bank balances by maintaining balances with banks having high credit ratings. Given these high credit ratings, the company does not expect any bank to fail to meet its obligations. Accordingly, there is no significant expected credit loss on bank and deposit balances as on 31 March 2022 (31 March 2021: Nil).

The ageing of the trade receivables at the reporting date was:

	31 March 2022			31 March 2021		
	Gross receivables	**Loss rate**	**Impairment**	Gross receivables	Loss rate	Impairment
Past due:						
91-180 days	**-**	**-**	**-**	51,521	-	-
More than 1 year	**12,211**	**100%**	**12,211**	15,289	100%	15,289
	12,211	**100%**	**12,211**	66,810	22.88%	15,289

The Company has specifically assessed the exposure of unbilled revenue and other receivables and does not expect the customer to fail to meet its obligations. Accordingly, there is no expected credit loss on trade receivables as on 31 March 2022 (31 March 2021: Nil) on past due less than 1 year.

The Company has policy to make full provision on past due more than 1 year and accordingly all past due more than one has been fully provided as on 31 March 2022.

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 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 risking damage to the company's reputation. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. All financial liabilities are payable within 6 months.

c) 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Company is not exposed to any significant market risk on its financial instruments. Company's transactions primary denominated in Bahrain Dinar and the Company does not hold significant interest-bearing financial assets or liabilities.

d) Capital Management

The Board's policy is to maintain a strong capital base to sustain the future development of the business. The Company is not exposed to externally imposed capital requirements. There were no significant changes in the Company's approach to capital management during the year.

e) Fair value

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 in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

As on the reporting date, the fair value of the Company's financial assets and liabilities approximate their carrying values.

f) Categorisation of financial instruments

All financial assets and liabilities are classified "at amortised cost" as on 31 March 2022 and 31 March 2021.

15 COMPARATIVES

The corresponding figures have been regrouped where necessary to conform to the current year's presentation. The regrouping has not affected previously reported profit for the year or equity.

TECH MAHINDRA ARABIA LIMITED

Board of Directors
Mr. Ramachandran Satyamurthi Ramachandran
Mr. Srinivas Reddy Bandam
Mr. Mohammed Ahmed Mohammed Al Baadi
Mr. Saad Abdullah Nasser Turaiki
Mr. Manoj Bhat (Resigned effective March 31, 2021)
Mr. Adil Murtuza (Appointed effective March 31, 2021)

Registered Office
12th Floor, Al - Hugyat Towers
Al Khobar 31952 Kingdom of Saudi Arabia

Bankers
The Saudi British Bank

Auditors
KPMG Professional Services

TECH MAHINDRA ARABIA LIMITED
(A Limited Liability Company)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tech Mahindra Arabia Limited

Opinion

We have audited the financial statements of **Tech Mahindra Arabia Limited** ("the Company"), which comprise the statement of financial position as at 31 March 2022, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium Sized-Entities (IFRS for SMEs) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. 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 professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical 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 and fair presentation of the financial statements in accordance with the IFRS for SMEs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company's Articles of Association 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, 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, 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.

- 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, then 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 of **Tech Mahindra Arabia Limited**.

KPMG Professional Services

Abdulaziz Abdullah Alnaim
License No: 394

Al Khobar,
Date: 28 June 2022
Corresponding to: 29 Dhual-Qa'dah 1443H.

TECH MAHINDRA ARABIA LIMITED
(A Limited Liability Company)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

(Expressed in Saudi Arabian Riyals)

	Note	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	4	169,840	7,187,497
Trade receivables and unbilled revenue	5	41,735,214	18,304,057
Prepayments and other current assets	7	2,743,320	985,759
Total current assets		**44,648,374**	**26,477,313**
Non-current assets			
Property and equipment	8	209,935	250,705
Deferred tax assets	9	677,639	-
Total non-current assets		**887,574**	**250,705**
TOTAL ASSETS		**45,535,948**	**26,728,018**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		710,505	1,095,378
Due to related parties	6	20,604,450	23,186,823
Accrued expenses and other current liabilities	10	12,253,728	1,499,664
Provision for Zakat and income tax	9	1,255,053	442,665
Total current liabilities		**34,823,736**	**26,224,530**
Non-current liabilities			
Employees' benefits	11	672,637	722,789
Total non-current liabilities		**672,637**	**722,789**
Total liabilities		**35,496,373**	**26,947,319**
Equity			
Share capital	12	1,000,000	1,000,000
Statutory Reserves		1,503,017	477,129
Retained earnings/(accumulated losses)		7,536,558	(1,696,430)
Total equity		**10,039,575**	**(219,301)**
TOTAL LIABILITIES AND EQUITY		**45,535,948**	**26,728,018**

These financial statements were approved by the Board of Directors of the Company and signed on its behalf by:

Ram Ramachandran
Director

Mohmaad AlBaadi
Director

The accompanying notes (1) through (18) form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

(Expressed in Saudi Arabian Riyals)

	Note	2022	2021
Revenue		88,813,962	52,462,914
Cost of revenue		(68,070,020)	(41,160,141)
Gross profit		**20,743,942**	**11,302,773**
General and administrative expenses	13	(4,585,048)	(4,513,780)
Selling expenses	14	(4,931,641)	(3,237,125)
Other expense		(28,854)	(37,421)
Profit from operations		**11,198,399**	**3,514,447**
Finance cost		(130,569)	-
Profit before Zakat and income tax		**11,067,830**	**3,514,447**
Zakat and income tax expense	9	(763,007)	(456,341)
Profit after Zakat and income tax		**10,304,823**	**3,058,106**
Other comprehensive income / (loss)			
Re-measurement loss on defined benefit plan	11	(45,947)	(140,461)
Other comprehensive loss for the year		**(45,947)**	**(140,461)**
Total comprehensive income for the year		**10,258,876**	**2,917,645**

The accompanying notes (1) through (18) form an integral part of these financial statements.

TECH MAHINDRA ARABIA LIMITED
(A Limited Liability Company)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(Expressed in Saudi Arabian Riyals)

	Share capital	Statutory Reserves	Retained earnings / (accumulated losses)	Total
As of 31 March 2020	1,000,000	185,365	(4,322,311)	(3,136,946)
Profit before tax for the year 2021	-	-	3,058,106	3,058,106
Other comprehensive loss	-	-	(140,461)	(140,461)
Total comprehensive income for the year	-	-	2,917,645	2,917,645
Transfer to statutory reserve	-	291,764	(291,764)	-
Balance as of 31 March 2021	**1,000,000**	**477,129**	**(1,696,430)**	**(219,301)**
Profit before tax for the year 2022	-	-	10,304,823	10,304,823
Other comprehensive loss	-	-	(45,947)	(45,947)
Total Comprehensive income for the year	-	-	10,258,876	10,258,876
Transfer to statutory reserve	-	1,025,888	(1,025,888)	-
Balance as of 31 March 2022	**1,000,00**	**1,503,017**	**7,536,558**	**10,039,575**

The accompanying notes (1) through (18) form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

(Expressed in Saudi Arabian Riyals)

	Note	2022	2021
Cash flows from operating activities:			
Profit before Zakat and income tax		11,067,830	3,514,447
Adjustments for:			
Provision for doubtful debts	5	1,921,182	1,688,016
Depreciation	8	152,370	235,205
End of service benefits	11	221,779	150,073
Finance cost		130,569	-
		13,493,730	**5,587,741**
Changes in operating assets and liabilities:			
Trade receivables and unbilled revenue		(25,352,339)	(1,156,396)
Prepayments and other current assets		(1,757,561)	(411,991)
Trade payables		(384,873)	866,005
Accrued expenses and other current liabilities		10,754,064	(3,022,623)
Due to related parties		(2,582,373)	(3,309,959)
Cash used in operations		**(5,829,352)**	**(1,447,223)**
End of service payments	11	(317,878)	-
Finance cost paid		(130,569)	-
Tax payments		(628,258)	(409,308)
Net cash used in operating activities		**(6,906,057)**	**(1,856,531)**
Cash flows from investing activities:			
Additions to property and equipment	8	(111,600)	(16,920)
Cash used in investing activities		**(111,600)**	**(16,920)**
Net movement in cash and cash equivalents		**(7,017,657)**	**(1,873,451)**
Cash and cash equivalents at beginning of the year		7,187,497	9,060,948
Cash and cash equivalents at end of the year	4	**169,840**	**7,187,497**

The accompanying notes (1) through (18) form an integral part of these financial statements.

NOTES TO THE FIANANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(Expressed in Saudi Arabian Riyals)

1 CORPORATE INFORMATION

Tech Mahindra Arabia Limited (the "Company") is a limited liability Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 2051061101 dated 16 Dhul-al-Qa'dah 1436H (corresponding to 31 August 2015G). The Company's principal activity is to provide services of application development and management, network services, business process outsourcing, information technology-enabled services, system integration, IT networking, IT security and supply of products (hardware, software and structured cabling).

The Company's registered office is in Al Khobar, Kingdom of Saudi Arabia.

2 BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Sized Entities ("IFRS for SMEs") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

b) Basis of measurement

The accompanying financial statements have been prepared under the historical cost convention on the accrual basis of accounting except otherwise stated in notes to the financial statements.

c) Going concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

d) Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals (SAR), which is the functional and reporting currency of the Company.

e) Significant accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS for SMEs as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by SOCPA requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. 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 key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company 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.

i. Impairment of non-financial assets

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

ii. Useful lives and residual values of property and equipment

The management determines the estimated useful lives and residual values of property and equipment for calculating depreciation. These estimates are determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual values and useful lives annually and change in depreciation charges, if any, are adjusted in current and future periods.

iii. Provision for impairment of trade receivables

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the agreement. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators of objective evidence that the trade receivable is impaired. For significant individual amounts, assessment is made on an individual basis. Amounts which are not individually significant, but are overdue, are assessed collectively and a provision is recognized considering the length of time and past recovery rates.

iv. Zakat and income tax

The Company is subject to income tax to the extent of foreign shareholding and Zakat to the extent of the GCC shareholders in accordance with the Zakat, Tax and Customs Authority (“ZATCA”) (formerly General Authority of Zakat and Tax (GAZT)) regulations. Income taxes and Zakat are provided on an accrual basis. Income tax and Zakat computation involves relevant knowledge and judgment of the Zakat and income tax rules and regulations to assess the impact of income tax and Zakat liability at a particular period end. This liability is considered an estimate until the final assessment by ZATCA is carried out until which the Company retains exposure to additional Zakat and income tax liability.

v. Provision and contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

vi. Employees’ benefits

The cost of defined benefit and the present value of the related obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, withdrawal before normal retirement age, mortality rates etc. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, yield and duration of Saudi government bonds obligation with at least an ‘A’ rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation, is considered. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are removed from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

Age-wise “moderate” withdrawal rates are used in carrying out the valuation. These age-wise withdrawal rates are generally used in the MENA region to carry out the actuarial valuation of end of service benefit (EOSB) schemes.

The rates assumed are based on the WHO SA16 – 75% ultimate mortality tables, rated down one year. In the absence of any standard mortality tables in the region, these rates are generally used in Kingdom of Saudi Arabia in carrying out the actuarial valuation of EOSB schemes. If any other mortality table is used it will not make any significant difference in the results.

vii. Revenue

As part of application of percentage of completion method on long term contracts, the cost to complete the project is estimated. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of contracts. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete may affect the results of the subsequent periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the financial statements except otherwise stated:

a) Cash and cash equivalents

Cash and cash equivalents comprise of cash with banks and other short-term highly liquid investments, if any, with original maturities of three months or less, which are available to the Company without any restrictions.

b) Trade receivables

Trade receivables are carried at original invoice amount less provision for doubtful debts. A provision against doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Such provisions are charged to the statement of comprehensive income and reported under “General and administrative expenses”. When a trade receivable is uncollectible, it is written-off against the provision for doubtful debts. Any subsequent recoveries of amounts previously written-off are credited to the statement of comprehensive income.

c) Property and equipment

Property and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the asset. All other expenditure is recognized as an expense in the statement of comprehensive income when incurred.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives of assets are as follows:

Asset category	Number of years
Furniture & fixtures	5
Office equipment	5
Machinery and equipment	5
Computer equipment	3

Gain and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment at the time of disposal and is recognized in the statement of comprehensive income.

d) Provisions and contingent liabilities

Provisions are recognized 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.

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. Where 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, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

All possible obligations arising from past events whose existence 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 all present obligations arising from past events but not recognized because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (ii) the amount of the obligation cannot be measured with sufficient reliability; assessed at each financial position date and disclosed in the financial statements under contingent liabilities.

e) Trade payable and accruals

Liabilities are recognized for amounts to be paid for goods and services received, whether or not billed to the Company.

f) Employees' benefits

Employees' benefits required by Saudi Labor and Workman Law are accrued by the Company and charged to the statement of comprehensive income. The liability is calculated as a defined benefit obligation at the current value of the vested benefits to which the employee is entitled, should the employee leave at the reporting date. Benefit payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

(i) The liability or asset recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit cost method.

The present value of the defined benefit obligation is determined by discounting the estimated future outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefit will be paid and that have terms approximating the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employees' benefit expense in the statement of comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in statement of comprehensive income. They are included in retained earnings / accumulated losses in the statement of comprehensive income and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of comprehensive income as past service costs.

g) Zakat and income taxes

In accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA") (formerly General Authority of Zakat and Tax (GAZT), the Company is subject to income tax and Zakat. Provision for income tax and Zakat is charged to the statement of comprehensive income. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Deferred income tax is recognized on all major temporary differences between accounting income and taxable income during the year in which such differences arise, and are adjusted when related temporary differences are reversed. Deferred income tax assets on carry-forward losses are recognized to the extent that it is probable that future taxable income will be available against which such carry-forward tax losses can be adjusted. Deferred income tax is determined using tax rate which has been enacted by the statement of financial position date and is expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The Company withholds taxes on certain transactions with non-resident parties, including dividend payments to the shareholders, in the Kingdom of Saudi Arabia as required under the Saudi Arabian Income Tax Law.

h) Revenue recognition

Revenue is recognized to the extent of the following recognition requirements:

- it is probable that the economic benefits will flow to the Company,
- it can be reliably measured, regardless of when the payment is being made; and
- the cost incurred to date and expected future costs are identifiable and can be measured reliably.

Revenue is measured at the fair value of the consideration received or the contractually defined terms of payment. The specific recognition criteria described below must also be met before the revenue is recognized.

Revenue on long term contracts, where the outcome can be estimated reliably, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. When the current estimate of total contract costs and revenues indicate a loss, provision is made for the entire loss on the contract irrespective of the amount of work done. Progress payments and advances received from customers in respect of contracts are deducted from the amount of contract work in progress and excess payments on contracts are shown as a liability.

Revenue recognized in excess of billings represents the value of work performed but not yet billed as at year-end. Billings in excess of revenue earned included in current liabilities represent the excess of amounts billed over the value of work performed at the year-end.

i) Foreign currency translation

Transactions denominated in foreign currencies are translated to Saudi Arabian Riyals at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Saudi Arabian Riyals at the exchange rate ruling at that date. Exchange differences arising on translation are recognized in the statement of comprehensive income.

j) Expenses

Selling, general and administrative expenses include direct and indirect costs not specifically part of costs of revenue. Allocations between selling, general and administrative expenses and costs of revenue, when required, are made on a consistent basis.

k) Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the Company as lessee. Other leases are classified as operating leases. Payments made under operating leases are recognized in the statement of comprehensive income over the terms of the lease.

l) Financial instruments

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

Financial assets

Measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Management determines the classification of the financial asset at the time of initial recognition.

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. For purposes of subsequent measurement financial assets are classified in four categories, financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial investments.

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 statement of financial position date which are classified as non-current assets. Loans and receivables comprise of loans, advances, deposits, prepayments, other receivables and cash and cash equivalents. After initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment. Restructured/ rescheduled receivables are recorded at revised terms and conditions as approved by the management. Restructuring policies and practices are based on indicators or criteria which, indicate that payment will most likely continue.

Financial liabilities

Measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The measurement of financial liabilities depends on their classification as financial liabilities at fair value through profit or loss or “other financial liabilities”. The Company has not designated any financial liability as fair value through profit or loss.

The Company’s financial liabilities include trade payable and other liabilities.

Derecognition

Financial assets are derecognised when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. On derecognition of a financial asset or financial liability, the difference between the carrying amount and the consideration received (and receivable) or paid (and payable) is recognised in the statement of comprehensive income.

4. CASH AND CASH EQUIVALENTS

	2022	2021
Bank balances	169,840	2,187,497
Short term deposit	-	5,000,000
	169,840	**7,187,497**

5. TRADE RECEIVABLES AND UNBILLED REVENUE

	2022	2021
Trade receivables	26,304,057	15,565,041
Unbilled revenue	21,003,152	6,389,829
Less: provision for doubtful debts	(5,571,995)	(3,650,813)
	41,735,214	**18,304,057**

Movement in provision for doubtful debts is as follows:

	2022	2021
Opening balance	3,650,813	1,962,797
Add: provision made during the year	1,921,182	2,098,471
Less : written off	-	(410,455)
Closing balance	**5,571,995**	**3,650,813**

Unbilled revenue includes revenue recognized in relation to work performed on contracts not billed as of the end of the reporting period and where services have been performed in accordance with the terms of respective contracts with customers.

6. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of Company comprise the shareholders, their affiliated companies, Board of Directors and key management personnel. The Company enters into transactions with the related parties in the normal course of its business. These transactions normally include providing and receipt of services, expenses incurred by / on behalf of related parties and are entered into mutually agreed terms as approved by the Company's management, with the following entities.

Related party	Relationship
Midad Holding Company, Kingdom of Saudi Arabia	Shareholder
Tech Mahindra Limited, India	Shareholder
Tech Mahindra GMBH, Germany	Other related party
Healthcare Clinical Informatics Limited	Other related party

The following are details of significant related party transactions during the year:

Related party	Nature	2022	2021
Tech Mahindra Limited	Subcontract cost	18,790,363	12,432,151
	Expenses reimbursed by shareholder	1,961,809	8,215,738
Tech Mahindra Limited	VAT/Service taxes	92,845	-
Healthcare Clinical Infomatics Limited	Payments made	-	233,237
Tech Mahindra Limited	Payments made	23,427,390	23,862,108
Midad Holding Company	Payments made	-	818,957

The following is a summary of balances due from / due to related parties:

Due from a shareholder	2022	2021
Tech Mahindra Limited	20,604,450	23,186,823
	20,604,450	**23,186,823**

Key management personnel compensation:

There is a compensation at group level to directors and other members of key management (including salaries and benefits) in the year 2022 and 2021.

Transfer pricing

On 31 January 2019, the Zakat, Tax and Customs Authority ("ZATCA") (formerly General Authority of Zakat and Tax (GAZT) issued Transfer Pricing Bylaws (By-laws). These By-laws were enacted on 15 February 2019 as part of the tax law and became binding on tax payers for periods ending on or after 31 December 2018. This requires additional disclosure forms along with annual tax returns to be submitted to ZATCA, summarizing the related party transactions, counter parties including country, amount and Transfer Pricing method. Management has submitted disclosure form to ZATCA for the year ended 31 March 2021 in compliance with By-Laws. During the year, Management does not expect any adjustment on account of Transfer Pricing.

7. PREPAYMENTS AND OTHER CURRENT ASSETS

	2022	**2021**
Security deposits	1,965,689	184,480
Prepayments	575,243	450,333
Advances to employees	124,019	53,132
VAT Receivables	-	287,939
Others	78,369	9,875
	2,743,320	**985,759**

8. PROPERTY AND EQUIPMENT

	Furniture & fixtures	**Machinery and equipment**	**Office equipment**	**Computer equipment**	**Total**
Cost					
At 1 April 2021	478,452	252,655	34,020	337,022	1,102,149
Additions	-	-	-	111,600	111,600
At 31 March 2022	**478,452**	**252,655**	**34,020**	**448,622**	**1,213,749**
Accumulated depreciation					
At 1 April 2021	347,661	201,127	16,505	286,151	851,444
Charge for the year	52,566	29,970	6,174	63,660	152,370
At 31 March 2022	**400,227**	**231,097**	**22,679**	**349,811**	**1,003,814**
Carrying amount as at:					
31 March 2022	**78,225**	**21,558**	**11,341**	**98,811**	**209,935**
31 March 2021	130,791	51,528	17,515	50,871	250,705

9. ZAKAT AND INCOME TAX

a) Zakat and income tax expenses for the year

	2022	**2021**
Income tax	1,065,298	393,752
Zakat	375,348	62,589
Deferred tax	(677,639)	-
	763,007	**456,341**

b) The principal elements of the Zakat base of the Company are as follows:

	2022	**2021**
Non-current assets	**887,574**	250,705
Non-current liabilities	**672,637**	722,789
Opening shareholders' equity	**(219,301)**	(3,136,946)
Profit before Zakat	**11,067,830**	3,514,447

Some of these amounts have been adjusted in arriving Zakat charge for the year.

Income tax charge for the year ended 31 March 2022 and 2021 is based on the adjusted taxable income calculated on the portion of equity owned by a foreign shareholder.

c) Provision for Zakat and income tax

	2022			2021
	Zakat	**Income tax**	**Total**	**Total**
Balance at the beginning of the year	48,858	393,807	442,665	395,632
Charge for the year	227,420	1,041,302	1,268,722	456,341
Under provision for previous years	147,928	23,996	171,924	-
Payment made during the year	(196,786)	(431,472)	(628,258)	(409,308)
Balance at the end of the year	**227,420**	**1,027,633**	**1,255,053**	**442,665**

The Company submitted its Zakat and income tax returns up to the year ended 31 March 2020 within the statutory deadlines and received the Zakat and income tax certificates. The Company has not received any assessments from Zakat, Tax and Customs Authority (“ZATCA”) (formerly General Authority of Zakat and Tax (GAZT) since its inception.

d) Deferred tax asset

	2022	**2021**
The balance comprises of temporary differences attributable to;		
Property and equipment	51,799	-
Employees’ benefits and other provisions	625,840	-
	677,639	**-**

e) Movement in deferred tax assets

	2022	**2021**
Balance as at 1 April	-	-
Add: Credit for the year	677,639	-
Balance as at 31 March	**677,639**	**-**

10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2022	**2021**
Accrued expenses	7,124,019	1,321,221
WHT Payable	3,545,026	35,503
Value added tax payable	1,241,156	-
Staff related accruals	150,900	77,689
Others	192,627	65,251
	12,253,728	**1,499,664**

11. EMPLOYEES’ BENEFITS

The Company operates an approved unfunded employees’ end of service benefits scheme / plan for its permanent employees. The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components.

	2022	**2021**
Opening balance	722,789	432,255
Included in statement of comprehensive income		
Current service cost	214,449	129,757
Interest cost	7,330	20,316
	221,779	**150,073**
Actuarial loss on obligation	45,947	140,461
Benefits paid during the year	(317,878)	-
Closing balance	**672,637**	**722,789**

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

	2022	2021
Discount rate	**2.70%**	1.30%
Salary increase rate	**3.00%**	3.00%

Sensitivity analysis

A sensitivity analysis for the discount rate and future salary change assumption on the EOSB obligation as at 31 March 2022 is shown in the table below:

	Impact on defined benefit obligation – Increase / (decrease)					
	31 March 2022			31 March 2021		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	(13,222)	13,770	0.5%	(10,268)	10,268
Salary growth	0.5%	13,685	(13,266)	0.5%	10,489	(10,489)

Expected maturity analysis of undiscounted defined benefit obligation is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years
Defined benefit obligation 31 March 2021	323,394	117,663	482,499	637,819
Defined benefit obligation 31 March 2022	**112,889**	**198,348**	**803,789**	**1,046,350**

The weighted average duration of defined benefit obligation as of 31 March 2022 was 3 years (31 March 2021: 3 years).

12. SHARE CAPITAL

As of 31 March 2022 and 2021 , the share capital of the Company is divided into 1,000 shares of SR 1000 each and held as follows:

Name	Country	No. of shares	Value	% of Holdings
Tech Mahindra Limited	India	510	510,000	51%
Midad Holding Company	Kingdom of Saudi Arabia	490	490,000	49%
		1,000	**1,000,000**	**100%**

13. GENERAL AND ADMINISTRATIVE EXPENSES

	2022	2021
Provision for doubtful debts (refer note 5)	1,984,183	1,688,016
Rent Expense	535,900	586,500
Depreciation (refer note 8)	152,370	235,206
Insurance	420,747	340,159
Legal and professional expenses	568,623	272,946
Office expenses	273,828	530,272
Travelling Expense	281,342	115,900
Bad Debts written off	-	410,455
Others	368,055	334,326
	4,585,048	**4,513,780**

14. SELLING EXPENSES

	2022	2021
Employees' related cost	4,482,393	3,232,583
Office expenses	209,799	-
Travelling Expense	213,904	-
Others	25,545	4,542
	4,931,641	**3,237,125**

15. COMMITMENTS AND CONTINGENCIES

Operating lease commitments – Company as lessee

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 are charged to statement of comprehensive income on a straight-line basis over the period of the lease.

The operating lease payments represent rentals for office premises. Lease rentals are fixed and negotiated for an average term of one year.

	2022	2021
Payments under operating leases recognised as expenses during the year	535,900	586,500
	535,900	**586,500**

Contingent liabilities

Contingent Liability for Taxation matters

Company has received Value Added Tax ("VAT") assessments (including penalty amounts) from the Zakat, Tax and Customs Authority ('ZATCA') for the quarters ended 31 March 2018, 30 September 2018, 31 December 2019 and 31 December 2020 which are currently under dispute with the Committee for Tax Violation and Dispute Resolution (CTVDR) after the partial acceptance by ZATCA. The current amounts under dispute are SR 175,671, SR 311,671, SR 413,582 and SR 321,166 respectively. As per the Management, the likelihood of the above demand raised being upheld is low. Accordingly, no provision in respect thereof has been made in the financial statements as at 31 March 2022.

Bank guarantees

Bank Guarantees outstanding as at 31 March 2022: SAR 3,133,337 (2021: SAR Nil).

The Company has no other significant contingent liabilities as at 31 March 2022 (2021: Nil) other than above.

16. FINANCIAL INSTRUMENTS

Financial instruments carried on the statement of financial position include cash and cash equivalents, trade receivable and certain other current assets, trade payables, due to and due from related parties and certain other liabilities.

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. As these financial statements are prepared under the historical cost convention, differences may arise between the book values and the fair value estimates. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

Credit risk is the risk that one party will fail to discharge an obligation and may cause the other party to incur a financial loss. Cash and cash equivalents are placed with national banks with sound reputation. Trade and other receivables are mainly due from local customers and related parties, which were stated at their estimated realizable values. The Company establishes a provision for doubtful receivables that reports its estimate of incurred losses in respect of trade and other receivables.

Currency risk is the risk that the value of a financial instrument may fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyals and United States Dollars. As US Dollar is pegged to Saudi Riyal, management believes that the impact of currency risk due to United States Dollar on the Company is not significant. The Company monitors the fluctuations in exchange rates and manages its foreign currency risk by monitoring the currency rate fluctuations on regular basis.

Interest rate risk is the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. The Company is not exposed to interest rate risk.

Liquidity risk is the risk that an enterprise may encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to realize the values of financial assets at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet the Company's future commitments.

17. SUBSEQUENT EVENTS

No adjusting event occurred after reporting date till the date of authorization of financial statements by Board of Directors which may have impact on the financial statements.

18. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issue by Board of Directors on 29 Dhual-Qa'dah 1443H corresponding to 28 June 2022.

PF HOLDINGS B.V.

Board of Directors
Mr. Vikram N Nair
Mr. Sandeep Phadke
Mr. Rajan Wadhera – upto 31st January 2022
Mr. Gurpratap Singh Boparai – w.e.f. 1st February 2022
Mr. Nikhil R Sohoni
Mr Mandar Vasant Bhairavkar

Registered Office
Maanplein 20, 2516 CK, The Hague,
the Netherlands

Bankers
JP Morgan Chase Bank
BNP Paribas
BANCA Intermobiliare Di Investimenti E Gestioni

Auditors
B S R & Co LL

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Tech Mahindra Limited

Report on the Audit of the Financial Statements of PF Holdings B.V.

Opinion

We have audited the financial statements of PF Holdings B.V. ("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 the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and loss 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable, to the financial statements.

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

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

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

Auditor's Responsibilities for the 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 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 in the financial statements made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter - Restriction on Use

These financial statements are prepared for the use of the Company and the holding Company, Tech Mahindra Limited, to comply with the requirements of the Act. These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for any other purpose. Our report must not be copied, disclosed, quoted, or referred to, in correspondence or discussion, in whole or in part to anyone other than the purpose for which it has been issued without our prior written consent.

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For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN No.: 22215165ALBBCM1811

Place: Pune
Date: 16th June 2022

BALANCE SHEET

EUR in Thousands

Balance Sheet	Note No.	31-Mar-2022	31-Mar-2021
ASSETS			
Non-Current Assets			
(a) Financial Assets			
(i) Investments	3	**59,275**	39,275
(ii) Other financial assets	4	**-**	20,000
Total Non-Current Assets		**59,275**	59,275
Current Assets			
(a) Financial Assets			
Cash and Cash Equivalents	5	**107**	148
Total Current Assets		**107**	148
Total Assets		**59,382**	59,423
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	6	**81,730**	81,730
(b) Other Equity		**(22,427)**	(22,400)
Total Equity		**59,303**	59,330
Liabilities			
Non-Current Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	7	**11**	25
(i) Other Financial Liabilities		**68**	68
Total Current Liabilities		**79**	93
Total Equity and Liabilities		**59,382**	59,423
See accompanying notes forming part of the financial statements	1 to 15		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

For PF Holdings B.V.

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date : 16th June 2022

Nikhil Sohoni
Director

Place : Mumbai
Date : 16th June 2022

Mandar Bhairavkar
Director

Place : Milton Keynes
Date : 16th June 2022

STATEMENT OF PROFIT AND LOSS

EUR in Thousands

	Statement of Profit and Loss	Note No.	31-Mar-2022	31-Mar-2021
I	Revenue from Operations		-	-
II	Other Income		-	1
III	**Total Revenue (I +II)**		**-**	1
IV	**EXPENSES**			
	Other Expenses	8	**27**	30
	Finance Cost		**-**	68
	Total Expenses		**27**	98
V	**Loss before Tax (III-IV)**		**(27)**	(97)
VI	**Tax Expense**			
	Current Tax		**-**	-
	Deferred Tax		**-**	-
	Total Tax Expense		**-**	-
VII	**Loss after tax (V-VI)**		**(27)**	(97)
VIII	**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 Other Comprehensive Income (A+B)		**-**	-
IX	**Total Comprehensive Loss (VII + VIII)**		**(27)**	(97)
	Loss per Equity Share (Face Value Euro 1) in Euro	11		
	Basic		**(0.0004)**	(0.0015)
	Diluted		**(0.0004)**	(0.0021)
	See accompanying notes forming part of the financial statements	1 to 15		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

For PF Holdings B.V.

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date : 16th June 2022

Nikhil Sohoni
Director

Place : Mumbai
Date : 16th June 2022

Mandar Bhairavkar
Director

Place : Milton Keynes
Date : 16th June 2022

STATEMENTS OF CHANGES IN EQUITY

A. Equity Share Capital

EUR in Thousands

01-April-2020	Changes in equity share capital during the year	31-March-2021
61,730	20,000	81,730
01-April-2021	**Changes in equity share capital during the year**	**31-March-2022**
81,730	-	81,730

B. Other Equity -Reserves and Surplus - Retained Earnings

EUR in Thousands

Particulars	31-March-2022	31-March-2021
Balance at the beginning of the year	**(22,400)**	(22,303)
Loss for the year	**(27)**	(97)
Total Comprehensive Loss	**(22,427)**	**(22,400)**

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

For PF Holdings B.V.

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date : 16th June 2022

Nikhil Sohoni
Director

Place : Mumbai
Date : 16th June 2022

Mandar Bhairavkar
Director

Place : Milton Keynes
Date : 16th June 2022

CASH FLOW STATEMENT

Cash Flow Statement		31-Mar-2022	31-Mar-2021
A	**Cash Flow from Operating Activities**		
	Loss before Tax	**(27)**	(97)
	Adjustments for :		
	Interest on loan	**-**	68
	Movement in working capital:		
	Trade Payable	**(14)**	-
	Cash Flow from Operations	**(41)**	(29)
	Income Tax Refund / (Paid) (net)	**-**	-
	Net Cash Flow from / (used in) Operating Activities (A)	**(41)**	(29)
B	**Cash Flow from Investing Activities**		
	Share subscription money	**-**	(20,000)
	Net Cash (used in) Investing Activities (B)	**-**	(20,000)
C	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Equity Shares	**-**	20,000
	Loan received from Intercompany	**-**	20,000
	Loan repaid to Intercompany	**-**	(20,000)
	Net Cash Flow from Financing Activities (C)	**-**	20,000
	Net (decrease) in Cash and Cash Equivalents during the year	**(41)**	(29)
	Cash and Cash Equivalents at the beginning of the year	**148**	177
	Cash and Cash Equivalents at the end of the year (Refer note below)	**107**	148
	Note:		
	Cash and Cash Equivalents Comprises of	**31-March-2022**	31-March-2021
	Balances with Banks :		
	In Current Accounts	**107**	148
		107	148

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

For PF Holdings B.V.

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date : 16th June 2022

Nikhil Sohoni
Director

Place : Mumbai
Date : 16th June 2022

Mandar Bhairavkar
Director

Place : Milton Keynes
Date : 16th June 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate information

The Company was incorporated on April 29, 2016. The principal place of business of the Company is at 2516, CK, The Hague, Maanplein, 20, The Netherlands. The financial statements are expressed in EURO (EUR).

The principal activities of the Company are financing of the acquisition and constitution of the subsidiary company and enabling the shareholders to fulfill the terms of acquisition in documents including the further capitalisation of the subsidiary and the proposed mandatory tender offer in relation to acquisition of public shareholding of the subsidiary.

The Company is a 60% subsidiary of Tech Mahindra Limited (India).

The financial statements of the Company for the year ended March 31, 2022 were authorised for issue by the Board of Directors on June 16, 2022.

2 Significant accounting policies:

2.1 Statement of Compliance:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, as amended from time to time.

2.2 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable, to the financial statements

The Company is not domiciled in India and hence was not incorporated under Companies Act, 2013 or under any previous Company law in India. These financial statements do not constitute a set of statutory financial statements in accordance with local laws of the Country in which the Company is incorporated.

These financial statements are prepared for the use of the Company and the holding Company, Tech Mahindra Limited. to comply with the requirements of the Act.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year 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.

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:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

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

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. "

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year 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.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle of 12 months. The Statement of cash flows has been prepared under indirect method.

These financial statements are presented in Euro ("EUR") which is also the Company's functional currency. All amounts have been reported in Euros in thousands, except for share and earnings per share data, unless otherwise stated. Further, amounts which are less than half a thousand are reported as '0'.

2.3 Use of estimates

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. 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 estimates are revised.

Critical accounting estimates

Impairment testing

Investments in subsidiary is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating units to which these pertain is less than its carrying value. The recoverable amount of Cash Generating Units (CGU) is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. Investments in subsidiaries are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss. For the period ended March 31, 2022 no impairment has been charged in books.

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.

Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (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.

2.5 Revenue recognition

Interest income is recognised using the effective interest rate method.

Dividend income is recognised when the Company’s right to receive dividend is established.

2.6 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period. For calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects 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).

2.7 Foreign currency transactions:

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the statement of profit and loss.

2.8 Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and 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 measured on initial recognition of financial asset or financial liability.

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

i. Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method less impairment losses, if these financial assets are held within a business model whose objective is to hold these assets in order 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.

Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment as per Ind AS 27 Consolidated and Separate Financial Statements.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at fair value through profit and loss (FVTPL). Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and 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. Derecognition of financial instruments

"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 retains substantially all the risk and rewards of transferred financial assets, the Company continues to recognise the financial asset and also recognises the borrowing for the proceeds received. The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired."

iii. Financial Guarantee contracts

Financial guarantee contracts issued by the Company are initially measured at fair value and 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 115.

2.9 Taxes on income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the country. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period.

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

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.10 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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 the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.11 Leases:

At inception of the contract, the Company determines whether the contract is a lease or contains a lease arrangement. 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.

Company as a Lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate specific to the lease being evaluated for a portfolio of leases with similar characteristics. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.12 Recent pronouncements

The Ministry of Corporate Affairs (“”MCA””) notifies new standard or amendments to the existing standards. On 23 March, 2022, MCA amended the Companies (Ind AS) Amendment Rules, 2022, which are applicable from April 1, 2022. The Company does not expect the amendments to have any significant impact on the financial statements.

Note 3 : Investments : Non Current

EUR in Thousands

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
In subsidiary- quoted		
62,013,249 (31 March 2021: 41,342,165) Equity Shares of Euro 1 each fully paid-up of Pininfarina S.p.A. (Refer Note 10.b) (Refer Note 4)	**81,366**	61,366
Less: Provision for impairment of value of investment	**(22,091)**	(22,091)
Total	**59,275**	39,275

Note 4 : Other non current financial assets

EUR in Thousands

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Share subscription money (refer note below)	**-**	20,000
Total	**-**	20,000

Note: During the previous year, the Company infused an additional Euro 20 million in Pininfarina S.P.A. The Company has disclosed the investment as share subscription money as on 31 March 2021. The subsidiary has issued equity shares against the investment as on 31 March 2022.

Note 5 : Cash and Cash Equivalents

EUR in Thousands

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Balances with banks		
In Current Accounts	**107**	148
Total	**107**	148

Note 6 : Equity Share Capital

Particulars	31-Mar-2022 Number	31-Mar-2022 EUR in Thousands	31-Mar-2021 Number	31-Mar-2021 EUR in Thousands
Authorised				
Equity shares of Euro 1/- each with voting rights	**65,840,125**	**81,730**	65,840,125	81,730
Issued, Subscribed and Paid up				
Balance as at beginning of reporting year	**65,840,125**	**81,730**	45,840,125	61,730
Shares Issued during the year	**-**	**-**	20,000,000	20,000
Adjusted : Issued, Subscribed Share Capital	**65,840,125**	**81,730**	65,840,125	81,730
Reconciliation of number of Equity Shares and amount outstanding				
Shares outstanding at the beginning of the year	**65,840,125**	**81,730**	45,840,125	61,730
Shares issued during the year	**-**	**-**	20,000,000	20,000
Total	**65,840,125**	**81,730**	65,840,125	81,730
Adjusted : Issued, Subscribed Share Capital	**65,840,125**	**81,730**	**65,840,125**	**81,730**

Note: i) Share capital includes a sum of Euro 15,889,899, (Number of shares: 15,889,899 of Euro 1 each) being financial guarantee given by Tech Mahindra Limited to the bankers of Pininfarina S.p.A., which has been accounted as equity contribution in accordance with Ind AS 109.

ii) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.

iii) Capital Management: The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company currently consists of total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on an ongoing basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

Name of Shareholder	As at 31-May-2022		As at 31-Mar-2021	
	No. of shares held	**% of Holding**	No. of shares held	% of Holding
Tech Mahindra Limited	**39,504,075**	**0%**	39,504,075	0%
Mahindra & Mahindra Limited	**26,336,050**	**0%**	26,336,050	0%

i) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.

Shareholding of promoters is as follows:

Name of Shareholder	As at 31-March-2022		% Change during the year
	No. of shares held	**% of Holding**	
Tech Mahindra Limited	**39,504,075**	**60%**	**0%**
Mahindra & Mahindra Limited	**26,336,050**	**40%**	**0%**

Name of Shareholder	As at 31-March-2021		% Change during the year
	No. of shares held	% of Holding	
Tech Mahindra Limited	39,504,075	60%	44%
Mahindra & Mahindra Limited	26,336,050	40%	44%

Note 7 : Trade Payables

EUR in Thousands

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Trade Payables	**11**	25
Total	**11**	25

Note 8 : Other Expenses

EUR in Thousands

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Rates and taxes	**16**	16
Legal and other professional costs	**10**	14
Foreign Exchange (gain)/loss net	**1**	-
Total	**27**	30

Note 9 : Ageing of Trade Payables

EUR in Thousands

Particulars	Outstanding for following period from due date of payment			Total
	Less than 1 year	1-3 years	More than 3 years	
(i) Undisputed dues	11	-	-	11
(ii) Disputed dues	-	-	-	-

Note 10 : Related party transactions

10.aDetails of related parties:

Description of relationship	Names of related parties
Holding Company	Tech Mahindra Limited
Shareholder having significant influence	Mahindra and Mahindra Limited
Subsidiary Company	Pininfarina S.p.A.
Fellow -subsidiary Company	Mahindra Engineering Services UK

10.b The following table summarizes related party transactions and balances:

			EUR in Thousands	
Particulars	**Holding Company**	**Shareholder having significant influence**	**Fellow -subsidiary Company**	**Subsidiary Company**
Transactions During the Year				
Loan Taken	**-**	**-**	**-**	**-**
	(-)	(-)	(20,000)	(-)
Loan Repaid	**-**	**-**	**-**	**-**
	(-)	(-)	(20,000)	(-)
Interest on Loan	**-**	**-**	**-**	
	(-)	(-)	(68)	(-)
Issue of Equity shares	**-**	**-**	**-**	**-**
	(12,000)	(8,000)	(-)	(-)
Reimbursement of expenses	**4**	**-**	**-**	**-**
	(17)	(-)	(-)	(-)
Share subscription money	**-**	**-**	**-**	**-**
	(-)	(-)	(-)	(20,000)
Balances outstanding at the end of the year				
Investment (Net of provision for impairment)	**-**	**-**	**-**	**59,275**
	(-)	(-)	(-)	(39,275)
Other current financial assets (Refer note 4)	**-**	**-**	**-**	**-**
	(-)	(-)	(-)	(20,000)
Payable Balance on account of reimbursement of expenses	**4**	**-**	**-**	**-**
	(17)	(-)	(-)	(-)
Interest on Loan	**-**	**-**	**-**	**68**
	(-)	(-)	(-)	(68)

Previous years figures are in brackets.

11: Earnings Per Share is calculated as follows:

		EUR in Thousands
Particulars	**31-Mar-22**	31-Mar-21
Loss after taxation	**(27,000)**	(97,000)
Equity Shares outstanding as at the end of the year (in nos.)	**65,840,125**	65,840,125
Weighted average Equity Shares outstanding as at the end of the year (in nos.)	**65,840,125**	46,004,509
Nominal Value per Equity Share (in EUR)	**1**	1
Earnings Per Share:		
Earnings Per Share (Basic) (in EUR)	**(0.0004)**	(0.0015)
Earnings Per Share (Diluted) (in EUR)	**(0.0004)**	(0.0021)

12 Financial Instruments and Risk Review

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The Company operates a risk management policy and program that performs close monitoring of and responding to each risk factors. Following are the financial risk factors.

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

(b) Liquidity Risk:

Liquidity risk refers to the risk that the company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement.

The table below provides details regarding the contractual maturities of significant financial liabilities as on 31 March, 2022

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Trade Payables	11	-	-	-
Financial liabilities	68	-	-	-
Total	**79**	**-**	**-**	**-**

The table below provides details regarding the contractual maturities of significant financial liabilities as on 31 March, 2021:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Trade Payables	25	-	-	-
Financial liabilities	68	-	-	-
Total	**93**	**-**	**-**	**-**

The carrying value and fair value of financial instruments by categories as of 31 March, 2022 is as follows:

Particulars			EUR in Thousands
	Amortised cost	**Carrying value**	**Fair value**
Assets:			
Cash and cash equivalents	107	107	107
	107	**107**	**107**
Liabilities:			
Trade and other payables	11	11	11
Financial liabilities	68	68	68
	79	**79**	**79**

The carrying value and fair value of financial instruments by categories as of 31 March, 2021 is as follows:

Particulars			EUR in Thousands
	Amortised cost	**Carrying value**	**Fair value**
Assets:			
Cash and cash equivalents	148	148	148
	148	**148**	**148**
Liabilities:	-	-	-
Trade and other payables	25	25	25
Financial liabilities	68	68	68
	93	**93**	**93**

13 The Company has an investment in subsidiary ‘Pininfarina S.p.A. This investment is accounted for at cost less impairment. Management assesses the operations of the subsidiary, including the future projections, to identify indications of diminution, other than temporary, in the value of the investment recorded in the books of account.

In case impairment triggers are identified, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss. With respect to determination of recoverable amount of investment based on fair value less costs of disposal, the fair value measurement of the asset is determined using the market approach and is categorised as Level 1 in the fair value hierarchy. Estimates of future cash flows used in the value in use calculation are specific to the entity based on business plans and need not be the same as those of market participants.

The share price of the subsidiary and the relevant economic and market indicators in its country of operation, did not require to the Company to reassess recoverable amount of investment in the subsidiary, as on 31 March 2022. Consequently, the Company has not recognized any impairment loss for the year ended 31 March 2022 (31 March 2021: Nil).

14 The Company is engaged in the financing of the acquisition and constitution of the subsidiary company. As the Company is engaged in only one business segment, the balance sheet as at 31 March 2022 and statement of profit and loss for the year ended then pertain to only one business segment.

The Company's operations is primarily located in the Netherlands. As the Company has only one geographical segment, the balance sheet as at 31 March 2022 and statement of profit and loss for the year ended then pertain to only one geographical segment.

15 Additional Regulatory Information

Financial Ratios

Particulars	Numerator (1)	Denominator (2)	31 March 2022 (3)=(1/2)	31 March 2021 (3)=(1/2)	Variance %
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.35	1.59	-15%
Return on Equity Ratio (in %)	Net Profit After Tax	Average Shareholders' Equity	-0.05%	-0.20%	-77%*
Trade Payable Turnover Ratio (in times)	Other Expenses	Average Trade Payable	1.50	1.20	25%**
Return on Capital Employed (in %)	Earnings Before Interest & Tax	Average Capital Employed i.e. Average Net Worth of the entity	-0.05%	-0.06%	-23%

*Increase in return on equity ratio is on account of increase in average capital employed and decrease in loss as compared to the previous year.

** Trade Payable turnover ratio has increased on account of decrease in average trade payable as compared to previous year.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date : 16th June 2022

For PF Holdings B.V.

Nikhil Sohoni
Director

Place : Mumbai
Date : 16th June 2022

Mandar Bhairavkar
Director

Place : Milton Keynes
Date : 16th June 2022

PT TECH MAHINDRA INDONESIA

Board of Directors
Mr. Manish Goenka
Mr. Pranab Choudhury
Mr. Puneet Kumar Chadha

Registered Office
Ariobimo Sentral 4th Flr.
Suite # 403, JI. H. R. Rasuna Said
Kav x-2, No. 5, Jakarta 12950,
Indonesia

Bankers
HSBC Bank Ltd.
Bank Mandiri Indonesia
Bank Negara Indonesia

Auditors
Osman Bing Satrio & Eny

PT TECH MAHINDRA INDONESIA

DIRECTORS' REPORT

Your directors present their report together with the audited accounts of your company for the year ended March 31, 2022.

Financial Results

For the years ended March 31	**2022**	**2022**	**2021**	**2021**
	US $	INR	US $	INR
Income	35,507,260	2,698,551,760	42,076,773	3,071,604,429
Profit/(Loss) before tax	9,372,979	712,346,404	8,341,472	608,927,456
Profit/(Loss) after tax	7,153,848	543,692,448	6,318,875	461,277,875

*Average conversion rate considered is INR 76 per USD.

Review of Operations:

During the year under review, your company recorded an income of US$ 35,507,260 (equivalent to INR 2,698,551,760) Decrease by 15% over the previous year. (Loss) / Gain before tax was US$ 9,372,979 (equivalent to INR 712,346,404). The Company continues to invest in strengthening its marketing infrastructure in Indonesia.

Outlook for the Current Year:

The Company is optimistic of increasing its business in future.

Acknowledgments:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

For PT TECH MAHINDRA INDONESIA

Manish Goenka
Director

Pranab Choudhary
Director

Puneet Kumar Chadha
Director

Place: Jakarta, Indonesia
Date : 24th June 2022.

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITIES
FOR THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022
PT TECH MAHINDRA INDONESIA ("THE COMPANY")

We the undersigned:

1. Name : Mr. Manish Goenka
   Function : President Director
2. Name : Mr. Pranab Choudhury
   Function : Director

Office Address : Cyber 2 Tower 17'" Floor, JI: HR Rasuna Said Blok XS Kav.13Jakarta 12950 - Indonesia
Office Telephone : 6221-5799-8222

declare that:

1. We are responsible for the preparation and presentation of the financial statements of the Company;
2. The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. The disclosures we have made in the financial statements are complete and accurate;
   b. The financial statements do not contain misleading information, and we have not omitted any information or facts that would be material to the financial statements; and
4. We are responsible for the internal control.

This statement is made truthfully.

For and on behalf of Board of Directors,

Manish Goenka	Pranab Choudhury
President Director	Director

Place: Jakarta, Indonesia
Date : 24th June 2022.

INDEPENDENT AUDITORS' REPORT

No.:
The Shareholders,
Board of Commissioners and Directors
PT Tech Mahindra Indonesia:

We have audited the accompanying financial statements of PT Tech Mahindra Indonesia, which comprise the statement of financial position as of 31 March 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. 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 our 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PT Tech Mahindra Indonesia as of 31 March 2022, and its financial performance and its cash flows the year then ended, in accordance with Indonesia Financial Accounting Standards.

Siddharta Widjaja & Rekan
Registered Public Accountants

Signed in Original

Harry Widjaja, S.E.,CPA
Public Accountant License No. AP.1214
June 24,2022

STATEMENT OF FINANCIAL POSITION

In US Dollar	Notes	31 March	
		2022	2021
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	11,367,195	6,144,101
Account receivables	5	2,433,793	7,073,701
Contract assets	9	7,930,303	6,802,758
Lease receivables	13	996,517	1,863,469
Value added tax		185,290	555,693
Prepaid expenses and advances		1,204,570	697,880
TOTAL CURRENT ASSETS		**24,117,668**	**23,137,602**
NON-CURRENT ASSETS			
Deferred tax assets	12	1,776,083	1,593,525
Claims for tax refund	6	2,057,737	2,423,015
Lease receivables	13	3,150,596	4,085,726
Property and equipment, net		87,986	64,178
Other non-current assets		1,667	38,860
TOTAL NON-CURRENT ASSETS		**7,074,069**	**8,205,304**
TOTAL ASSETS		**31,191,737**	**31,342,906**
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Account payables	7	8,339,215	14,072,612
Employee benefits obligation		267,196	239,401
Income tax payable		170,134	727,593
Other tax payables		389,522	1,080,875
Contract liabilities	9	145,466	529,863
TOTAL CURRENT LIABILITIES		**9,311,533**	**16,650,344**
NON-CURRENT LIABILITIES			
Employee benefits obligation		195,378	248,384
Other non-current liability		23,485	2,770
TOTAL NON-CURRENT LIABILITIES		**218,863**	**251,154**
TOTAL LIABILITIES		**9,530,396**	**16,901,498**
EQUITY			
Share capital	8	500,000	500,000
Other comprehensive income		292,864	226,779
Retained earnings		20,868,477	13,714,629
TOTAL EQUITY		**21,661,341**	**14,441,408**
TOTAL LIABILITIES AND EQUITY		**33,191,737**	**31,342,906**

See Notes to the Financial Statements, which form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In US Dollar	Notes	Year ended 31 March	
		2022	2021
REVENUE	9	35,163,258	41,350,399
COST OF REVENUE	10	(16,864,210)	(26,085,163)
GROSS PROFIT		18,299,048	15,265,236
Operating expenses	11	(9,537,881)	(9,170,512)
Changes in impairment provision on account receivables		(119,211)	(465,578)
Finance income, net		291,704	368,070
Gain on foreign exchange, net		95,317	1,617,882
Other income		344,002	726,374
PROFIT BEFORE TAX		**9,372,979**	**8,341,472**
Income tax expense	12	(2,219,131)	(2,022,597)
PROFIT		**7,153,848**	**6,318,875**
OTHER COMPREHENSIVE INCOME			
Changes resulting from actuarial remeasurements of employee benefits obligations		84,725	105,433
Tax on other comprehensive income	12	(18,640)	(21,087)
TOTAL OTHER COMPREHENSIVE INCOME		**66,085**	**84,346**
TOTAL COMPREHENSIVE INCOME		**7,219,933**	**6,403,221**

See Notes to the Financial Statements, which form an integral part of these financial statements..

STATEMENT OF CHANGES IN EQUITY

In US Dollar	Share capital	Other comprehensive income	Retained earnings	Total equity
Balance as of 31 March 2020	**500,000**	**142,433**	**7,395,754**	**8,038,187**
Profit for the year	-	-	6,318,875	6,318,875
Other comprehensive income	-	84,346	-	84,346
Balance as of 31 March 2021	**500,000**	**226,779**	**13,714,629**	**14,441,408**
Profit for the year	-	-	7,153,848	7,153,848
Other comprehensive income	-	66,085	-	66,085
Balance as of 31 March 2022	**500,000**	**292,864**	**20,868,477**	**21,661,341**

See Notes to the Financial Statements, which form an integral part of these financial statements.

PT TECH MAHINDRA INDONESIA

STATEMENT OF CASH FLOWS

In US Dollar	Notes	Year ended 31 March 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit		7,153,848	6,318,875
Adjustments for:			
Changes in impairment provision on account receivables	17	311,868	465,578
Income tax expense	12	2,219,131	2,022,597
Finance income, net		(291,704)	(368,070)
Depreciation	11	96,937	53,295
Operating cash flows before changes in working capital		**9,490,080**	**8,492,275**
Changes in working capital:			
Account receivables		4,328,040	(3,930,358)
Contract assets		(1,127,545)	(2,371,004)
Lease receivables		1,158,788	(6,895,564)
Value added tax		370,403	(175,675)
Prepaid expenses and advances		(506,690)	(475,559)
Unearned finance income on leases		643,294	946,368
Claims for tax refund		365,278	160,196
Other non-current assets		37,193	-
Account payables		(5,733,397)	7,150,503
Other tax payables		(691,353)	858,795
Contract liabilities		(384,397)	204,713
Employee benefits obligation		59,514	80,469
Other non-current liability		20,715	(27,198)
Cash generated from operations		**8,029,923**	**4,017,961**
Interest received		279,773	369,594
Income tax paid		(2,977,788)	(2,134,469)
Net cash from operating activities		**5,331,908**	**2,253,086**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(120,745)	(59,613)
Interest received on fixed deposit		15,577	1,415
Net cash used in investing activities		**(105,168)**	**(58,198)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank overdraft		-	(560,855)
Interest paid		(3,646)	(2,939)
Net cash (used in) from financing activities		**(3,646)**	**(563,794)**
NET INCREASE IN CASH		**5,223,094**	**1,631,094**
CASH AT BEGINNING OF YEAR		**6,144,101**	**4,513,007**
CASH AT END OF YEAR	4	**11,367,195**	**6,144,101**

See Notes to the Financial Statements, which form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2022

1. GENERAL INFORMATION

PT Tech Mahindra Indonesia (the "Company") was established in the Republic of Indonesia in 2006. The Company commenced its commercial operations on May 1, 2006. The Company's head office is located in Ariobimo Sentral Building at Jalan H.R. Rasuna Said Setiabudi, Jakarta Selatan.

The Company is currently engaged in providing Billing and Customer Care System Managed Services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a. Statement of compliance

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards.

b. The Company's directors approved the financial statements for issuance on June 24, 2022

c. Basis of preparation

The financial statements have been prepared on the accrual basis using the historical cost concept, except where the accounting standards require fair value measurement.

d. Functional and presentation currency

The Company's functional currency is Indonesian Rupiah. The financial statements are presented in United States Dollar ("US Dollar/USD").

In preparing the financial statements of the Company, transactions in currencies other than its functional currency (foreign currencies) 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. The resulting gains or losses are credited or charged to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

e. Cash equivalents

Short-term time deposits with original maturities of three months or less are considered as cash equivalents.

f. Financial instruments

(i) Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or, fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The financial assets that are measured at amortized cost consist of cash and account receivables. These financial assets are initially recognized at fair value plus directly attributable transaction costs, and subsequently are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Gains or losses on derecognition of these financial assets are recognized in profit or loss.

(ii) Financial Liabilities

Financial liabilities are classified as either measured-at-amortized cost, or at FVTPL. FVTPL financial liability is measured as such if it is classified as held-for-trading, if it is a derivative, or if it is designated as measured-at-FVTPL on initial recognition.

Bank overdraft and account payables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Gains or losses on derecognition are also recognized in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when 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: i.e. when control over the financial asset is relinquished.

In transactions where a financial assets is transferred but the risks and rewards associated with ownership are somehow retained the transferred asset is not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or otherwise extinguished. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability, based on the modified terms, is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position 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.

(v) Impairment

The Company recognizes loss allowances for expected credit loss (“ECL”) on financial assets measured at amortized cost.

Measurement of ECLs

ECLs are a probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The Company measures loss allowances at an amount that reflects the lifetime ECL, except for cash in bank for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, wherein the loss allowances are determined based on the 12-month ECL.

Loss allowances for trade and other receivables, and for contract assets that are measured at amortized cost, are measured at an amount that represents the lifetime ECL.

g. Leases

At inception of a contract, the Company determines if a contract is, or contains, a lease by considering whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

Company as a lessee

A contract conveys the right to control the use of an identified asset if all of the following conditions are meet:

- the contract involves the use of substantially all of the capacity of an identified asset that is physically distinct (as specified explicitly or implicitly in the contract). If the supplier has a substantive substitution right, then the asset cannot be considered as identifiable;
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset: i.e. it has decision-making rights that are most relevant to changing how and for what purpose the asset is used.

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.

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 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 fixed assets. In addition, the right-of-use asset is periodically reduced by impairment losses if any and adjusted for certain remeasurements (as described below) of the lease liability.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognizes lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease. 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 PSAK 72, Revenue from Customer Contracts, to allocate the consideration in the contract.

h. Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services, net of indirect taxes, discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

Revenue from time and material contracts is recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as contract assets.

Revenue from fixed price maintenance contracts is recognized based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenue is recognized as the services are performed. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the manner in which services are performed.

Revenue on fixed price development contracts is recognized using the ‘percentage of completion’ method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the standalone statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

The solutions offered by the Company may include supply of third party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognized gross amount of consideration as revenue when it is acting as a principal and net amount of consideration as revenue when it is acting as an agent.

Contracts assets are recognized when there is excess of revenue earned over billings on contracts.

Contract liability (“unearned revenue”) arises when there are billing in excess of revenue.

In arrangements for hardware and software implementation and integration, related services and maintenance services, the Company has applied the guidance in PSAK 72 by applying the revenue recognition criteria for each distinct performance obligation. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost-plus margin approach in estimating the standalone selling price. Fixed price development contracts and related services, the performance obligation is satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a ‘right to use’ the licenses is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a ‘right to access’ is recognized over the access period. The Company has applied the principles of PSAK 72 to account for revenues for these performance obligations.

i. Income tax

Income tax expense comprises current and deferred corporate income tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax expense is the amount of tax paid, or payable on taxable income or loss for the year, using tax rates substantively enacted as of the reporting date. Current tax also includes true-up adjustments made to the previous years’ tax provisions either to reconcile them with the income tax reported in annual tax returns, or to account for differences arising from tax assessments. Current tax expense is measured using the best estimate of the amount expected to be paid or received, taking into consideration the uncertainty associated with the complexity of tax regulations.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted as of the reporting date. This accounting policy also requires the recognition of tax benefits, such as tax loss carry forwards, which are originated in the current period that are expected to be realized in the future periods, to the extent that realization of such benefits is probable.

Deferred tax assets represent the net remaining balance of deferred tax benefits that have been originated and utilized through the reporting date. 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; such reductions are reversed when the probability of their realization through future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profit will be available against which they can be used.

3. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies described in Note 3, management has not made any critical judgment that has significant impact on the amounts recognized in the financial statements, apart from those involving estimates.

4. CASH AND CASH EQUIVALENTS

In US Dollar	31 March 2022	31 March 2021
Cash in bank	847,021	6,144,101
Short-term time deposits	10,520,174	-
	11,367,195	**6,144,101**

5. ACCOUNT RECEIVABLES

In US Dollar	31 March 2022	31 March 2021
Account receivables arising from revenue generating activities are from:		
Non-related parties	9,988,280	14,561,436
Related parties	19,476	5,633
	10,007,756	**14,567,069**
Allowance for impairment losses	(7,573,963)	(7,493,368)
	2,433,793	**7,073,701**

6. CLAIMS FOR TAX REFUND

In US Dollar	31 March 2022	31 March 2021
March 2017 corporate income tax ("CIT")	739,524	739,524
March 2019 CIT	383,361	539,467
Other tax articles	934,852	1,144,024
	2,057,737	**2,423,015**

On March 2017 CIT, in August 2018 the Company was deemed by the tax office an underpayment of IDR 7,707 million (equivalent to USD 389,270) instead of overpayment of USD 350,254. The Company disagreed with the assessment and in February 2020, has filed an appeal letter. The hearing is ongoing.

On March 2019 CIT, in August 2020 the Company was deemed by the tax office an overpayment of USD 179,223 instead of overpayment of USD 718,790. The Company compensated USD 158,812 to tax payable and write off the remaining USD 20,511 as expense. In December 2020, the Company filed an objection for the remaining unclaimed overpayment amounted to USD 539,467. In December 2021, the Company received refund amounted to USD 156,106 and filed an appeal letter for the remaining unclaimed overpayment amounted to USD 383,361. The hearing is ongoing.

Other tax articles represent various additional tax assessments totaling IDR 13,418 million (equivalent to USD 934,852) deemed by the tax office on VAT and income tax article 26. The Company disagreed with the assessment and has filed an appeal letter. The hearing is ongoing.

7. ACCOUNT PAYABLES

In US Dollar	31 March 2022	31 March 2021
Payables arising from purchase of hardware, software and project related services are to:		
Non-related parties	2,986,641	448,518
Related parties	1,492,116	9,497,582
Sub-contracting and other expenses	3,860,458	4,126,512
	8,339,215	**14,072,612**

8. SHARE CAPITAL

The Company's authorized, issued and paid-up share capital amounted to USD 500,000 (500,000 shares at nominal value of USD 1 per share). Based on Notarial Deed of Jessy Darmawan, S.H., M.Kn., No. 02 dated 7 September 2021, the Company's shareholding as of 31 March 2022 was as follows:

Shareholders	Number of shares	%	Nominal value
Tech Mahindra Limited, India	499,000	99.80	499,000
Mr. Raji Reddy Suluguri	1,000	0.20	1,000
	500,000	**100.00**	**500,000**

The Company's shareholding as of 31 March 2021 was as follows:

Shareholders	Number of shares	%	Nominal value
Tech Mahindra Limited, India	499,000	99.80	499,000
Mr. Manoj Bhat	1,000	0.20	1,000
	500,000	**100.00**	**500,000**

9. REVENUE

The Company generates revenue from sales of hardware and software and provision of maintenance and other services.

In US Dollar	**Year ended 31 March**	
	2022	**2021**
Fixed-price development	174,169	3,419,711
Time and material	10,513,680	3,196,391
Fixed-price maintenance	24,475,409	34,734,297
	35,163,258	**41,350,399**

In US Dollar	**Year ended 31 March**	
	2022	**2021**
Major products/service	27,571,594	26,137,856
Rendering of services transferred over time	7,591,664	15,212,543
Sale of hardware/software transferred at a point in time	**35,163,258**	**41,350,399**

The contract assets primarily relate to the Company's right for consideration for work completed but not billed at the reporting date for its service. The following table provide information about contract assets from contracts with customers:

In US Dollar	**Year ended 31 March**	
	2022	**2021**
Beginning balance	6,802,758	4,431,754
Recognized as revenue	7,930,303	6,802,758
Transferred to receivables	(6,802,758)	(4,431,754)
Ending balance	**7,930,303**	**6,802,758**

The contract liabilities primarily relate to the advance consideration received from customers for periodic maintenance service package, for which revenue is recognized over time. This will be recognized as revenue upon performance of the services. The movement in contract liabilities are as follows:

In US Dollar	Year ended 31 March	
	2022	2021
Beginning balance	529,863	325,150
Addition during the year	145,466	529,863
Recognized as revenue during the year	(529,863)	(325,150)
Ending balance	**145,466**	**529,863**

10. COST OF REVENUE

This account represents the costs incurred in developing the billing and customer care system, which consist of hardware, software and services.

11. OPERATING EXPENSES

In US Dollar	Year ended 31 March	
	2022	2021
Employees' salaries and compensations	7,285,178	6,590,001
Professional fees	673,688	558,036
Telecommunication	641,657	315,018
Recruitment	172,417	75,411
Travel	116,213	216,310
Depreciation	96,937	53,295
General office expenses	54,748	166,048
Bank charges	37,507	36,872
Entertainment expense	35,542	12,753
Insurance	1,807	112,661
Conveyance	1,460	317
Printing and stationery	(158)	1,458
Tax penalties	(36,648)	982,907
Other	457,533	49,425
	9,537,881	**9,170,512**

12. INCOME TAX

In US Dollar	Year ended 31 March	
	2022	2021
Current tax expense:		
Current year	2,281,225	2,120,598
Adjustments to prior years' tax expense	139,104	(40,594)
Deferred tax benefit	(201,198)	(57,407)
	2,219,131	**2,022,597**

Income tax expense is reconciled with profit before tax as follows:

In US Dollar	Year ended 31 March	
	2022	2021
Profit before tax	9,372,979	8,341,472
Statutory tax rate	22%	22%
	2,062,055	**1,835,124**
Non-deductible expenses	177,325	228,067
Effect changes tax rate	(159,353)	-
Adjustments to prior years' tax expense	139,104	(40,594)
Income tax expense	**2,219,131**	**2,022,597**

Recognized deferred tax balances, and the movement thereof during the year comprised of the following:

In US Dollar	31 March 2020	Recognized in profit or loss	Recognized in other comprehensive income	31 March 2021	Recognized in profit or loss	Recognized in other comprehensive income	31 March 2022
Employment benefits obligation	90,180	62,298	(21,087)	131,391	(28,012)	(18,640)	84,739
Fixed assets	2,091	(3,474)	-	(1,383)	18,239	-	16,856
Provision for impairment loss on financial assets	1,464,934	(1,417)	-	1,463,517	210,971	-	1,674,488
	1,557,205	**57,407**	**(21,087)**	**1,593,525**	**201,198**	**(18,640)**	**1,776,083**

Under the taxation laws of Indonesia, the Company submits tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within the statute of limitations, under prevailing regulations.

The Company's tax positions may be challenged by the tax authorities. The Company's tax positions are formed on sound technical basis, in compliance with the tax regulations. Accordingly, management has assessed that the outstanding refundable taxes can be recovered, and the accruals for potential income tax liabilities is not necessary. This assessment relies on estimates and assumptions and may involve judgment about future events. New information may become available that causes management to change its judgment. Such changes will impact tax expense in the period in which such determination is made.

Pursuant to Law No. 2/2020 the corporate income tax rate is reduced from the previous statutory rate of 25% to 22% for fiscal year 2020 and 2021, and to 20% for 2022 onwards. In October 2021, Law No. 7/2021 amended the provision of Law No. 2/2020, in that the statutory tax rate of 22% applies for fiscal year 2022 and onwards.

13. LEASE RECEIVABLES

The Company has given hardware and software on finance lease. The transaction pertains to purchase of assets from its customer, Prudential, and lease back with lease amount fair valued at IDR 100,123 million (equivalent to USD 6,895,564). The lease period is 7 years from February 2020 to January 2027 and is discounted using an interest rate of 6%. As per the arrangement, on termination event or on closure of contract, Prudential will buy the acquired assets at the unamortized value at the time of such event. There is no collateral pledged in this transaction. The lease receivables as at reporting dates are as follows:

In US Dollar	31 March	
Minimum lease receivables	**2022**	**2021**
- Less than one year	996,517	1,863,469
- One to five years	3,150,596	4,085,726
	4,147,113	**5,949,195**
Present value of minimum lease receivables		
- Less than one year	845,954	1,996,760
- One to five years	2,811,868	3,622,554
	3,657,822	**5,619,314**

14. RELATED PARTY INFORMATION

Nature of Relationship

a. Tech Mahindra Limited, India, is the majority stockholder and the ultimate controlling party of the Company.

b. Comviva Technologies Limited, India, is an entity under common control of the ultimate controlling party.

c. Tech Mahindra ICT Services (Malaysia) SDN. BHD., is an entity under common control of the ultimate controlling party.

d. Key management personnel

- Mr. Pranab Choudhary, Director
- Mr. Manish Goenka, Director
- Mr. Puneet Kumar Chadha, Director

Transactions with Related Parties

The Company has related party transactions with its controlling entity and other entities which are controlled directly or indirectly by the Tech Mahindra Group or over which they exercise significant influence.

a. Account receivables and advances:

In US Dollar	31 March	
	2022	2021
Comviva Technologies Limited, India	199,945	-
Tech Mahindra Limited, India	19,476	5,633
	219,421	5,633

b. The purchase and related payables arising from services obtained by the Company from related parties are as follows:

In US Dollar	31 March	
	2022	2021
Purchase of hardware, software and procurement of services	1,517,129	3,447,392
Reimbursement of expenses	2,654,691	5,534,547
	4,171,820	**8,981,939**

In US Dollar	31 March	
	2022	2021
Account payables		
Tech Mahindra Limited, India	1,131,500	3,376,458
Tech Mahindra ICT Services (Malaysia) SDN. BHD.	-	4,331,308
Comviva Technologies Limited, India	-	48,600
	1,131,500	**7,756,366**

In US Dollar	31 March	
	2022	2021
Accrued expenses		
Tech Mahindra ICT Services (Malaysia) SDN. BHD.	-	1,574,657
Comviva Technologies Limited, India	360,616	166,559
	360,616	**1,741,216**

c. Total remuneration incurred by the Company for its key management personnel during the years ended 31 March 2022 and 2021 are USD 356,082 and USD 291,763, respectively.

15. SIGNIFICANT AGREEMENT

In 2014, the Company entered into an agreement with PT Hutchison CP Telecommunication (HCPT). The Company, as the Contractor, agreed to provide Billing and Customer Care System (System) Management Services to HCPT. Under the agreement, the Contractor shall supply a complete turnkey delivery of the System, which includes, but not limited to, HCPT Customer Care, order management, provisioning, mediation, product management/catalogue, resource management, billing and invoicing, payment and collection, interconnect accounting, dealer and partner management, fraud management, reporting, revenue sharing and settlement, rating engine, tariff management, account and balance management and voucher management system. The System shall include hardware, software and services. This agreement shall take effect from the effective date on 1 July 2014 and shall expire on the third (3rd) anniversary of the Effective Date (the Initial Term), if not automatically renewed. HCPT may terminate this agreement (in whole or part) at the end of the Initial Term without any cause by giving the Contractor written notice (the Initial Termination Notice) of at least six (6) months prior to the end of the Initial Term. This agreement has been extended until 30 June 2022.

16. FINANCE INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments

Except for lease receivables, the Company's financial assets and liabilities are expected to be realized or settled in the near term. Therefore, their carrying amounts approximate their fair values. For the fair values of lease receivables, please refer to note 13, present value of minimum receivables.

Financial risk management

The main risk arising from the Company's financial instruments are market risk, credit risk and liquidity risk.

i. Market risk management

The Company's market risk is limited to the financial risk of changes in foreign currency rates. Mainly transaction in foreign currency rate was settled in short-term, except for non-trade transaction with related parties. Based on these, management considers that the Company's exposure to market risk is minimal.

ii. Credit risk

Credit risk is the risk of financial loss in the event that a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk principally arises from trade receivables from customers.

The carrying amounts of financial assets represent the maximum credit exposure.

Trade receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company minimizes its exposure to credit risk of trade receivables and contract assets by assessing and monitoring the credit worthiness of customers. The exposure is also further limited by mandating payment terms of no longer than 60 days.

The Company's most significant customer an Indonesian telecommunications service provider, accounts for USD 2.5 million of the trade receivables and contract assets carrying amount at 31 March 2022 (31 March 2021: USD 3.55 million).

An analysis of the credit quality of trade receivables and contract assets is summarized below:

In US Dollar	31 March	
	2022	2021
Not past due	9,474,933	9,437,214
Less than 90 days past due	829,990	3,186,165
91 days to 1 year past due	58,798	995,202
1 year and above past due	375	257,878
	10,364,096	**13,876,459**

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as reporting dates:

In US Dollar	31 March 2022		
	Weighted average loss rate	Gross carrying amount	Loss allowance
Not past due	1%	9,474,933	(94,749)
Less than 90 days past due	4%	829,990	(33,200)
91 days to 1 year past due	39%	58,798	(23,166)
1 year and above past due	98%	7,574,338	(7,422,848)
		17,938,059	**(7,573,963)**

In US Dollar	31 March 2021		
	Weighted average loss rate	Gross carrying amount	Loss allowance
Not past due	1%	9,540,437	(103,222)
Less than 90 days past due	3%	3,284,167	(98,002)
91 days to 1 year past due	16%	1,190,277	(195,074)
1 year and above past due	96%	7,354,946	(7,097,070)
		21,369,827	**(7,493,368)**

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

In US Dollar	31 March	
	2022	2021
Balance at 1 April	7,493,368	7,287,313
Amounts written off	(231,273)	(259,523)
Net remeasurement of loss allowance	311,868	465,578
Balance at 31 March	**7,573,963**	**7,493,368**

Cash in banks

The Company's cash in banks are deposited at reputable banks that are subject to tight regulations, therefore, the exposure to loss is minimized.

iii. Liquidity risk management

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 manages liquidity risk by maintaining adequate reserves, monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of financial liabilities:

In US Dollar	Carrying amount	Contractual cash flours within 1 year
31 March 2022		
Account payables	8,339,215	8,339,215
31 March 2021		
Account payables	**14,072,612**	**14,072,612**

Capital risk management

The Company manages capital risk to ensure that it will be able to continue as going concern, in addition to maximizing the profits of the shareholders through the optimization of the balance of debt and equity.

Management periodically reviews the Company's capital structure. As part of this review, management considers the cost of capital and related risk.

TECH MAHINDRA SPAIN S.L.

UNAUDITED FINANCIAL STATEMENTS
For the year ended 31st March 2022

Directors

Belavadi Krishna Rao Sathisha

Mandar Vasant Bhairavkar

Arregui Saez Idoya - w.e.f. 6th August 2021

Registered office

C/ Estrella Denebola 8

Planta 2 28045

Madrid

Bankers

BNP PARIBAS S.A. SUCURSAL EN ESPANA

LIST OF ANNUAL ACCOUNTS BALANCE SHEET

Tax Year: 2021-2022, (Euros)

Active		Passive	
A) NON-CURRENT ASSET	0	A) NET WORTH	18.282,25-
B) CURRENT ASSET	9,865.00	A-1) Equity	18.282,25-
		I. Capital.	18,000.00
II. Commercial debtors and other accounts receivable	6,916.77	1. Deeded capital.	18,000.00
		100 SOCIAL CAPITAL	18,000.00
3. Other debtors	6,916.77	V. Results of previous years	19.241,52-
470 PUBLIC FINANCE, DEBTOR	6,916.77	121 NEGATIVE RESULTS FROM PREVIOUS YEARS	19.241,52-
		VII. Results of the exercise.	17.040,73-
VI. Cash and other equivalent liquid assets	2,948.23	B) NON-CURRENT LIABILITIES	0
572 BANKS AND INSTIT. CREDIT C/C	2,948.23		
TOTAL ACTIVE (A+B)	9,865.00	C) CURRENT LIABILITIES	28,147.25
		II. Short-term debts.	26,870.58
		3. Other short-term debts	26,870.58
		190 SHARES OR PARTICIPATIONS	56,50-
		551 C/C WITH PARTNERS AND ADMINISTRATORS	26,927.08
		IV. Business creditors and other accounts	1,276.67
		2. Other creditors	1,276.67
		410 CREDITORS FOR BENEFITS	1,037.42
		475 CREDITOR PUBLIC TREASURY	239.25
		TOTAL NET WORTH AND LIABILITIES	9,865.00

Madrid, May 17, 2022

Dª. IDOYA ARREGUI SAEZ

Solidarity Administrator of

TECH MAHINDRA SPAIN S.L.

TECH MAHINDRA SPAIN S.L.

PROFIT OR LOSS STATEMENT

Tax Year: 2021-2022

		Debit
7. Other operating expenses.		17.007,67-
623	INDEPENDENT PROFESSIONAL SERVICES.	16.934,27-
626	BANKING AND SIMILAR SERVICES	73,40-
12. other outcomes		33,06-
678	EXCEPTIONAL EXPENSES	33,06-
	A) OPERATING RESULT (1+2+3+4+5+6+7+8+9+10+11+12)	17.040,73-
	C) PROFIT BEFORE TAX (A+B)	17.040,73-
	D. PROFIT OR LOSS FOR THE FINANCIAL YEAR (C + 19)	17.040,73-

Madrid, May 17, 2022

Dª. IDOYA ARREGUI SAEZ

Solidarity Administrator of

TECH MAHINDRA SPAIN S.L.

TECH MAHINDRA FRANCE SAS

UNAUDITED FINANCIAL STATEMENTS
For the year ended 31st March 2022

Directors

Sathisha Belavadi Krishna

Ly Cong Trinh Philippe

Registered office

1 Place de la Pyramide - Tour

Atlantique - 92800 PUTEAUX

Bankers

Citibank Europe Plc

21-25 rue Balzac, 75406, Paris CEDEX 08 France

TECH MAHINDRA FRANCE SAS

BALANCE SHEET AS AT

	Note No.	31-Mar-22	31-Mar-21
			Currency EUR
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	1&2	999,204	-
(b) Financial Assets			
(i) Other Financial Assets	3	132,860	-
Total Non-Current Assets		**1,132,064**	**-**
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	4	4,610,618	-
(ii) Cash and Cash Equivalents	5	611,166	2,294
(iii) Other Financial Assets	6	8,825,133	-
(b) Other Current Assets	7	683,226	-
		14,730,143	**2,294**
Assets held-for-sale		-	-
Total Current Assets		**14,730,143**	**2,294**
Total Assets		**15,862,207**	**2,294**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	8	99,000	3,000
(b) Other Equity	9	1,057,136	(5,394)
Equity Attributable to Owners of the Company		1,156,136	(2,394)
Non-Controlling Interests		-	-
Total Equity		**1,156,136**	**(2,394)**
LIABILITIES			
Non-Current Liabilities			
(a) Provisions	10	126,817	-
Total Non - Current Liabilities		**126,817**	**-**
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables		12,822,212	4,688
(ii) Other Financial Liabilities	11	973,486	-
(b) Other Current Liabilities	12	505,540	-
(c) Current Tax Liabilities (Net)		278,015	-
Total Current Liabilities		**14,579,253**	**4,688**
Suspense Account (Net)		**-**	**-**
Total Equity and Liabilities		**15,862,207**	**2,294**

Belavida Krishna Sathisha
Director

LY Cong Trinh Philippe
Director

Date: 30th June 2022
Place: France

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED

Currency EUR

		Note No.	For The Period Ended 31-Mar-22	For The Period Ended 31-Mar-21
I	Revenue from Operations		20,324,243	-
II	Other Income	13	31,682	-
III	**Total Revenue (I +II)**		**20,355,925**	**-**
IV	**EXPENSES**			
	Employee Benefit Expense	14	9,318,896	-
	Subcontracting Expenses		8,774,580	-
	Finance Costs	15	2,869	-
	Depreciation and Amortisation Expense	16	231,127	-
	Other Expenses	17	1,387,188	5,394
	Total Expenses		**19,714,660**	**5,394**
V	**Share of (Profit) / Loss of Associates**		**-**	**-**
VI	**Profit/(loss) before Exceptional Item and Tax (III-IV-V)**		**641,265**	**(5,394)**
VII	**Exceptional Item (net)**		**-**	**-**
VIII	**Profit/(loss) Before Tax (VI+VII)**		**641,265**	**(5,394)**
IX	**Tax Expense**			
	Current tax		278,015	-
	MAT charge / (credit)		-	-
	Earlier years excess provision written back		-	-
	Deferred Tax		-	-
	Total Tax Expense		**363,250**	**-**
X	**Profit/(loss) after Tax**		**363,250**	**(5,394)**
XI	**Profit/(Loss) for the period attributable to:**			
	Owners of the Company		363,250	(5,394)
	Non Controlling Interests		-	-
			363,250	**(5,394)**
XII	**Total comprehensive income for the period attributable to:**			
	Owners of the Company		363,250	(5,394)
	Non controlling interests		0	-

Belavida Krishna Sathisha
Director

LY Cong Trinh Philippe
Director

Date: 30th June 2022
Place: France

Note -1: Property, Plant and Equipment

Currency EUR

Particulars	Gross Block						Accumulated Depreciation / Amortisation						Net Block (as at)
	Balance at the beginning of the period	IND AS 116 Opening Impact	Additions during the period / year	Deletions during the period / year	FCTR	Balance at the end of the period	Balance at the beginning of the period	Acquisitions through business combinations	For the period / year	Deductions during the period / year	FCTR	Balance at the end of the period	31-Mar-22
Tangible Assets													
Freehold Land	-					-						-	-
Buildings	-					-	-					-	-
Computers	-		613,360			613,360	-	486,073	73,748			559,821	53,539
Plant and Equipments	-		178,581			178,581	-	89,983	6,856			96,840	81,742
Furniture and Fixtures	-		144,440			144,440	-	18,243	9,326			27,568	116,872
Vehicles	-					-	-					-	-
Office Equipments	-		23,561			23,561	-	22,634	857			23,491	70
Leasehold Improvements	-		55,386			55,386	-	29,625	7,571			37,196	18,190
ROU Assets :													
Computers	-					-	-					-	-
Plant and Equipments	-					-	-					-	-
Furniture & Fixtures	-					-	-					-	-
Office Premises	-		906,826			906,826	-	45,266	132,769			178,035	728,791
Office Premises - IC	-					-	-					-	-
Residential Premises	-					-	-					-	-
Lease Land	-	-				-	-					-	-
Vehicles	-					-	-					-	-
Total	**-**	**-**	**1,922,155**	**-**	**-**	**1,922,155**	**-**	**691,824**	**231,127**	**-**	**-**	**922,952**	**999,204**

Note -2 Other Intangible Assests

Currency EUR

As at 31-Mar-22

Description of Assets	Intellectual property rights	Patents	Software (other than internally generated)	Customer Relationship	Brand	Technology	License	Goodwill	Software taken on lease	Total
Gross Block:										
Balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-
Additions through business combination			41,379							41,379
Additions during the period										-
Additions from internal developments										-
Disposals or classified as held for sale										-
Revaluation increase/(decrease)										-
Effect of foreign currency exchange differences										-
Closing Gross Block	**-**	**-**	**41,379**	**-**	**-**	**-**	**-**	**-**	**-**	**41,379**
II. Accumulated depreciation and impairment for the period ended										
Balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-
Amortisation expense for the Period										-
Eliminated on disposal of assets										-
Acquisitions through business combinations			41,379							41,379
Eliminated on reclassification as held for sale										-
Eliminated on Disposal of group undertakings										-
Impairment losses recognised / (Reversed) in Statement of Profit and Loss										-
Effect of foreign currency exchange differences										-
Closing Accumulated depreciation / impairment	**-**	**-**	**41,379**	**-**	**-**	**-**	**-**	**-**	**-**	**41,379**
Closing Net Block	-	-	-	-	-	-	-	-	-	-

TECH MAHINDRA FRANCE SAS

Note 3 Other Financial Assets

Currency EUR

Particulars	**As at 31-Mar-22**	**As at 31-Mar-21**
a) Security Deposits		
- Unsecured, considered good	132,860	-
- Doubtful	-	-
Less : Allowance for expected credit loss	-	-
	132,860	**-**
TOTAL	**132,860**	**-**

Note -4 Trade Receivables-Current

Currency EUR

Particulars	**As at 31-Mar-22 Current**	**As at 31-Mar-21 Current**
Trade Receivables		
Over Six Months		
(a) Unsecured, considered good*	-	-
(b) Doubtful	**-**	**-**
Others		
(a) Unsecured, considered good**	4,610,618	-
(b) Doubtful	-	-
Less: Allowance for expected credit loss	-	-
TOTAL	**4,610,618**	**-**

Note

1. * Net of remittances received aggregating to EUR Million (previous year: EUR Million) pending adjustments against invoices.

2. ** Net of remittances received aggregating to EUR Million (previous year: EUR Million) pending adjustments against invoices.

Note - 5 Cash and Cash Equivalents

Currency EUR

Particulars	**As at 31-Mar-22**	**As at 31-Mar-21**
Current Cash and bank balances		
Cash in hand	-	-
Cheques on Hand	-	-
Fund in Transit	-	-
Balances with banks		
(i) In Current Account	611,166	2,294
(ii) In Deposit Account (Original maturity less than 3 months)	-	-
Total	**611,166**	**2,294**

Note 6 Other Financial Assets

Currency EUR

Particulars		As at 31-Mar-22 Current	As at 31-Mar-21 Current
a)	**Unbilled Revenue**	8,825,133	-
		8,825,133	**-**
TOTAL		**8,825,133**	**-**

Note 7 Other current assets

Currency EUR

Particulars		As at 31-Mar-22	As at 31-Mar-21
a)	**Balance with Government Authorities**		
	Considered Good	-	-
	Considered Doubtful	-	-
	Provision	-	-
		-	**-**
b)	**Advances to Employees**		
	Considered Good	27,261	-
	Considered Doubtful	-	-
	Less : Allowance on employee advances	-	-
		27,261	**-**
c)	**Contract Assets**	-	-
		-	**-**
d)	**Prepaid Expenses**	200	-
		200	**-**
e)	**Deferred Contract Costs**	-	-
		-	**-**
f)	**Share Application Money given to Subsidiaries**		
	Considered Good	-	-
		-	**-**
g)	**Other Loans and Advances**		
	Considered Good	655,764	-
	Considered Doubtful	-	-
	Less: Allowance on other loans and advances	-	-
		655,764	**-**
TOTAL		**683,225**	**-**

TECH MAHINDRA FRANCE SAS

Note -8: Equity share capital

Currency EUR

Particulars	Number of Shares	Equity share capital
Authorised:		
99,000 (No. of shares) Equity shares of Euro 1 each with voting rights		
Issued Subscribed and Paid up share Capital as at beginning of reporting period	3,000	3,000
Less: Treasury Shares		
Balance as at beginning of reporting period	**3,000**	**3,000**
Changes in equity share capital during the year		
Issue of equity shares	96,000	96,000
Changes in Treasury Shares		
Issue of equity shares under employee share option plan		
Balance at the end of reporting period 31 March,2022	**99,000**	**99,000**

Details of shares held by each shareholder holding more than 5% shares:

	As at ->	**31-Mar-22**
Name of the shareholder	**Number of shares held**	**% holding of total shares**
Tech Mahindra Limited	99000	100.0%

Note -9: Other Equity

Currency EUR

Particulars	Share Application Money pending Allotment	Reserves & Surplus: Capital Reserve on Consolidation	Capital reserve	Securities Premium	Share Option Outstanding Account	General Reserve	Statutory Reserve	SEZ reinvestment Reserve	Capital Redemption Reserve	Retained Earnings	Hedging Reserve	Fair Value through OCI (FVTOCI)	Foreign Currency Translation Reserve	Attributable to Owners of the Parent	Non Controlling Interests	Total
Balance at the beginning of reporting period	-	-	-	-	-	-	-	-	-	(5,394)	-	-	-	(5,394)		(5,394)
Profit for the period										373,332				373,332	-	373,332
Other Comprehensive Income										-	-	-	-	-	-	-
Total Comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**367,938**	**-**	**-**	**-**	**367,938**	**-**	**367,938**
Money received / Movement on account of issue of shares / exercise of Options (net)	-			703,968										703,968		703,968
Transfer from share option outstanding account to Securities premium on exercise of stock options					-									-		-
Minority transfer to reserves														-		-
Amortised Amount of Stock Compensation Cost (net)					-									-		-
Dividends														-		-
Tax on Dividend														-		-
IND AS 116 transition impact														-		-
Transfer to / from during the period		-	-			-	-	0	-	(4,688)				(4,688)		(4,688)
Balance at the end of reporting period March 31,2022	**-**	**-**	**-**	**703,968**	**-**	**-**	**-**	**-**	**-**	**363,250**	**-**	**-**	**-**	**363,250**	**-**	**363,250**

TECH MAHINDRA FRANCE SAS

Note - 10: Provisions

Currency EUR

Particulars	As at 31-Mar-22	As at 31-Mar-21
Provision for Employee Benefits		
Gratuity	-	-
Compensated absences and Long service awards	126,817	-
Other Provisions		
Contingencies	-	-
Others	-	-
Total Provisions	**126,817**	**-**

Note - 11: Other Financial Liabilities

Currency EUR

Particulars	As at 31-Mar-22	As at 31-Mar-21
Current:		
Current maturities of long-term loans (secured)	-	-
Current maturities of long-term loans (Unsecured)	-	-
Current maturities of finance lease obligations	-	-
Current maturities of long term debt (Secured Debentures)	-	-
Interest payable on Borrowings	-	-
Unclaimed dividends	-	-
Foreign currency Derivatives Liabilities	-	-
Financial guarantee Contracts Current	-	-
Creditors for Capital Supplies/services	-	-
Contractual Obligation	-	-
Contractual Obligation for Buyback	-	-
Contingent consideration on acquisitions	-	-
ROU Liability	897,677	-
Discounts payable to Customers	75,809	-
Accrued Salaries and Benefits	-	-
Total	**973,486**	**-**

Note - 12: Other Current Liabilities

Currency EUR

Particulars	As at 31-Mar-22	As at 31-Mar-21
Advances received from customers	-	-
Unearned revenue	-	-
Statutory Remittances	502,646	-
Others**	2,894	-
TOTAL	**505,540**	**-**

Note:

Please provide details of others below -

Summarised Breakup of Others (Other Current Liabilities):**

Currency EUR

Particulars	31-Mar-22	31-Mar-21
Recoveries Payable - Miscellan	2894.01	
Total	**2,894**	**-**

Note - 13: Other Income

Currency EUR

Particulars	For the period ended 31-Mar-22	For the period ended 31-Mar-21
Interest Income		
-On Bank deposits	-	-
- Other financial assets carried at amortised cost	-	-
Dividend Income on Non Current Investment	-	-
Dividend Income on Current Investment	-	-
Profit on Sale of Current Investments	-	-
Profit on Sale of Non Current Investments	-	-
Profit/ (Loss) on sale of Property, Plant & Equipments	(8,497)	-
Rental income		
- From Investment property	-	-
- Others	-	-
Foreign Exchange gain/(loss) net	40,179	-
Provision for non-current investments no longer required	-	-
Gain/ (Loss) on Investment carried at Fair value through Profit & Loss	-	-
Sundry Balances Written Back	-	-
Miscellaneous Income**	-	-
Total Other Income	**31,682**	**-**

Please provide the Breakup / further details:

Table 1 : Miscellaneous Income**

Currency EUR

Particulars	31-Mar-22	31-Mar-21
Total	**-**	**-**

Note - 14: Employee Benefits Expense

Currency EUR

Particulars	For the period ended 31-Mar-22	For the period ended 31-Mar-21
Salaries and Wages, including bonus	7,023,424	-
Contribution to Provident and other Funds	2,186,299	-
Gratuity	-	-
Share Based Payments to Employees	-	-
Staff Welfare Expenses	109,173	-
Total	**9,318,896**	**-**

Note - 15: Finance Cost

Currency EUR

Particulars	For the period ended 31-Mar-22	For the period ended 31-Mar-21
Interest On Debentures And Long Term Loans	-	-
Interest On Short Term Loan & Cash Credits	-	-
Interest On Loans From Related Parties	-	-
Other Interest Expense	-	-
Finance Cost related to Lease Liability	2,869	-
Cash Discount	-	-
Total finance costs	**2,869**	**-**

Note - 16 : Depreciation and Amortization Expense

Currency EUR

Particulars	For the period ended 31-Mar-22	For the period ended 31-Mar-21
Depreciation / Amortisation on Property ,Plant and Equipment and Intangible Assets	231,127	-
Depreciation on Investment Property	-	-
	231,127	**-**

Note - 17: Other Expenses

Currency EUR

Particulars	For the period ended 31-Mar-22	31-Mar-21
Power & Fuel Expenses	6,234	-
Rent	99,567	-
Rates and taxes	35,402	-
Communication Expenses	93,298	-
Travelling Expenses	105,511	-
Recruitment Expenses	43,464	-
Training	74,118	-
Hire Charges	27,914	-
Legal and other professional costs	622,997	4,688
Repair and maintenance Expenses		
- Buildings (including leased premises)	58,031	-
- Machinery and Computers	-	-
- Others	18,729	-
Insurance charges	16,550	-
Software, Hardware and Project Specific Expenses	64,242	-
Claims and Warranties (Net)	-	-
Advertisement, Promotion & Selling Expenses	30,191	-
General Office Expenses	51,601	-
Allowance for Doubtful Receivables, Unbilled Revenue and Bad Debts written off	-	-
-Provided during the quarter		-
-Bad Debts written off		-
-Less: Provision reversed during the period		-
Provision for Doubtful Advances, Deposits and Advances written off	-	-
-Provided during the quarter		-
-Bad Debts written off		-
-Less: Provision reversed during the period		-
Donation	-	-
Corporate Social Responsibility Expenditure	-	-
Provision for Impairment of Goodwill	-	-
Fair Value Change in Contractual Liability	-	-
Miscellaneous Expenses	39,337	706
Total	**1,387,186.00**	**5,394**

GREEN INVESTMENTS LLC

UNAUDITED FINANCIAL STATEMENTS
For the period 1st January 2022 to 31st March 2022

Board of Managers

Mr. Bharath Krishnaswamy

Mr. Nalin Mittal

Mr. Harshul Asnani

Registered office

10210 Ne Points Dr,

Kirkland, Wa, 98033

USA

BALANCE SHEET AS AT

	Note No.	USD 31-Mar-22
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment, net	3	890,811
(b) Goodwill		870,000
(c) Security Deposits		240,944
Advance to Supplier		5,265
Total Non-current Assets		**2,007,020**
Current assets		
(a) Financial Assets		
(i) Trade receivables		2,474,619
(ii) Cash and cash equivalents		5,266,062
(iii) Unbilled Revenue		560,520
(c) Other current assets	4	38,941
		8,340,143
Total Assets		**10,347,163**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	1	4,746,539
(b) Other Equity	1	2,496,611
Equity Attributable to Owners of the Company		**7,243,150**
LIABILITIES		
Current liabilities		
(a) Financial Liabilities		
(i) Trade payables		974,208
(ii) Accrued Salaries		687,950
(b) Other current liabilities	2	1,441,854
Total Current Liabilities		**3,104,013**
Total Equity and Liabilities		**10,347,163**

For Green Investments LLC

Rakesh Garg
CFO / Finance Controller
Place: Kirkland, WA, USA
Date: 21-Jun-22

GREEN INVESTMENTS LLC

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 1-JANUARY-2022 TO 31-MARCH-2022

		Note No.	USD 31-Mar-22
I	Revenue from operations		14,046,386
II	Other Income	5	(5,197)
III	**Total Revenue (I +II)**		**14,041,189**
IV	**EXPENSES**		
	Subcontracting Expenses		3,439,194
	Employee benefit expense	6	6,607,808
	Depreciation and amortisation expense		147,950
	Other expenses	7	631,470
	Total Expenses		**10,826,423**
V	**Profit/(loss) before tax (III-IV)**		**3,214,767**
VI	**Tax Expense**		
	Current tax		47,624
VII	**Profit/(loss) after Tax**		**3,167,143**
VIII	**Profit/(Loss) for the period attributable to:**		
	Owners of the Company		3,167,143
	Non controlling interests		-
			3,167,143
IX	**Other comprehensive income**		
A	I. Items that will be reclassified to profit or loss		
	(a) Exchange differences in translating the financial statements of foreign operations		(43,927)
X	**Total comprehensive income for the period (X+XII)**		3,123,216
XI	**Total comprehensive income for the period attributable to:**		
	Owners of the Company		3,123,216
	Non controlling interests		-

For Green Investments LLC

Rakesh Garg
CFO / Finance Controller
Place: Kirkland, WA, USA
Date: 21-Jun-22

Note -1: Equity share capital

Statements of changes in stockholder 's equity for the year ended March 31, 2022

(All amounts are in USD)	Common Stock	Capital Reserve on Consolidation	Foreign Currency Translation Reserve	Accumulated Retained Earnings	Total
Balance at Dec 31, 2021	4,746,539			(1,477,953)	(1,477,953)
Transfer to / from during the period		851,348			851,348
Net income for the period				3,167,143	3,167,143
Other comprehensive income			(43,927)		(43,927)
Balance at March 31, 2022	**4,746,539**	**851,348**	**(43,927)**	**1,689,190**	**2,496,611**

Note - 2: Other Current Liabilities

Particulars	**As at 31-Mar-22**
Advances received from customers	153,147
Statutory Dues	1,224,089
Medical Insurance Payable	64,618
TOTAL OTHER LIABILITIES	**1,441,854**

Note 3 Property and Equipment

Particulars	**As at 31-Mar-22**
Property and equipment, net, consisted of the following as of March 31,	
Computers & Software	1,412,549
Furniture and Fixtures	383,478
Office Equipments	3,000
Leasehold Improvements	377,803
Accumulated depreciation	**(1,286,019)**
Total	**890,811**

Note 4 Other current assets

Particulars	**As at 31-Mar-22**
a) Balance with Government Authorities	
Considered Good	14,191
Considered Doubtful	-
Provision	-
TOTAL (a)	**14,191**
b) Prepaid Exp	**24,750**
TOTAL (a+b)	**38,941**

Note - 5: Other Income

Particulars	**As at 31-Mar-22**
Interest Income	
-On Bank deposits	89
Foreign Exchange gain/(loss) net	(5,286)
Total Other Income	**(5,197)**

Note - 6: Employee Benefits Expense

Particulars	As at 31-Mar-22
Salaries and wages, including bonus	6,372,145
Contribution to provident and other funds	235,663
Total Employee Benefit Expense	**6,607,808**

Note - 7: Other Expenses

Particulars	As at 31-Mar-22
Power & Fuel Expenses	22
Rent	441,713
Rates and taxes	15,871
Communication Expenses	45,026
Travelling Expenses	21,795
Recruitment Expenses	14,878
Training	574
Legal and other professional costs	24,431
Insurance charges	3,779
Advertisement, Promotion & Selling Expenses	8,394
General Office Expenses	49,837
Donation	2,260
Miscellaneous Expenses	2,890
Total Other Expenses	**631,470**

ZEN3 INFOSOLUTIONS (AMERICA) INC.

UNAUDITED FINANCIAL STATEMENTS
For the period 1st January 2022 to 31st March 2022

Board of Directors
Mr. Harshul Asnani
Mr. Phanindra Sri Manoj Kanumuri
Mr. Dhiresh Kumar

Registered Office
4014 148th Ave NE,
Redmond, WA, 98052,
USA

Bankers
JP Morgan Chase

Auditors
B S R & Co. LLP

ZEN3 INFOSOLUTIONS (AMERICA) INC.

BALANCE SHEET AS ON 31ST MARCH 2022

ASSETS

	March 31 2022	Decmber 31 2020
CURRENT ASSETS		
Cash and cash equivalents	$7,773,575	$ 11,412,615
Accounts receivable, net of allowance for doubtful accounts of the year 2021 and of the year 2022	$7,736,184	$6,353,259
Prepaid expenses and other current assets	$11,726,569	$1,720,867
TOTAL CURRENT ASSETS	**$27,236,328**	**$19,486,741**
PROPERTY AND EQUIPMENT, net	$-	
DEPOSITS	$-	
DEFERRED TAX ASSETS	$-	
TOTAL ASSETS	**$27,236,328**	**$19,486,741**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Checks issued in excess of bank balance	$-	
Lines of credit	$-	
Accounts payable	$5,318,680	$2,752,074
Accrued expenses,Payroll and other liabilities	$4,511,039	$667,056
TOTAL CURRENT LIABILITIES	**$9,829,719**	**$3,419,130**
	$-	
EQUITY	**$17,406,609**	**$16,067,611**
	$-	
TOTAL LIABILITIES AND EQUITY	**$27,236,328**	**$19,486,741**

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

Year ended 31st December 2022	**15 Months to 2022**	**12 Months to 2020**
Sales	$64,262,804	$44,191,589
Cost of goods sold	$51,762,326	$30,957,131
GROSS PROFIT	**$12,500,478**	**$13,234,458**
General and administrative expense	$5,971,905	$2,367,189
INCOME (LOSS) FROM OPERATIONS	**$6,528,573**	**$10,867,268**
Other income (expense)		
Commission income (expense)	$-	$-
Income (loss) from subsidiaries	$-	$-
Other income (expense), net	$-	$-
Interest expense	$-	$-
Total other income (expense), net	**$-**	**$-**
INCOME (LOSS) BEFORE TAX EXPENSE	**$6,528,573**	**$10,867,268**
Income tax expense (benefit)	$3,646,246	$-
NET INCOME (LOSS)	**$2,882,327**	**$10,867,268**
Less: net income attributable		
to non-controlling interest	$-	$-
NET INCOME (LOSS)	**$2,882,327**	**$10,867,268**
Other comprehensive loss		
Foreign currency translation gain	$-	$-
TOTAL COMPREHENSIVE INCOME (LOSS)	**$2,882,327**	**$10,867,268**

ZEN3 INFOSOLUTIONS (AMERICA) INC.

STATEMENT OF EQUITY AND COMPREHENSIVE INCOME

	Common stock*	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total equity	Non-controlling interest	Total
Balance at April 1, 2021	$1,500	$1,341,253	$14,724,857	$-	$16,067,610	$-	$16,067,610
Distributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net income	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Foreign currency translation loss	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Balance at 31st December 2022	**$1,500**	**$ 1,341,253**	**$ 14,724,857**	**$ -**	**$ 16,066,110**	**$ -**	**$ 16,067,610**
Distributions	$ -	$ -	$ (1,543,328)	$ -	$ (1,543,328)	$ -	$ (1,543,328)
Net income	$ -	$ -	$ -	$ -	$ -	$ -	2,882,327
Foreign currency translation gain	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Balance at 31st December 2022	**$1,500**	**$1,341,253**	**$13,181,529**	**$-**	**$14,522,782**	**$-**	**$17,406,609**

STATEMENT OF CASH FLOWS

Years Ended March 31, 2022	March 31 2022	Decmber 31 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	$2,882,327	$10,867,268
Adjustments to reconcile net income to net cash provided by		
(used in) operating activities		
Depreciation		
Provision for doubtful receivables		
(Gain) loss on sale of property and equipment		
Deferred tax asset		
(Increase) decrease in:		
Accounts receivable	$(1,307,750)	$705,539
Prepaid expenses	$(361,671)	$(1,628,884)
Other current assets	$(9,000,000)	
Increase (decrease) in:		
Accounts payable	$2,823,605	$(185,555)
Accrued expenses and other liabilities	$2,776,582	$(413,932)
Income Tax	$91,198	
Net cash provided by (used in) operating activities	**$(2,095,709)**	**$9,344,437**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment		
Proceeds from sale of Investments	$-	$1,699,618
Net repayments from related parties		
Net cash used in investing activities	**$-**	**$1,699,618**
CASH FLOW FROM FINANCING ACTIVITIES		
Line of credit		
Change in Equity and reserves	$(1,543,329)	$(1,699,618)
Profit & Loss		
Share Capital		
Net cash provided by (used in) financing activities	**$(1,543,329)**	**$(1,699,618)**
Foreign currency translation adjustment	$-	
NET CHANGE IN CASH AND CASH EQUIVALENTS	**$(3,639,040)**	**$9,344,435**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	$11,412,615	$2,068,180
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$7,773,575**	**$11,412,615**
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Change in net unrealized gain (loss) on futures contracts	$-	
Cash paid during the year for interest	$-	
Cash paid during the year for income taxes	$-	

MAD*POW MEDIA SOLUTIONS, LLC

UNAUDITED FINANCIAL STATEMENTS
For the year ended 31st March 2022

Board of Directors
Mr. Lakshmanan Chidambaram
Mr. Guruprasad R Iyengar

Registered Office
27 Congress Street Portsmouth
NH 03801 United States

Bankers
People's United Bank

Auditors
CKH CPAs and Advisors, LLC

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors

Mad*Pow Media Solutions, LLC
Portsmouth, NH

Management is responsible for the accompanying financial statements of Mad*Pow Media Solutions, LLC (a Limited Liability Company), which comprise of the balance sheet as of December 31, 2021 and 2020, and the related statements of operations and changes in members' equity and cash flows for the 12 months ended December 31, 2021 and 2020, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information contained in Schedules of Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

CKH CPAs and Advisors, LLC
Atlanta, Georgia
March 14, 2022

MAD*POW MEDIA SOLUTIONS, LLC

BALANCE SHEET

AT DECEMBER 31, 2021 and 2020

		2021	2020
Current assets			
Cash and cash equivalents		**$2,465,030**	$3,285,623
Accounts receivable, net	3	**2,620,733**	2,809,968
Due from related parties	4	**1,555,203**	304,052
Prepaid state and other taxes		**6,724**	-
Prepaid expenses and other current assets		**181,249**	220,963
		6,828,939	**6,620,606**
Non-current assets			
Right of use asset	5	**3,102,126**	3,644,421
Property and equipment, net	6	**417,779**	474,761
		3,519,905	**4,119,182**
Total Assets		**$ 10,348,844**	**$ 10,739,788**
Current liabilities			
Accounts payable		**$ 145,996**	95,293
Accrued expenses and other current liabilities		**304,652**	493,783
Unearned revenue		**529,774**	310,774
Income taxes payable		**-**	73,869
Lease liability current portion	5	**563,002**	526,621
Due to related parties	7	**-**	754,066
		1,543,424	**2,254,406**
Non-current liabilities			
Deferred income tax liabilities	8	**72,252**	80,846
Lease liability non-current portion	5	**2,677,099**	3,240,101
		2,749,351	**3,320,947**
Total liabilities		**4,292,775**	**5,575,353**
Commitments and contingencies (Note 9)			
Members' Equity			
Members' equity	10	**6,056,069**	5,164,435
Total Liabilities and Members' Equity		**$ 10,348,844**	$ 10,739,788

STATEMENT OF OPERATIONS

FOR YEAR ENDED DECEMBER 31, 2021 and 2020

		2021	2020
REVENUES:			
Consulting services		**$ 16,505,881**	$ 15,908,592
Conference income		**173,031**	132,318
Total revenues		**16,678,912**	16,040,910
COST OF REVENUES:			
Cost of revenue for consulting service		**11,229,655**	9,677,340
Cost of revenue for conferences		**176,438**	178,217
Total cost of revenues		**11,406,093**	9,855,557
GROSS PROFIT		**5,272,819**	6,185,353
OPERATING EXPENSES:			
Personnel		**2,512,620**	2,404,523
General and administrative	I	**1,613,204**	1,689,866
Sales and marketing	II	**131,801**	152,035
Depreciation	Note 6	**139,528**	183,409
Total operating expenses		**4,397,153**	4,429,833
OPERATING PROFIT		**875,666**	1,755,520
OTHER INCOME			
Interest income, net		**-**	(4,962)
Gain on sale of assets		**(507)**	-
Total other income		**(507)**	(4,962)
Profit before income tax expense		**876,173**	1,760,482
Income tax expense	Note 8	**(15,461)**	134,423
NET PROFIT		**$ 891,634**	$ 1,626,059

All revenue and profit for the year is generated from continuing operations.

MAD*POW MEDIA SOLUTIONS, LLC

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR YEAR ENDED DECEMBER 31, 2021 and 2020

	Members' Capital	Accumulated Profits	Total Member's Equity
Balance at January 1, 2020	100	$ 4,333,474	$ 4,333,574
Net income for the year	-	1,626,059	1,626,059
Members drawings for the year	-	(795,198)	(795,198)
Balance at December 31, 2020	**$ 100**	**$ 5,164,335**	**$ 5,164,435**
Net income for the year	-	891,634	891,634
Balance at December 31, 2021	**$ 100**	**$ 6,055,969**	**$ 6,056,069**

STATEMENT OF CASH FLOWS

FOR YEAR ENDED DECEMBER 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Net Income	**$ 891,634**	$ 1,626,059
Adjustments to reconcile net income to net cash (used in) / provided by operating activities:		
Depreciation	**139,528**	183,409
Gain on sale of assets	**(507)**	-
Deferred income tax expense	**(8,594)**	7,472
Lease expense	**687,575**	687,575
Changes in operating assets and liabilities:		
Accounts receivable, net	**189,235**	1,165,003
Due from related parties	**(1,251,151)**	(198,568)
State and other taxes	**(6,724)**	28,019
Prepaid expenses and other current assets	**39,714**	(71,532)
Unearned revenue	**219,000**	(582,333)
Operating lease payments	**(671,901)**	(657,971)
Accrued expenses and other current liabilities	**(943,197)**	916,455
Accounts payable	**50,703**	(114,751)
Income taxes payable	**(73,869)**	73,869
Net cash (used in) / provided by operating activities	**(738,554)**	3,062,706
Cash flows from investing activities		
Capital expenditures	**(82,889)**	(76,058)
Disposal of property and equipment	**850**	-
Net cash used in investing activities	**(82,039)**	(76,058)
Cash flows from financing activities		
Members drawings	**-**	(795,198)
Repayment of debt and line of credit	**-**	(586,416)
Net cash used in financing activities	**-**	(1,381,614)
Net (decrease) increase in cash	**(820,593)**	1,605,034
Cash and cash equivalents at beginning of period	**3,285,623**	1,680,589
Cash and cash equivalents at December 31	**$ 2,465,030**	$ 3,285,623
Supplemental disclosure of cash flow information:		
Cash paid for interest	**$ -**	3,425
Cash paid for income taxes	**$60,000**	81,101

NOTES TO THE FINANCIAL STATEMENTS

AT DECEMBER 31, 2021 and 2020

1. NATURE OF OPERATIONS

Mad*Pow Media Solutions, LLC, "the company" is a consulting business that specializes in providing strategic user-centered design services and digital solutions to a diverse client base across various industries throughout the United States. Digital solutions comprise, but are not limited to, assisting clients with customer research, customer experience strategy and design, behavior change, marketing content strategy, mobile application and website development.

The company was converted from a New Hampshire Limited Liability company to a Delaware Limited liability company on July 29th, 2019. Tech Mahindra (Americas) Inc. acquired 65% of the shares of the company on July 31st, 2019. A further 11.66% of the shares of the company was acquired by Tech Mahindra (Americas) Inc. during 2020 and 2021, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

B. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

C. REVENUE RECOGNITION

Revenue from consulting services contracts are recognized as the services are performed and the amounts are earned. The Company considers amounts to be earned once evidence of an arrangement has been obtained, services have been provided, fees are fixed or determinable, and collectability is reasonably assured.

The company further generates revenue by hosting conferences and only recognizes this revenue once the event is held.

Revenues from consulting services and conferences, together with all reimbursed costs for out of pocket expenses are presented on the statement of operations, net of allowances or adjustments for agreed changes to reimbursed costs.

D. COST OF REVENUE

This includes all direct costs for employee and contractors consisting of salaries and contract payments, payroll taxes, insurance costs as well as reimbursable costs such as travel, lodging or entertainment.

All costs associated with hosting conferences are capitalized to prepaid expenses and only recognized as cost of sales once the event has taken place.

E. ADVERTISING AND PROMOTIONS

The Company expenses all costs for advertising and promotions as and when they are incurred. Sales and marketing costs, including direct advertising costs, for the twelve months ending December 31, 2021 and the twelve months ended December 31, 2020, were $99,128 and $74,381 respectively. The composition of these costs were detailed in the supplemental schedule II to the financial statements.

F. INCOME TAXES

A multi-member limited liability company is treated as a partnership for federal income tax purposes and is not subject to federal income taxes. The taxable income or loss of the company is included in the income tax returns of its members based upon their percentage of ownership. Consequently, no federal tax provision for income taxes is required in the accompanying financial statements.

The company pays state taxes to MA and NH, in addition to the state taxes that it pays on behalf of its members through composite tax returns. Accordingly, there is a state tax provision raised for composite taxes which is included in the financial statements when required.

The company accounts for state income taxes using Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740 the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records valuation allowances against deferred tax assets as deemed necessary.

Per FASB ASC 740-10-20, the Company follows the recognition requirements for uncertain tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with all state jurisdictions where it operates.

G. CASH AND CASH EQUIVALENTS

The Company considers all highly-liquid investments with maturities of three months or less to be cash or cash equivalents.

The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts held by a financial institution in the United States of America. As of December 31, 2021 and 2020, the Company had $2,176,324 and $3,068,076 respectively with financial institutions in excess of the federally insured limit.

H. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are the amounts owed on invoiced contractual agreements either in process or completed by the Company. Accounts receivable are considered delinquent when payment is not received under terms described within the individual contract's terms.

An allowance for doubtful accounts is provided for those balances considered to be uncollectible based upon historical experience and the Company's specific review of outstanding account balances. Company policy is that accounts overdue in excess of 120 days and not subject to offsetting is a strong indicator that the receivable has potentially impaired. Management will critically assess each receivable overdue in excess of 120 days for impairment and then raise an allowance if deemed necessary. Bad debts are written off against the allowance when identified. Bad debts written off, for the twelve months ending December 31, 2021 and the twelve months ended December 31, 2020, were $240,398 and $141,753 respectively.

I. UNBILLED RECEIVABLES

Unbilled receivables represent accrued revenue earned and recognized on projects for which billings have not yet been presented to the customer.

J. PROPERTY AND EQUIPMENT

Computers and equipment are recorded at cost less accumulated depreciation, however the depreciation for this category of assets is provided by applying the double declining balance method for the first three years of use of the asset and the straight-line method of the remaining balance for the following two years.

is generally based on the following useful lives:

- Furniture and fixtures – seven years;
- Software – three years;
- Leasehold improvements – lesser of remaining life of lease (including probable lease extensions) or estimated useful life of equipment.

Expenditures for maintenance and repairs are charged to income as incurred. Additions and betterments are capitalized. When assets are retired or otherwise disposed, the related cost and accumulated depreciation are removed from the appropriate accounts and any resulting gain or loss is reflected in operations.

The Company annually reviews the status of property and equipment held by the Company for any impairment of those assets. Any such impairment would result in a permanent reduction in the recorded value of the asset. No such impairments existed at December 31, 2021 and 2020.

K. RELATED PARTIES

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). Transactions involving related parties are carried out on an arm's length basis.

L. LEASES

The company determines if an arrangement is a lease at inception of the arrangement. These leases are classified as either an operating lease or a finance lease. Based on the evaluation of leases for the period ended December 31, 2021, no leases meet the criteria for classification as a finance lease. Operating leases are capitalized on the balance sheet through a right-of-use ("ROU") asset and a corresponding lease liability. ROU assets represent the company's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease.

Operating leases are included in operating lease ROU assets, current operating lease liabilities, and long-term operating lease liabilities on the balance sheet. Operating lease ROU assets and liabilities are recognized at the commencement date of an arrangement based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any lease payments made to the lessor prior to lease commencement, less any lease incentives, and initial direct costs incurred. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The company enters into long-term contracts to lease office space in support of company operations and these have all been determined to represent operating leases.

3. ACCOUNTS RECEIVABLE, NET

At December 31, accounts receivable balances were as follows:

	2021	2020
Amounts due for services rendered and billed	**$ 2,490,076**	$ 2,553,989
Less: allowance for doubtful accounts	**(57,624)**	(199,388)
Amounts due for services rendered and billed, net	**2,432,452**	2,354,601
Amounts due for services rendered, not billed	**188,281**	455,367
Total accounts receivable, net	**$ 2,620,733**	$ 2,809,968

4. TRANSACTIONS WITH RELATED PARTIES

During the year, the Company had transactions with Tech Mahindra Limited, India ("TML"). At December 31, the Company had receivables due from TML as follows:

	2021	2020
Beginning balance	**304,052**	105,484
Contract revenue - parent company		
Billed income	**4,137,832**	$ 1,353,824
Unbilled revenue	**64,620**	129,880
Receipts	**(2,951,301)**	(1,285,136)
Ending balance, due from	**$ 1,555,203**	$ 304,052

On December 31, the Company had a mandatory obligation in terms of the operating agreement to distribute to each member an amount equal to the estimated state and federal income taxes on income earned by the Company and allocated to such member for each fiscal quarter. This is calculated using the marginal rate for taxes.

Ending balance, due to	**$ -**	$ 754,066

5. OPERATING LEASES

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 (Topic 842) “Leases.” Topic 842 supersedes the lease requirements in Accounting Standards Codification Topic 840, “Leases.” Under Topic 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases and provide enhanced disclosures. Leases will continue to be classified as either finance or operating.

The company adopted Topic 842 effective August 1, 2019. The most significant effects of Topic 842 were the recognition of right of use assets and of operating lease liabilities. We applied Topic 842 to all leases as of August 1, 2019. In the adoption of Topic 842, we carried forward the assessment from Topic 840 of whether our contracts contain or are leases, the classification of our leases, and remaining lease terms. The standard does not have a significant effect on our consolidated results of operations and cash flows.

On August 31, 2017 the Company entered into a building lease with Invesco IF IV U.S.3,LLC, for business use and occupancy of office space in Boston, Massachusetts. The lease was an extension of an existing lease dated June 8, 2012. The lease was extended beyond December 31, 2019 and is now effective until December 31, 2027. The new lease extension also stipulates the inclusion of additional floor space to that which was stipulated in the original lease. The lease is subject to an annual increase as stipulated in the agreement applied from April 1st, 2020. In addition to the rental payable the company will also be responsible to pay certain recoveries of operational costs and taxes. The company has accounted for this new lease at December 31, 2021 and 2020, in terms of the policies in Note 2L of the accounting policies disclosed above.

On September 5, 2018 the Company entered into a building lease with Wenberry Associates,LLC., for business use and occupancy of office space in Portsmouth, New Hampshire. The lease was an extension of an existing lease dated November 18, 2009. The lease was extended beyond December 31, 2018 and is now effective until December 31, 2023. The lease is subject to an annual increase at a rate equal to the Consumer Price Index for All Urban Consumers, but shall not exceed 3% in any year. In addition to the rental payable the company will also be responsible to pay certain recoveries of operational costs and taxes. The company has accounted for this new lease at December 31, 2021 and 2020, in terms of Note 2L of the accounting policies disclosed above.

Rent expense for all properties rented for the twelve months ended December 31, 2021 was $687,575. The future minimum lease commitments are as follows:

Years ending December 31,	**$**
2022	685,916
2023	700,015
2024	548,600
2025	559,000
2026	569,400
2027	580,667

6. PROPERTY AND EQUIPMENT, NET

At December 31, property and equipment balances were as follows:

	2021	2020
Computers and equipment	**$ 379,586**	$ 967,892
Furniture	**95,500**	291,062
Leasehold improvements	**614,973**	614,973
Software	**52,167**	137,385
Less: accumulated depreciation	**(724,447)**	(1,536,551)
	$ 417,779	$ 474,761

The total depreciation expense recognized for the twelve months ending December 31, 2021 and for the twelve months ending December 31, 2020 was $139,528 and $183,409 respectively. The depreciation policies followed by the Company are disclosed in Note 2J above.

7. SHORT-TERM DEBT AND LINE OF CREDIT FACILITY

On June 2, 2012, the Company entered into a line of credit agreement for $750,000 with People's United Bank (the "Bank"). The line is collateralized by the assets of the Company and the balance outstanding on this line at December 31, 2019 was $550,000 and was fully repaid during the year ended December 31, 2020.

Additionally, on August 20, 2015 the Company entered into an term loan agreement with the Bank for an amount of $250,000. The loan is collateralized by the assets of the Company and the balance outstanding at December 31, 2019 was $36,416 and was fully repaid during the year ended December 31, 2020.

	2021	2020
Opening Balance - Line of credit	**$ -**	$ 550,000
Proceeds	**-**	-
Interest		2,957
Repayments made		(552,957)
Balance at December 31, of outstanding line of credit	**$ -**	$ -
Opening Balance - Term loan	**$ -**	$ 36,416
Interest		468
Repayments made		(36,884)
Balance at December 31, of outstanding term loan	**$ -**	$ -
Total short term debt and line of credit	**$ -**	$ -

8. INCOME TAXES

The company accounts for state income taxes under the provisions of the FASB ASC 740, Income Taxes , as noted in Note 2F the company does not accounts for Federal Income Taxes.

	2021	2020
Current state income tax expense / (benefit) consists of the following:		
Business enterprise tax	**$ 26,715**	$ 32,859
Other State taxes	**(33,582)**	94,092
	$ (6,867)	$ 126,951
Deferred state income tax (benefit) / expense consists of the following:		
Other State taxes	**$ (8,594)**	$ 7,472
	(8,594)	7,472
Total current and deferred state income tax (benefit) / expense	**$ (15,461)**	$ 134,423
Deferred tax liability consists of the following:		
Other State taxes	**$ 72,252**	$ 80,846

In the ordinary course of business there are transactions with affiliated companies that affect the calculation and estimation of the Company's tax liability. Although management believes that the Company's tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's historical income tax provisions and accruals.

The Company does not anticipate any amount to be recognized related to the Company's uncertain tax position.

9. MEMBERS' EQUITY

On July 29, 2019, Tech Mahindra (Americas), Inc. ("TMA") entered into an agreement with the members of the Company whereby it acquired 65% of the shares in the company. Under this agreement TMA will purchase the balance of the shares over the next three years and thus purchased an additional 11.66% during the 2020 and 2021 years. At December 31, 2021 three individuals, resident in the State of New Hampshire ("minority shareholders") continue to hold the remaining minority interest in the Company at 11.66%.

10. COMMITMENTS AND CONTINGENCIES

CONTINGENT LIABILITY

The Company received notice from the State of New Hampshire Department of Revenue and Administration on February 18, 2020 of revised Business Tax Assessments based on the findings of their audit. The Company has subsequently appealed to the notice and are confident that their objection will be successful, however the Company cannot reasonably predict the ultimate outcome. The amount of the additional taxes levied for the fiscal years ending December 31, 2018, 2017 and 2016 were $ 15,017, $ 10,418 and $ 11,175 respectively.

11. CONCENTRATION OF CREDIT RISK

REVENUE AND ACCOUNTS RECEIVABLE

The majority of the Company's sales are credit sales and terms offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the entity's markets. The contractual terms on invoices issued to customers vary and are payable upon receipt or immediate to within 120 days.

Aging analysis of gross trade receivables, is as follows:

	2021	2020
Less than 30 days	**$ 1,675,860**	$ 2,113,691
Between 30 and 60 days	**639,990**	160,896
Between 60 and 120 days	**116,602**	80,014
More than 120 days (provided for in full)	**57,624**	199,388
	$ 2,490,076	$ 2,553,989

The following are customer concentration for sales for the year ended December 31, 2021 and billed accounts receivable as at December 31, 2021.

Billed Revenue concentration for the 12 months ended December 31, 2021:

	$	**Concentration**
Abbvie	1,535,516	9%
Humana	1,351,733	8%
Electrolux	1,291,902	8%
Otsuka	801,085	5%

Billed accounts receivable concentrations as at December 31, 2021:

	$	**Concentration**
Abbvie	582,849	23%
Electrolux	271,315	11%
BCBSA	251,000	10%
Teva Pharmaceutical Industries	206,643	8%

The following are customer concentration for sales for the year ended December 31, 2020 and billed accounts receivable as at December 31, 2020.

Billed Revenue concentration for the 12 months ended December 31, 2020:

	$	**Concentration**
Humana	2,462,821	15%
Boston Scientific	1,825,634	11%
Unum	1,380,800	8%
Electrolux	1,353,824	9%
Assurant	1,072,663	7%

Billed accounts receivable concentrations as at December 31, 2020:

	Amount, $	Concentration
Humana	549,306	22%
Boston Scientific	315,974	12%
Unum	288,312	11%
Electrolux	240,919	9%
Assurant	239,885	9%

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined under Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures" ("ASC 820"), as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1–inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2–inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

Level 3–inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

The carrying amounts of cash, accounts receivable and accounts payable approximate fair value due to the short-term maturity of the instruments. The carrying amounts of the Company's floatable interest rate debt are considered reasonable estimates of fair value.

13. EMPLOYEE BENEFITS

DEFINED CONTRIBUTION PLANS

The Company sponsored defined contribution plans in which eligible participants may defer a fixed amount or a percentage of their eligible compensation, subject to limitations, pursuant to Section 401(k) of the Internal Revenue Code. The Company made discretionary matching contributions of eligible compensation. Contributions are discretionary and evaluated annually. Aggregate contributions charged to operations, including discretionary amounts, for the twelve months ending December 31, 2020 was $290,644 and for the twelve months ending December 31, 2021 was $251,837.

14. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 14, 2022. No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

	$	$
	2021	2020
Schedule I		
GENERAL AND ADMINISTRATIVE		
Lease expense and other rent	**687,575**	687,575
Professional fees	**194,370**	139,244
Computer and software expenses	**143,255**	156,195
Dues and subscriptions	**127,907**	113,820
Bad and doubtful receivables	**98,634**	98,408
Legal fees	**82,424**	19,953
Insurance	**67,487**	83,277
Communications	**63,008**	61,470
Training and continuing education	**28,707**	18,643
Automobile expenses	**28,663**	31,265
Miscellaneous expenses	**29,172**	88,915
Charitable contributions	**20,450**	18,070
Meals and entertainment	**15,925**	26,288
Office supplies, printing and postage	**14,067**	50,968
Travel expenses	**7,438**	9,328
Cleaning and janitorial expenses	**2,992**	8,561
Operational costs on rentals	**1,130**	77,886
	1,613,204	1,689,866
Schedule II		
SALES AND MARKETING		
Advertising and promotions	**99,117**	74,381
Office supplies, printing and posting	**30,576**	41,346
Research and samples	**1,167**	14,000
Meals and entertainment	**869**	14,551
Travel expenses	**72**	7,757
	131,801	152,035

TECH MAHINDRA CONSULTING GROUP INC.

UNAUDITED FINANCIAL STATEMENTS
For the year ended 31st March 2022

Board of Directors
Mr. Lakshmanan Chidambaram
Mr. Guruprasad Iyengar

Registered Office
36 Toronto Street, Suite 530
Toronto, ON M5C 2C5 Canada

Bankers
TD Bank Canada
HSBC Bank Canada

BALANCE SHEETS

Particulars	Note	March 31, 2022	March 31, 2021
			Amount in CAD
ASSETS:			
Current assets:			
Cash and cash equivalents		1,285,606	957,908
Accounts receivable, net	3	682,732	1,061,307
Due from parent company	4	1,365,643	665,833
Prepaid expenses and other current assets		(667)	185,781
Total current assets		**3,333,314**	**2,870,829**
Property and equipment, net	6	11,816	17,837
Other assets:			
Intangible assets, net	7	978,758	1,258,393
Goodwill, net		352,673	352,673
Other Non Current Assets		17,189	17,189
Other receivables			-
Total other assets		**1,360,436**	**1,646,092**
Total Assets		**4,693,750**	**4,516,921**
LIABILITIES AND MEMBER'S EQUITY :			
Current liabilities:			
Accounts payable		2,721,809	2,504,038
Accrued expenses and other current liabilities		4,572	4,572
GST Payable		(149,270)	-
Current Tax Liabilities (Net)		(26,516)	-
Due to parent company			
Total current liabilities		**2,550,595**	**2,508,610**
Member's equity		2,397,598	2,397,598
Retained Earnings		(254,443)	(389,287)
Accumulated other comprehensive loss			
Total Liabilities and Member's Equity		**4,693,750**	**4,516,921**

TECH MAHINDRA CONSULTING GROUP INC.

STATEMENTS OF OPERATIONS

Amount in CAD

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
REVENUES		5,660,789	5,721,206
OTHER INCOME		(373)	-
COST OF REVENUES		**-**	**-**
GROSS INCOME		**5,660,416**	**5,721,206**
OPERATING EXPENSES:			
Personnel	9	128,815	891,073
General and administrative		4,796,296	4,540,319
Amortization		565,299	281,943
Other expenses	10	(7,554)	85,611
Total operating expenses		**5,482,856**	**5,798,946**
Operating profit		**177,560**	**(77,740)**
INCOME TAX EXPENSE		**-**	**-**
NET INCOME		**-**	**-**

STATEMENTS OF CHANGES IN MEMBER'S EQUITY

	Member's Equity	Retained Earnings	Total Member's Equity
Balance at March 31, 2020	**2,255,373**	**(124,444)**	**2,130,929**
Net income for the year	266,669	(389,287)	(122,618)
Balance at March 31, 2021	**2,522,042**	**(513,731)**	**2,008,311**
Net income for the year	-	134,844	134,844
Balance at March 31, 2022	**2,522,042**	**(378,887)**	**2,143,155**

TECH MAHINDRA CONSULTING GROUP INC.

STATEMENTS OF CASH FLOWS

	For the year ended March 31, 2022	For the year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	**-**	**-**
Adjustments to reconcile net loss to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable, net	378,575	(259,520)
Due from parent company	(699,810)	(665,833)
Due to parent company	-	-
Prepaid expenses and other current assets	186,448	(186,448)
Intangible Assets, net	279,635	279,642
Goodwill, net	-	-
Other receivables	-	-
Accounts payable, net	217,771	615,905
GST Payable	(149,270)	
Current Tax Liabilities (Net)	(26,516)	
Accrued expenses and other current liabilities	-	(57,427)
Net Cash (Utilized in) Provided by Operating Activities	**186,833**	**(273,681)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Changes in equity:		
Property and equipment, net	6,021	2,301
Member's contribution	140,865	(120,317)
Net Cash Provided by Investing Activities	**140,865**	**(120,317)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of loans	-	-
Net Cash Used in Financing Activities	**-**	**-**
Net increase in cash and cash equivalents	327,698	(393,998)
Cash and cash equivalents, beginning of period	957,908	1,351,906
Cash and cash equivalents, end of period	**1,285,606**	**957,908**
Supplemental disclosure:		
Cash paid for interest	-	-
Cash paid for income taxes	-	-

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2022

1. NATURE OF OPERATIONS

Tech Mahindra Consulting Group Inc (formerly know as Objectwise ('OW')), based in Toronto, Canada specializes in enterprise project delivery by offering IT Staff Augmentation & Professional services and PEGA development services.

Key service offerings: Primarily staff augmentation and professional services. Resource skills include Cards & Payment SME, Pega Technology, & Blueprism Robotics.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in Canada (Canadian GAAP). Revenue is recognized based on accrual method of accounting

B. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian Accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

C CASH AND CASH EQUIVALENTS

The Company considers all highly-liquid investments with maturities of three months or less to be cash or cash equivalents.

D ACCOUNTS RECEIVABLE AND ALLOWANCE FOR BAD DEBTS

Accounts receivable are the amounts owed on invoiced contractual agreements either in process or completed by the Company. Accounts receivable are considered delinquent when payment is not received under terms described within the individual contract's terms.

An allowance for doubtful accounts is provided for those balances considered to be uncollectible based upon historical experience and the Company's specific review of outstanding account balances. Company policy is that accounts overdue in excess of 365 days is an indicator that the receivable has potentially impaired. Bad debts are written off against the allowance when identified.

E UNBILLED RECEIVABLES

Unbilled receivables represent accrued revenue earned and recognized on projects for which billings have not yet been presented to the customer.

F RELATED PARTIES

All companies within the Group are considered to be related parties. Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

3 ACCOUNTS RECEIVABLE, NET

At March 31, 2022 and 2021, accounts receivable balances were as follows:

	March 31, 2022	March 31, 2021
Amounts due for services rendered and billed	682,732	1,061,307
Less: allowance for doubtful accounts	-	-
Amounts due for services rendered and billed, net	682,732	1,061,307
Amounts due for services rendered, not billed		
Total accounts receivable, net	**682,732**	**1,061,307**

4 TRANSACTIONS WITH PARENT COMPANY

During the period ended March 31, 2022 and 2021, the Company had transactions with Tech Mahindra Ltd.(“TML”). At March 31, 2022 and 2021 the Company had payables due to TML as follows:

	March 31, 2022	March 31, 2021
Beginning balance, due to		
Cost of services from TML		
Reimbursements		
Payments to parent company		
Revenue from TML		
Ending balance, due to	-	-
Due (to) consists of:		
Amounts due to TML		
Amounts due from TML	1,365,642	(665,833)
	1,365,642	**(665,833)**

Amounts due to and receivable from TML are interest free and payable on demand.

5 LITIGATION AND CONTINGENCIES

The Company is not involved in any legal proceedings in the ordinary course of its business.

6 PROPERTY AND EQUIPMENT

	March 31, 2022	March 31, 2021
Computer and software	7,620	10,409
Furniture and Fixures	10,217	12,544
Accumulated Depreciation	(6,021)	(5,116)
	11,816	**17,837**

7 INTANGIBLE ASSETS ACQUIRED THROUGH BUSINESS ACQUISITIONS

	March 31, 2022	March 31, 2021
Customer Relationships	1,677,856	1,677,856
Accumulated Amortization	(699,098)	(419,463)
	978,758	**1,258,393**

8 SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 31, 2022. No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

9 PERSONNEL EXPENSES

	March 31, 2022	March 31, 2021
Salaries and Wages, including contribution to PF & Other Funds	128,815	890,872
Staff Welfare Expenses	-	201
	128,815	**891,073**

10 OTHER EXPENSES

	March 31, 2022	March 31, 2021
Rent	23,941	23,909
Travelling and Communication Expenses	3,273	1,025
Recruitment Expenses	-	1,211
Legal & Professional Expenses	22,720	19,077
Insurance Charges	17,484	25,579
Software, Hardware & Project specific Expenses	(85,601)	11,074
Miscellaneous Expenses	10,629	3,736
	(7,554)	**85,611**

TECH MAHINDRA CREDIT SOLUTIONS INC

UNAUDITED FINANCIAL STATEMENTS
For the year ended 31st March 2022

Board of Directors
Mr. Manish M Vyas
Mr. Anirban Roy

Business Office
251 Little Falls Drive,
City of Wilmington, 19808,
County of New Castle
Delaware

Bankers
Citibank

TECH MAHINDRA CREDIT SOLUTION INC

BALANCE SHEETS AT MARCH 31, 2022 AND MARCH 31, 2021

	Notes	2022	2021
Current assets			
Cash and cash equivalents		$100,000	$100,000
		100,000	100,000
Total assets		**100,000**	100,000
Current liabilities			
Due to parent company	4	$20,440	$-
		20,440	-
Total liabilities		**20,440**	-
Member's equity		$79,560	$100,000
Total liabilities and stockholder's equity		**100,000**	100,000

For TECH MAHINDRA CREDIT SOLUTION INC

Pritesh Lakhotiya
CFO / Finance Controller
Place: Plano, Texas
Date: May 20, 2022

STATEMENTS OF OPERATIONS FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021

(All amounts are in USD)

	Schedule	For the year ended March 31, 2022	For the year ended March 31, 2021
REVENUES	I	$-	$-
OPERATING EXPENSES:			
General and administrative	II	$20,440	$-
Total operating expenses		20,440	-
OPERATING PROFIT		(20,440)	-
INCOME TAX EXPENSE		-	-
NET INCOME		(20,440)	-

For TECH MAHINDRA CREDIT SOLUTION INC

Pritesh Lakhotiya

CFO / Finance Controller

Place: Plano, Texas

Date: May 20, 2022

STATEMENTS OF CHANGES IN MEMBER'S EQUITY FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021

	Member's equity	Retained earnings	Total member's equity
Balance at December 23, 2020	$100,000	$-	$100,000
Net income for the year	-	-	-
Balance at March 31, 2021	$100,000	$-	$100,000
Net income for the year	-	(20,440)	(20,440)
Balance at March 31, 2022	$100,000	$(20,440)	$79,560

NOTES TO THE FINANCIAL STATEMENTS AT MARCH 31, 2022 AND MARCH 31, 2021

1. NATURE OF OPERATIONS

Tech Mahindra Credit Solutions Inc (the "Company" or "TMCSI") is a wholly owned subsidiary of Tech Mahindra (Americas) Inc. ("TMA"). The Company was incorporated in the State of Delaware on August 17, 2020. The Company is engaged in the business of providing software development services onsite for clients across the United States of America.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The Company has adopted the Financial Accounting Standards Board (FASB) Codification (Codification or ASC). The Codification is the single official source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by the FASB to be applied by non-governmental entities. All of the Codification's content carries the same level of authority.

B. BASIS OF ACCOUNTING

These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

C. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

D. REVENUE AND EXPENSES

The Corporation determines the amount of revenue to be recognized through application of the following steps:- Identification of the contract, or contracts with a customer;

- Identification of the performance obligations in the contract;

- Determination of the transaction price;

- Allocation of the transaction price to the performance obligations in the contract; and

- Recognition of revenue when or as the Corporation satisfies the performance obligations.

Expenses are recorded when incurred.

E. CASH AND CASH EQUIVALENTS

The Company considers all highly-liquid investments with maturities of three months or less to be cash or cash equivalents.

F. RELATED PARTIES

All companies within the Group are considered to be related parties. Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

3. TRANSACTIONS WITH PARENT COMPANY

During the period ended March 31, 2022 and 2021, the Company had transactions with Tech Mahindra (Americas) Inc. (“”TMA””).

At March 31, 2022 and 2021 the Company had payables due to TMA as follows:

	2022	2021
Beginning balance, due to	$-	$-
Cost of services from TML	$-	-
Reimbursements	$20,440	-
Payments to parent company	$-	-
Revenue from TML	-	-
Ending balance, due to	$20,440	$-
Due (to) consists of:		
Amounts due to parent company	$(20,440)	$-
Amounts due from TML	-	-
	$(20,440)	$-

Amounts due to and receivable from TMA are interest free and payable on demand.

4. LITIGATION AND CONTINGENCIES

The Company is not involved in any legal proceedings in the ordinary course of its business.

5. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 9, 2022. No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Schedule I		
REVENUE		
Revenue	$-	$-
	$-	$-
Schedule II		
GENERAL AND ADMINISTRATIVE		
License fees	$20,440	$-
	$20,440	$-

EVENTUS SOLUTIONS GROUP, LLC

UNAUDITED FINANCIAL STATEMENTS
For the period 19th June 2021 to 31st March 2022

Board of Directors

Mr. Vivek Satish Agarwal

Mr. Manish M Vyas

Registered office

9777 Pyramid Court

Suite 160

Englewood

Colorado 80112

Bankers

JP Morgan Chase, N.A.

Auditors

CKH CPA's and Advisors, LLC

BALANCE SHEET AT MARCH 31, 2022

	Notes	31 March, 2022
Current assets		
Cash and cash equivalents	3	5,314,014
Accounts receivable, net	4	11,337,596
Due from related parties	5	4,899,708
Prepaid expenses and other current assets		1,464,849
		$23,016,167
Non-current assets		
Deferred tax asset (liability)	7	(31,452)
Property and equipment, net	8	297,870
Deposits		59,035
		325,453
Total assets		**$23,341,620**
Current liabilities		
Accounts payable		500,113
Accrued compensation		2,108,487
Deferred revenue		2,220,978
Income taxes payable		149,210
Due to related party	5	1,913,975
Other accrued expenses	9	1,769,165
		$8,661,928
Total liabilities		**$8,661,928**
Commitments and contingencies (Note 12)		
Members' equity		
Members' equity	10	14,679,692
Total liabilities and members' equity		**$23,341,620**

STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31 2022

	Schedul / Notes	For the 9 months and 12 days ended 31-Mar-22
Revenues	I	40,121,340
Cost of revenues	II	28,691,176
Gross profit		**$11,430,164**
Operating expenses:		
General and administrative	III	5,166,229
Depreciation	8	88,757
Total operating expenses		**$5,254,986**
Operating income		$6,175,178
Non-operating income (expense)		
Foreign currency loss		(9,244)
Interest income		890
Income before income tax benefit (expense)		**$6,166,824**
Income tax expense	7	(1,516,699)
Net income		**$4,650,125**
Other comprehensive income		**-**
Comprehensive income		**$4,650,125**

All revenue and profit for the year are generated from continuing operations.

STATEMENT OF CHANGES IN MEMBER'S EQUITY FOR THE PERIOD ENDED MARCH 31 2022

	Member's capital	Accumulated profits	Accumulated other comprehensive income / (loss)	Total members' equity
Balance at June 18, 2021	$4,635,454	$5,394,113	$-	$10,029,567
Net income for the period	-	4,650,125	-	4,650,125
Other comprehensive income	-	-	-	-
Balance at March 31, 2022	**$4,635,454**	**$10,044,238**	**$-**	**$14,679,692**
Note	10			

EVENTUS SOLUTIONS GROUP, LLC

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31 2022

	31 March, 2022
Cash flows from operating activities	
Net income	$4,650,125
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation	88,757
Deferred income taxes	91,468
Changes in operating assets and liabilities:	
Accounts receivable, net	(4,523,467)
Prepaid expenses	(1,266,993)
Deposits	(9,000)
Accounts payable	(305,745)
Accrued compensation	(297,051)
Deferred revenue	1,871,939
Due from related parties	(4,899,708)
Other accrued expenses	975,453
Due to related party	1,913,975
Income taxes payable	1,522,417
Cash flows from investing activities	**(187,830)**
Capital expenditures	
Net cash used in investing activities	(54,456)
Cash flows from financing activities	**(54,456)**
Net cash provided by financing activities	
Net increase (decrease) in cash	-
Cash and cash equivalents at June 19, 2021	(242,286)
Cash and cash equivalents at March 31, 2022	5,556,300
	$5,314,014
Supplemental disclosure of cash flow information:	
Cash paid for interest	
Cash paid for income taxes	-
	-

NOTES TO THE FINANCIAL STATEMENTS AT MARCH 31, 2022

1. NATURE OF OPERATIONS

Eventus Solutions Group, LLC ("the Company") filed articles of organization with the Colorado Secretary of State on April 8, 2009 as a Limited Liability Company. The Company provides implementation, consulting, managed services, business strategies and management practices to large corporate and governmental clients throughout the United States.

The Tech Mahindra (Americas) Inc. ("TMA") acquired 100% of the equity shareholding in Eventus Solutions Group, LLC on June 18, 2021. The total purchase consideration is $44 million, adjusted for net debt and working capital, out of which $32 million was payable upfront. The remaining amount is linked to the retention and performance of key employees, financial performance and downstream revenue targets which will be paid out over the next two years.

On July 9, 2018, Eventus registered a subsidiary in the United Kingdom. The subsidiary was dissolved in September 2021.

The corporate headquarters and facilities are located at 9777 Pyramid Court Suite 160, Englewood, Colorado 80112.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

The current financial statements are prepared for the 9 months and 12 days from June 19, 2021 to March 31, 2022.

B. USE OF ESTIMATES IN PRESENTATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions made by management include the determination of recognition of revenue, valuations of privately held equity securities and depreciation of assets recognized. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the result of which forms the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates.

C. REVENUE RECOGNITION

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which requires a company to recognize revenue when the company transfers control of promised goods and services to the customer. Revenue is recognized in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. A company also is required to disclose sufficient quantitative and qualitative information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Company adopted the provisions described in ASU 2014-09, Revenue from Contracts with Customers, also referred to as Topic 606. The Company adopted the standard using the full retrospective method. The impact of Topic 606 on reported revenue results was not material.

The Company determines the amount of revenue to be recognized through application of the following steps:

- Identification of the contract, or contracts with a customer;

- Identification of the performance obligations in the contract;

- Determination of the transaction price;

- Allocation of the transaction price to the performance obligations in the contract; and

- Recognition of revenue when or as the Company satisfies the performance obligations.

D. COST OF REVENUE

This includes all direct costs for employee and contractors consisting of salaries and contract payments, payroll taxes, insurance costs as well as reimbursable costs such a travel, lodging or entertainment.

E. ADVERTISING

The Company expenses all costs for advertising as and when they are incurred. Advertising costs, for the period ending March 31, 2022 was $190,006.

F. INCOME TAXES

The Company has elected to be taxed as a C Corporation as of January 2014. Income taxes are accounted for using the asset and liability method, whereby, deferred taxes are recognized for the tax consequences or “temporary differences” by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amount and the tax bases of existing assets and liabilities. The effect on deferred taxes for a change in tax rates is recognized in income in the period that includes the enactment date. In addition, future tax benefits are recognized when the realization of such benefits is more likely than not.

The company pays state taxes to MA and NH, in addition to the state taxes that it pays on behalf of its members through composite tax returns. Accordingly, there is a state tax provision raised for composite taxes which is included in the financial statements when required.

The company accounts for income taxes using Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740 the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records valuation allowances against deferred tax assets as deemed necessary.

Per FASB ASC 740-10-20, the Company follows the recognition requirements for uncertain tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with all state jurisdictions where it operates.

G. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represents current accounts and demand deposits held at financial institutions. The Company considers all highly liquid investments with a maturity, when purchased, of three months or less to be cash equivalents. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value. Cash equivalents are held to meet short-term liquidity requirements, rather than for investment purposes. Cash and cash equivalents are held at major financial institutions and are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation (FDIC) limitations.

H. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are the amounts owed on invoiced contractual agreements either in process or completed by the Company. Accounts receivable are considered delinquent when payment is not received under terms described within the individual contract’s terms.

An allowance for doubtful accounts is provided for those balances considered to be uncollectible based upon historical experience and the Company’s specific review of outstanding account balances.

I. UNBILLED RECEIVABLES

Unbilled receivables represent accrued revenue earned and recognized on projects for which billings have not yet been presented to the customer.

J. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is provided using the straight-line method and is generally based on the following useful lives:

• Computer equipment – five years;

• Security hardware – three to five years

• Leasehold improvements – five to thirty-nine years

• Furniture and fixtures – five to seven years

Expenditures for maintenance and repairs are charged to income as incurred. Additions and betterments are capitalized. When assets are retired or otherwise disposed, the related cost and accumulated depreciation are removed from the appropriate accounts and any resulting gain or loss is reflected in operations.

The Company annually reviews the status of property and equipment held by the Company for any impairment of those assets. Any such impairment would result in a permanent reduction in the recorded value of the asset. No such impairments existed at March 31, 2022.

K. RELATED PARTIES

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). Transactions involving related parties are carried out on an arm's length basis.

L. NEW STANDARD AND INTERPRETATION: LEASES

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), which requires lessees to record most leases on their balance sheets but recognize the expenses on their statements of operations in a manner similar to current accounting rules. ASU 2016-02 states that a lessee would recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. The new standard is effective, per accounting standard update 2020-05, for interim and annual periods beginning after December 15, 2021 (i.e. calendar periods beginning on January 1, 2022) on a modified retrospective basis. The Company elected not to early adopt this new standard and expect the standard to have a material impact on its financial statements. The most significant effects relate to the recognition of the new Right of use (""ROU"") asset and lease liability on the balance sheet for operating leases attached to real estate. For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases and is subsequently measured at amortized cost using the effective-interest method. Key estimates and judgments include how the Company determines the discount rate it uses to discount the unpaid lease payments to present value, lease term and lease payments.

M. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of prepaid rent, insurance and prepaid subcontractor expenses.

N. FAIR VALUE - DEFINITION AND HIERARCHY

Fair value is defined as 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.

In determining fair value, the Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Company to determine fair value are consistent with the income approaches. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access

- Level 2 – Valuations based on inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement."

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when observable inputs are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for investments categorized in Level 3. In some cases, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In such cases, the fair value measurement is generally categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

O. COMMITMENTS AND CONTINGENCIES

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

3. CASH AND CASH EQUIVALENTS

As of March 31, 2022, cash and cash equivalents consisted of the following:

	March 31, 2022
Cash with banks	$5,314,014
	5,314,014

The Company places its cash on deposit with financial institution in the United States of America. Cash and cash equivalents are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation limitations. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts held by a financial institution in the United States of America. As of March 31, 2022, the Company had $5,064,014 with financial institutions in excess of the federally insured limit.

4. ACCOUNTS RECEIVABLE, NET

At March 31, 2022, accounts receivable balances were as follows:

	March 31, 2022
Amounts due for services rendered and billed	$10,030,870
Allowance for credit notes	-
Amounts due for services rendered and billed, net	10,030,870
Amounts due for services rendered, not billed	$1,306,726
	11,337,596

Bad debt write-off was zero for the period ended March 31, 2022.

5. TRANSACTIONS WITH RELATED PARTIES

During the year, the Company had transactions with its members and affiliated companies. At March 31, 2022, the Company had payables due (to) from related parites as follows:

Tech Mahindra (Americas) Inc.	**March 31, 2022**
Phantom shareholder payout at acquistion of the Company	3,615,605.00
Phantom shareholder payout in February 2022	605,717
Closing balance	**4,221,322**

Tech Mahindra Limited	**March 31, 2022**
Revenue from services	678,386
Expenses Payable	(593,140)
Closing balance,net	**85,246**

Activus Connect, LLC	**March 31, 2022**
Revenue from services	18,135
Payments made	899,071
Expense	(2,238,041)
Closing balance	**(1,320,835)**
Total amounts due to related parties	$(1,913,975)
Total amounts due from related parties	$4,899,708
	2,985,733

6. INVESTMENT AVAILABLE FOR SALE SECURITIES

As of March 31, 2022, equity securities consisted of the following:

	March 31, 2022
RBC Wealth Management (*)	$-
	$-

7. INCOME TAXES

The Company accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes, as described in Note 2F above.

	March 31, 2022
Current income tax expense consists of the following:	
Federal	1,168,946
State	256,285
	$1,425,231

	March 31, 2022
Deferred income tax benefit consists of the following:	74,550
Federal through profit and loss	-
Federal through other comprehensive income	16,918
State through profit and loss	-
State through other comprehensive income	$91,468
	$1,516,699
Total current and deferred state income tax expense (benefit)	**$985,540**

	March 31, 2022
Deferred tax asset (liability) consists of the following:	
Federal	(25,633)
State	(5,819)
	$(31,452)

In the ordinary course of business there are transactions that affect the calculation and estimation of the Company's tax liability. Although management believes that the Company's tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's historical income tax provisions and accruals.

The Company does not anticipate any amount to be recognized related to the Company's uncertain tax position.

8. PROPERTY AND EQUIPMENT, NET

At March 31, 2022, property and equipment balances were as follows:

	March 31, 2022
Computer equipment	832,379
Security equipment	249,883
Leasehold improvements	152,650
Furniture and fixtures	11,457
Less: accumulated depreciation	**(948,499)**
	$297,870

The total depreciation expense recognized for the period ending March 31, 2022 was $88,756. The depreciation policies followed by the Company are disclosed in Note 2J above.

9. OTHER ACCRUED EXPENSES

Other accrued expenses consisted of the following at March 31, 2022:

	March 31, 2022
Accrued commissions	971,605
Accrued payable	742,975
Deferred rent	37,511
Accrued insurance	17,074
Total	**$1,769,165**

10. MEMBER'S EQUITY

Class A Units	**March 31, 2022**
Issued number of units	1,251,500

Tech Mahindra (Americas) Inc. ("TMA") acquired 100% of the equity shareholding in Eventus Solutions Group, LLC on April 26, 2021. The total purchase consideration is $44 million, adjusted for net debt and working capital, out of which $32 million was payable upfront. The remaining amount is linked to the retention and performance of key employees, financial performance and downstream revenue targets which will be paid out over the next two years.

11. SHORT-TERM DEBT AND LINE OF CREDIT FACILITY

The Company had a $500,000 commitment for a commercial line-of-credit from JP Morgan Chase Bank, NA with variable interest based on changes in the LIBOR Rate plus 4.68%. The facility was secured by a security interest in all business assets, inventory, equipment, accounts and other general intangibles, whether now owned or hereafter acquired, and the personal guarantees of the members. The facility was closed on May 13, 2021.

12. COMMITMENTS AND CONTINGENCIES

The Company has one non-cancellable operating lease, primarily for office space that expire over the next three years. The Company leases its facility from an unrelated party. The facility is leased and located in a commercial building and was entered into on February 1, 2017. The lease expires on May 31, 2023. The initial lease rate per square foot ranges from $23.00 for a monthly commitment of $25,795 and escalates to $25.50 per square foot or $28,598 per month in the final year.

Total lease cost for the period ended March 31, 2022 amounted to $282,397.

Maturities of operating lease liabilities under non-cancellable leases as of March 31, 2022 are as follows:

	March 31, 2022
In 1 year	342,056
In 2 to 5 years	57,196
Thereafter	-
Total undiscounted lease payments	**399,252**
Less: imputed interest	(6,342)
Net present value of lease commitments	**392,910**

Based on current known facts and circumstances, the Company currently believes that any liabilities ultimately resulting from ordinary course claims and proceedings will not individually or in aggregate, have a material adverse effect on the Company's financial position, results of operations or cash flows.

13. CONCENTRATION OF CREDIT RISK

REVENUE AND ACCOUNTS RECEIVABLE

The majority of the Company's sales are credit sales and terms offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the entity's markets. The contractual terms on invoices issued to customers vary and are payable upon receipt or immediate to within 60 days.

Aging analysis of gross trade receivables, is as follows:

	March 31, 2022
Less than 30 days	6,391,032
Between 30 and 60 days	2,617,257
Between 60 and 120 days	221,654
More than 120 days	800,927
	$10,030,870

The following are customer concentration for sales for the period ended March 31, 2022 and accounts receivable as at March 31, 2022.

Revenue concentration for the period ended March 31, 2022:

	Amount, $	Concentration
Customer 1	10,758,123	27%
Customer 2	3,876,199	10%
Customer 3	2,402,991	6%
Customer 4	2,389,340	6%
Customer 5	1,882,958	5%

Accounts receivable concentrations as at March 31, 2022:

	Amount, $	Concentration
Customer 1	2,251,655	20%
Customer 2	1,440,239	13%
Customer 7	999,134	9%
Customer 12	683,054	6%
Customer 4	547,820	5%

14. EMPLOYEE BENEFITS

EMPLOYEE BENEFIT PLAN

The Company adopted a qualified retirement plan designed as the Eventus 401(k) Profit Sharing Plan and Trust, to be effective January 1, 2011. All full and part-time employees over the age of 21 who have completed six months of service are eligible to participate in the plan. Employer contributions are allocated based on qualified wages to those employees who are employed on the last day of the plan year. By resolution of the Board of Directors, effective January 1, 2011, the plan was amended to include a “safe harbor” provision, whereby 3% of qualified wages would be contributed. A further modification, effective January 1, 2020, the plan was amended to modify the “safe harbor” provision to 100% match the first 3% and 50% match for the next 2% with a maximum potential match of 4%. Included in employee benefits for 2022 are Company contributions in the amount of $439,687.

15. FAIR VALUE HIERARCHY

The fair values of the Company’s financial assets and liabilities by category as at March 31, 2022 were as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Accounts with banks	-	5,314,014	-	5,314,014
Equity securities	-	-	-	-
Total	**-**	**5,314,014**	**-**	**5,314,014**

16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 13, 2022, the date the financial statements were available to be issued.

No further significant events occurred subsequent to the balance sheet date but prior to June 13, 2022 that would have a material impact on the financial statements.

EVENTUS SOLUTIONS GROUP, LLC

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES FOR THE PERIOD ENDED MARCH 31, 2022

(All amounts are in USD)

Schedule I

	For the 9 months and 12 days ended March 31, 2022
REVENUE	
Consulting services	27,418,004
Managed services	8,270,735
Intermediary services	2,945,763
Cloud application services	1,486,838
Total	**40,121,340**

Schedule II

	March 31, 2022
COST OF REVENUES	
Personnel	13,327,259
Contract labor	6,795,700
Dues and subscriptions	3,070,710
Bonus compensation	2,232,199
Commissions	1,884,900
Employee benefits	1,380,408
Total	**28,691,176**

Schedule III

	March 31, 2022
GENERAL AND ADMINISTRATIVE	
Administrative personnel and contract labor	1,975,376
Taxes and licenses	1,251,683
Professional fees	443,998
Bonus compensation	248,022
Rent	282,397
Insurance	193,125
Advertising and marketing	190,006
Computer expenses	126,273
Travel expenses	127,036
Training and continued education	91,485
Telephone	91,062
Office supplies and postage	55,635
Recruitment	54,592
Meals and entertainment	32,248
Repairs and maintenance	6,934
Automobile expenses	3,497
Miscellaneous expenses	(14,928)
Utilities	7,210
Bank service charges	578
Total	**5,166,229**

BRAINSCALE INC.

UNAUDITED FINANCIAL STATEMENTS
For the period 18th November 2021 to 31st March 2022

Board of Directors
Mr. Lakshmanan Chidambaram
Mr. Krishna Bala
Mr. Manish Madan

Registered Office
9777 Pyramid Court
Suite 160 Englewood
Colorado 80112

Bankers
TD Bank

BRAINSCALE, INC

BALANCE SHEET AS OF 31ST MARCH 2022

	Sch	Amount in USD
ASSETS		
Current Assets		
Bank Accounts		1,426,750.90
Accounts Receivable (A/R)		6,701,324.87
Other Current Assets		
Deferred Tax Assets		255.00
Undeposited Funds		8.10
Other Current Assets		19,849.00
Total Other Current Assets		20112.10
Total Current Assets		**8,148,187.88**
Fixed Assets	1	118,718.84
Other Assets		
Security Deposit		9,378.00
Total Other Assets		**9,378.00**
TOTAL ASSETS		**8,276,284.72**
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		2,192,640.26
Other Current Liabilities	2	**1,865,063.95**
Total Other Current Liabilities		**-**
Total Current Liabilities		**4,057,704.21**
Total Liabilities		**4,057,704.21**
Equity		
Additional Paid in Capital		5,541.00
Common Stock		50,008.10
Capital Reserve		1,785,100.00
Retained Earnings	3	2,377,931.41
Total Equity		**4,218,580.51**
TOTAL LIABILITIES AND EQUITY		**8,276,284.72**

For BRAINSCALE Group

Phani Tipparaju
CEO

Date : 14-06-2022

PROFIT AND LOSS FOR 18TH NOVEMBER TO 31ST MARCH 2022

	Sch	Amount in USD
REVENUE		
Sales		6,643,636.03
Total Income		**6,643,636.03**
COST OF SALES		
Salaries, employee benefit and taxes	4	3,667,699.29
Contractor & Subcontractors	5	2,541,974.13
TOTAL COST OF SALES		**6,209,673.43**
GROSS PROFIT		**433,962.61**
OPERATING EXPENSES		
Selling & General Administrative Expenses (See Schedule)	6	441,200.45
Total Expenses		**441,200.45**
Net Operating Income		**(7,237.84)**
Other Income		
Interest income		0.31
Other Income		-
Total Other Income		**0.31**
Net Other Income		**0.31**
Net Income Before Tax		**(7,237.53)**
Depreciation		10,827.25
Net Income		**(18,064.78)**
INCOME TAX EXPENSE		
State Income Tax		33,051.00
Federal Income Tax		124,470.00
Deferred Tax Income		(255.00)
NET INCOME		**(175,330.78)**

For BRAINSCALE Group

Phani Tipparaju
CEO

Date : 14-06-2022

BRAINSCALE, INC

BALANCE SHEET SCHEDULES MARCH 31, 2022

Sch - 1 Fixed Assets Schdule

	Amount in USD
Computer	40,722.69
Office Furniture	63,429.99
Software	75,081.88
Accumulated Depreciation	60,515.72
Total	**118,718.84**

Income Tax Provision

	Amount in USD
Balance as on 18-11-2021	709,198.87
Add income tax for 2021	
State Income Tax	33,051.00
Federal Income Tax	124,470.00
Balance as on 31-03-2022	**866,719.87**

Retained Earning Schedule

	Amount in USD
Balance as on 18-11-2021	
Capital contribution	50,000.00
Additional Paid up capital	5,541.00
Sch - 3 Retained Earnings	2,144,617.80
Prior Period Adjustment	566,210.19
Allocted income- Brainscale Inc CA (Adjusted in Sharedholder's equity	(189,432.00)
Accounts Receivable (A/R) - BrainScale CA (Brainscale Intercompany balances adjusted in Sharedholder's equity)	(990,303.86)
Accounts Payable - BrainScale US (Brainscale Intercompany balances adjusted in Sharedholder's equity)	1,019,226.91
Investment in Brainscale Canada	(50,000.00)
Investment by BrainScale INC US	52,943.15
Total as on 18th Nov 2021	2,553,262.19
Changes in current year	
Current year income	(175,330.78)
Less :Dividend Paid	
Total Retained Earnings Balance as on 31-03-2022	**2,377,931.41**

Sch - 2 Other Current Liabilities

	Amount in USD
401k Employee Passthrough	31,371.59
Accrued expenses	91,824.48
Deferred Tax Liability	683,715.20
GST/HST Payable	183,947.57
Income Tax Payable	866,719.87
Payroll Tax Liabilities	8,618.70
Salary Payable	(1,178.47)
Withheld Tax	45.00
Total	**1,865,063.95**

BRAINSCALE, INC

PROFIT & LOSS SCHEDULES FOR THE PERIOD 17TH NOV 21 TO 31ST MAR 22

Sch - 4 Salaries & Wages Schedule

	Amount in USD
401k Match	24,578.42
Bonus	4,333.33
Commission	29,582.95
Company Contribution to CPP & EI	17,569.80
Employee Reimbursement	23.92
Payroll Taxes	116,443.73
Salaries & Wages	1,450,304.90
Salary & Wages - CA	239,762.24
Salary onsite Direct (Prov given by Bipin)	1,785,100.00
Total	**3,667,699.29**

Sch - 5 Contractor & Subcontractors Schedule

	Amount in USD
India Subcontractors	-
Contractors	817,942.33
Subcontractor	1,724,031.80
Total	**2,541,974.13**

Sch- 6 Selling & Genral Expenses

	Amount in USD
Advertising & Marketing	119.98
Bank Charges & Fees	1,080.64
Computer & Internet Expenses	129,561.35
Dues & Subscriptions	10,200.88
Education & Training	564.65
Insurance	13,644.66
Legal & Professional Services	117,332.20
Legal and professional fees	4,593.46
Meals & Entertainment	1,165.22
Medical Insurance	49,673.64
Office Expense	4,450.99
Office Supplies & Software	6,922.47
Payroll Processing Fees	4,869.06
Penalties and settlements	163.30
Rent & Lease	23,838.79
Repairs & Maintenance	49.69
Staffing and Recruitment Cost	40,473.00
Taxes & Licenses	300.00
Travel	32,196.46
Total	**441,200.45**

TENZING LIMITED

Board of Directors

Mahendran Suriyakumar Bartlett
Viswanath Chavali
Gautam Bhasin
Anuj Bhalla
Christopher Ernest Day

Registered Office

48b Arundel Street Hillsborough
Auckland, 1041 New Zealand

Bankers
Westpac Banking Corporation NZ

TENZING LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		$	$
Revenue		**33,421,708**	32,257,256
Gross profit		**29,450,446**	29,796,604
Employee expenses		**(24,750,424)**	(22,279,877)
Administration expenses		**(314,107)**	(2,341,092)
Operational expenses		**(1,153,348)**	(1,227,248)
Depreciation, amortisation and impairment of non-financial assets		**(626,574)**	(604,778)
Operating profit		**2,605,993**	3,343,609
Net finance (loss)/income	3	**(116,959)**	(146,467)
Profit before income tax		**2,489,034**	3,197,142
Income tax (expense)/benefit	4	**468,129**	(1,145,703)
Net profit for the year		**2,957,163**	2,051,439
Other comprehensive income		**-**	-
Total other comprehensive income		**-**	-
Comprehensive income for the year attributable to the owners		**2,957,163**	2,051,439

The above statement has not been audited and should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	**2022**	2021
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**4,025,958**	1,587,269
Trade and other receivables	5	**6,306,646**	5,010,154
Related parties	7	**1,261,044**	-
Current income tax		**-**	223,310
Total current assets		**11,593,648**	6,820,733
Non-current assets			
Property plant and equipment		**1,713,025**	1,993,403
Total non-current assets		**1,713,025**	1,993,403
Total assets		**13,306,673**	8,814,136
Current liabilities			
Trade and other payables	6	**4,948,067**	3,682,402
Related parties	7	**-**	29,232
Current income tax		**685,205**	-
Total current liabilities		**5,633,272**	3,711,634
Non-current liabilities		**946,652**	1,332,916
Trade and other payables	6	**946,652**	1,332,916
Total non-current assets			
Total liabilities		**6,579,924**	5,044,550
NET ASSETS		**6,726,749**	3,769,586
EQUITY			
Retained earnings		**6,726,749**	3,769,586
Total Equity		**6,726,749**	3,769,586

The above statement has not been audited and should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Retained earnings	Total equity
	$	$
As at 1 April 2021	**3,769,586**	**3,769,586**
Profit for the year	2,957,163	2,957,163
Dividends	-	-
Other comprehensive income for the year	-	-
As at 31 March 2022	**6,726,749**	**6,726,749**
As at 1 April 2020	**4,240,567**	**4,240,567**
Profit for the year	2,051,439	2,051,439
Dividends	(2,522,420)	(2,522,420)
Other comprehensive income for the year	-	-
As at 31 March 2021	**3,769,586**	**3,769,586**

The above statement has not been audited and should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		$	$
Operating activities			
Receipts from customers		37,464,591	36,989,359
Payments to suppliers and employees		(33,505,080)	(39,392,647)
Interest received		254	4,705
Finance Costs		(117,213)	(151,172)
Income tax (paid) / refunded		1,376,644	(644,709)
Net cash generated from/(used in) operating activities		**5,219,197**	**(3,194,464)**
Investing activities			
Purchase of plant and equipment		(346,196)	(108,089)
Net cash generated from/(used in) investing activities		**(346,196)**	**(108,089)**
Financing activities			
Receipt of related party advances		-	840,100
Payment of related party advances		(1,966,980)	-
Dividend		-	(2,522,420)
Repayment of lease liability principal		(360,223)	(287,635)
Repayment of lease liability interest		(107,108)	(131,111)
Net cash generated from/(used in) financing activities		**(2,434,312)**	**(2,101,066)**
Net change in cash and cash equivalents		2,438,689	(5,403,619)
Cash and cash equivalents, beginning of period		1,587,269	6,990,888
Cash and cash equivalents, end of period		**4,025,958**	**1,587,269**

The above statement has not been audited and should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Corporate information

The reporting entity is Tenzing Limited (the “Company”). It is profit orientated and is registered under the Companies Act 1993. The Company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

The Company’s primary activity is management and technology consulting services.

2. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

a) Basis of preparation

The Company has adopted the New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime (“NZ IFRS – RDR”) as set out in the External Reporting Board’s “Accounting Standards Framework”.

The financial statements are general purpose financial statements that have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). They comply with New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”) and other applicable financial reporting standards as appropriate for profit-oriented entities. The Company has reported under NZ IFRS – Reduced Disclosure Regime of the External Reporting Board as the Company is a for-profit Tier 2 entity for financial reporting purposes on the basis that it does not have public accountability and is not a large for-profit public sector entity. The financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 2013.

The financial statements have been prepared on the basis of historical cost, being based on the fair values of the consideration given in exchange for assets. The financial statements have been prepared under the assumption that the Company operates on a going concern basis.

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

b) Changes in accounting policy

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new accounting standards that came into effect during the current year.

The Company has adopted NZ IFRS 16 from 1 April 2019, recognising a right-of-use asset and related lease liability. The Company has not restated comparatives for the 2019 reporting period, as permitted under the modified retrospective approach. The reclassifications and the adjustments arising from the new standard are therefore recognised in the opening balance sheet on 1 April 2019.

On adoption of NZ IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of NZ IAS 17 Leases. On adoption of NZ IFRS 16, these liabilities were measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease of 7%.

c) Foreign currency translation

(i) Functional and presentation currency

Both the functional and presentation currency of the Company is New Zealand dollars ($).

(ii) Transactions & balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. 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 determined.

d) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity 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.

e) Financial instruments

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Financial assets principally consist of the Company's cash and cash equivalents and trade and other receivables. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Trade receivables, which generally have 30-90-day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. An allowance for credit losses is made when there is objective evidence that the Company will not be able to collect the debt. Credit losses are written off during the period in which they are identified.

Financial liabilities

As the accounting for financial liabilities remains largely the same under NZ IFRS 9 compared to NZ IAS 39, the Company's financial liabilities were not impacted by the adoption of NZ IFRS 9. The Company's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

f) Property, plant and equipment

All property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. This also includes assets held under a finance lease. Property, plant and equipment are subsequently measured using the cost model, being cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost of building right to use and on a diminishing value basis to write down the cost of furniture and fittings, IT equipment and other equipment. The following useful lives are applied:

- Furniture and fittings - 13% to 25% DV
- IT equipment - 50% DV
- Office equipment - 10% to 50% DV
- Building Right to Use - 16.67% SL

All intangible assets, which comprises software, are accounted for using the cost model whereby capitalised costs are amortised on a diminishing value basis over their estimated useful lives. The following useful lives are applied:

- Software - 50% DV

Amortisation has been included within depreciation.

Estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Subsequent expenditures on the maintenance of software is expensed as incurred.

	Furniture and fittings	IT equipment	Office equipment	Building Right to Use	Software	Total
	$	$	$	$	$	$
As at 31 March 2021						
Cost	194,803	1,674,573	190,826	2,313,630	543,866	4,917,698
Accumulated depreciation / amortisation	(55,084)	(1,457,526)	(170,340)	(727,545)	(513,800)	(2,924,295)
Net book amount	139,719	217,047	20,486	1,586,085	30,066	1,993,403
Year ended 31 March 2022						
Opening net book amount	139,719	217,047	20,486	1,586,085	30,066	1,993,403
Additions	21,184	314,382	1,427	-	9,203	346,196
Disposals	-	-	-	-	-	-
Depreciation/amortisation	(21,982)	(198,097)	(5,594)	(383,815)	(17,086)	(626,574)
Closing net book amount	138,921	333,332	16,319	1,202,270	22,183	1,713,025
As at 31 March 2022						
Cost	215,987	1,988,955	192,253	2,313,630	553,069	5,263,894
Accumulated depreciation / amortisation	(77,066)	(1,655,623)	(175,934)	(1,111,360)	(530,886)	(3,550,869)
Net book amount	138,921	333,332	16,319	1,202,270	22,183	1,713,025

g) Provisions

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

Provisions are reviewed at each balance date and adjusted to reflect the current best estimate. Where 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 provision due to the passage of time is recognised in finance costs.

h) Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

i) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

j) Revenue recognition

Revenue arises from the provision of software services and business process outsourcing services. To determine when to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when and as its performance obligations are satisfied.

The Company enters into agreements with customers to provide software and business process outsourcing solutions, which are specific to that customer's requirements. Services are provided in exchange for a consideration which is calculated either on a 'time and material' basis or a fixed price basis and it recognises the revenue over time. Due to the high degree of interdependence between the various elements of these projects, they are accounted for as a single performance obligation.

To depict the progress by which the Company transfers control of the software and services the customer, and to establish when and to what extent revenue can be recognised, the Company measures its progress towards complete satisfaction of the performance obligation by measuring outputs to date. This basis provides the most faithful depiction of the transfer of goods and services to each customer due to the Company's ability to accurately measure the time and materials incurred to date.

If the Company satisfies a performance obligation before it receives the consideration, the Company recognises accrued income within trade and other receivables in its statement of financial position.

All revenue is earned in New Zealand and is recognised in the month that the work is completed.

k) Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, Inland Revenue and other taxation authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax losses can be utilised. The company has not recognised any deferred tax assets.

l) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

· when the GST incurred on a purchase of goods and services is not recoverable from the Inland

Revenue Department, in which case the GST is recognised as part of the cost of the acquisition of

the asset or as part of the expense item as applicable; and

· receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Inland Revenue Department.

m) Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Contract revenue

Recognised amounts of contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion. This includes the assessment of the profitability of on-going contracts. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

3. Finance (expense)/income

Finance (expense)/income for the reporting periods consists of the following:

	2022	2021
	$	$
Interest income	**254**	4,705
Finance income	**254**	4,705
Interest and bank charges	**(117,213)**	(151,172)
Finance costs	**(117,213)**	(151,172)
Net finance income/(expense)	**(116,959)**	(146,467)

4. Income tax

(a) Income tax expense

	2022	2021
	$	$
The major components of income tax expense are:		
Statement of comprehensive income		
Current tax expense	**677,575**	1,145,703
Adjustments to current tax in prior years	**(1,145,703)**	-
Deferred tax expense relating to the origination and reversal of temporary differences	**-**	-
Adjustments to deferred tax in prior years	**-**	-
Income tax expense reported in profit or loss	**(468,129)**	1,145,703

(b) Numerical reconciliation between aggregate tax expense recognised in profit or loss and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

	2022	2021
	$	$
Total accounting profit before income tax	**2,489,034**	3,197,142
At the Company's statutory income tax rate of 28% (2020: 28%)	**696,930**	895,200
Non-deductible items	**(19,356)**	250,503
Under/(over) provision in prior years	**(1,145,703)**	-
Other	**-**	-
Aggregate income tax expense	**(468,129)**	1,145,703

5. Trade and other receivables

	2022	2021
	$	$
Trade receivables	**5,716,740**	4,746,367
Prepayments	**355,364**	196,023
Work in progress	**201,451**	34,673
Sundry receivables	**33,091**	33,091
Carrying amount of trade and other receivables	**6,306,646**	5,010,154

6. Trade and other payables

	2022	2021
	$	$
(a) Current liabilities		
Trade payables	**267,918**	395,725
Cadence Management Limited	**607**	523,608
Employee benefits	**1,363,388**	1,020,756
GST payable	**394,291**	374,116
Provisions	**1,500,000**	300,000
Lease liability	**386,264**	360,223
Sundry payables	**1,035,599**	707,974
Carrying amount of trade and other payables	**4,948,067**	3,682,402
(a) Non-current liabilities		
Lease liability	**946,652**	1,332,916
Carrying amount of trade and other payables	**946,652**	1,332,916

7. Related parties

The Company's related parties are described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

			2022	2021
			$	**$**
(a) Related party transactions				
Name	**Relationship**	**Transaction**		
Tenzing Australia Limited	Common ownership	Sales to	**842,106**	2,580,512
Tenzing Australia Limited	Common ownership	Purchases from	**813,714**	61,200
Tenzing Australia Limited	Common ownership	Advances to	**1,966,980**	-
Tenzing Australia Limited	Common ownership	Advances from	**-**	840,100
			3,622,800	3,481,812
(b) Related party balances				
Name	**Relationship**	**Type**		
Tenzing Australia Limited	Common ownership	Receivable	**1,261,044**	-
Tenzing Australia Limited	Common ownership	Payable	**-**	29,232

8. Financial instruments

The Company's principal financial instruments comprise receivables, payables and cash.

	2022	2021
	$	$
Financial assets:		
- Cash and cash equivalents	**4,025,958**	1,587,269
- Trade and other receivables	**6,306,646**	5,010,154
	10,332,604	6,597,423
Financial liabilities at amortised cost:		
- Trade and other payables (current liabilities)	**4,948,067**	3,682,402
- Trade and other payables (non-current liabilities)	**946,652**	1,332,916
	5,894,719	5,015,318

The fair values of these financial instruments approximate to their carrying values.

9. Leases

The Company as a lessee

For any contracts entered into, the Company considers whether a contract is, or contains, a lease.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the Statement of Financial Position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease 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 Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-to-use assets have been included in property, plant and equipment and lease liabilities have been included in Trade and other payables.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred. The Company leases two premises under a non-cancellable operating lease.

Set out below are the carrying amounts of right of use assets recognised and the movements during the period:

	Office Building	**Total**
	$	**$**
As at 1 April 2020	1,940,294	1,940,294
Lease modification	29,113	29,113
Depreciation expense	(383,322)	(383,322)
As at 31 March 2021	1,586,085	1,586,085

Set out below are the carrying amounts of lease liabilities and the movements during the period:

As at 1 April 2020	1,980,774
Lease modification	29,113
Accretion of interest	131,111
Payments	(447,859)
As at 31 March 2021	1,693,139

The following are the amounts recognised in profit and loss:

Depreciation expense of right of use assets	383,322
Interest expense on lease liabilities	131,111
Total amount recognised in profit and loss	**514,433**

	Office Building	Total
	$	$
As at 1 April 2021	1,940,294	1,940,294
Lease modification	-	-
Depreciation expense	(383,815)	(383,815)
As at 31 March 2022	1,556,479	1,556,479

Set out below are the carrying amounts of lease liabilities and the movements during the period:

As at 1 April 2021	1,693,139
Lease modification	-
Accretion of interest	107,108
Payments	(467,332)
As at 31 March 2022	1,332,916

The following are the amounts recognised in profit and loss:

Depreciation expense of right of use assets	383,815
Interest expense on lease liabilities	107,108
Total amount recognised in profit and loss	**490,924**

10. Capital Commitments

The Company has no capital commitments as at 31 March 2022 (2021: nil).

11. Contingencies

The Company has no contingencies at year as at 31 March 2022 (2021: nil).

13. Post-Reporting date events

The Directors are not aware of any other matters or circumstances after year end which would impact the financial statements.

TENZING AUSTRALIA LIMITED

Board of Directors
Mahendran Suriyakumar Bartlett
Viswanath Chavali
Gautam Bhasin
Anuj Bhalla
Christopher Ernest Day

Registered Office
48b Arundel Street Hillsborough
Auckland, 1041 New Zealand

Bankers
Westpac Banking Corporation Australia

Auditors
Grant Thornton NZ

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	**2022**	2021
		$	$
Revenue		**8,281,770**	5,724,823
		(5,655,230)	(4,007,117)
Gross profit		**2,626,540**	1,717,706
Other income		**-**	138,751
Employee expenses		**(1,293,298)**	(458,354)
Administration expenses		**(4,403)**	(2,164)
Operational expenses		**(7,653)**	(3,913)
Operating profit		**1,321,186**	1,392,026
Net finance (loss)/income	3	**(45,262)**	(130)
Profit before income tax		**1,275,924**	1,391,896
Income tax expense	4	**(225,099)**	(336,543)
Net profit for the year		**1,050,825**	1,055,353
Other comprehensive income		**-**	-
Total other comprehensive income		**-**	-
Comprehensive income for the year attributable to the owners		**1,050,825**	1,055,353

The above statement has not been audited and should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

.	Note	2022	2021
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**245,063**	475,507
Trade and other receivables	5	**4,534,153**	1,096,444
Current income tax		**17,302**	-
Related parties	7	**-**	29,232
Total current assets		**4,796,518**	1,601,183
Total assets		**4,796,518**	1,601,183
Current liabilities			
Trade and other payables	6	**1,477,883**	442,806
Current income tax		**-**	67,704
Related parties	7	**1,261,044**	-
Total current liabilities		**2,738,927**	510,510
NET ASSETS		**2,057,591**	1,090,673
EQUITY			
Retained earnings		**2,057,591**	1,090,673
Total Equity		**2,057,591**	1,090,673

The above statement has not been audited and should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Retained earnings	Total equity
	$	**$**
As at 1 April 2021	**1,090,673**	1,090,673
Profit for the year	**1,050,825**	1,050,825
Revaluations	**(83,907)**	(83,907)
Dividends	**-**	-
Other comprehensive income for the year	**-**	-
As at 31 March 2022	**2,057,591**	2,057,591
As at 1 April 2020	**8,904**	8,904
Profit for the year	**1,055,353**	1,055,353
Revaluations	**26,416**	26,416
Dividends	**-**	-
Other comprehensive income for the year	**-**	-
As at 31 March 2021	**1,090,673**	1,090,673

The above statement has not been audited and should be read in conjunction with the accompanying notes.

TENZING AUSTRALIA LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		$	$
Operating activities			
Receipts from customers		**5,845,882**	7,532,045
Payments to suppliers and employees		**(7,707,164)**	(5,154,363)
Income tax (paid) / refunded		**(310,105)**	(845,087)
Finance Costs		**(45,262)**	(130)
Net cash generated from/(used in) operating activities		**(2,216,649)**	1,532,465
Financing activities			
Dividends		**-**	(4,200,000)
Receipt of related party advances		**1,986,205**	(840,080)
Payment of related party advances		**-**	
Net cash generated from/(used in) financing activities		**1,986,205**	(5,040,080)
Net change in cash and cash equivalents		**(230,444)**	(3,507,615)
Cash and cash equivalents, beginning of period		**475,507**	3,983,122
Cash and cash equivalents, end of period		**245,063**	475,507

The above statement has not been audited and should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Corporate information

The reporting entity is Tenzing Australia Limited (the “Company”). It is profit orientated and is registered under the Companies Act 1993. The Company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

The Company’s primary activity is management and technology consulting services.

2. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

a) Basis of preparation

The Company has adopted the New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime (“NZ IFRS – RDR”) as set out in the External Reporting Board’s “Accounting Standards Framework”.

The financial statements are general purpose financial statements that have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). They comply with New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”) and other applicable financial reporting standards as appropriate for profit-oriented entities. The Company has reported under NZ IFRS – Reduced Disclosure Regime of the External Reporting Board as the Company is a for-profit Tier 2 entity for financial reporting purposes on the basis that it does not have public accountability and is not a large for-profit public sector entity. The financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 2013.

The financial statements have been prepared on the basis of historical cost, being based on the fair values of the consideration given in exchange for assets. The financial statements have been prepared under the assumption that the Company operates on a going concern basis.

b) Changes in accounting policy

The Company has not adopted any new or revised accounting standards during the current year due to them not having had any impact on the disclosure or on the amounts reported in these financial statements.

c) Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Company is Australian dollars. The presentation currency of the Company is New Zealand dollars (NZ$).

c) Foreign currency translation (continued)

(ii) Transactions & balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. 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 determined.

d) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity 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.

e) Financial instruments

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Financial assets principally consist of the Company's cash and cash equivalents and trade and other receivables. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Trade receivables, which generally have 30-90-day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. An allowance for credit losses is made when there is objective evidence that the Company will not be able to collect the debt. Credit losses are written off during the period in which they are identified.

Financial liabilities

As the accounting for financial liabilities remains largely the same under NZ IFRS 9 compared to NZ IAS 39, the Company's financial liabilities were not impacted by the adoption of NZ IFRS 9. The Company's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

f) Provisions

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

Provisions are reviewed at each balance date and adjusted to reflect the current best estimate. Where 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 provision due to the passage of time is recognised in finance costs.

g) Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

h) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

i) Revenue recognition

Revenue arises from the provision of software services and business process outsourcing services. To determine when to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when and as its performance obligations are satisfied.

The Company enters into agreements with customers to provide software and business process outsourcing solutions, which are specific to that customer's requirements. Services are provided in exchange for a consideration which is calculated either on a 'time and material' basis or a fixed price basis and it recognises the revenue over time. Due to the high degree of interdependence between the various elements of these projects, they are accounted for as a single performance obligation.

To depict the progress by which the Company transfers control of the software and services the customer, and to establish when and to what extent revenue can be recognised, the Company measures its progress towards complete satisfaction of the performance obligation by measuring outputs to date. This basis provides the most faithful depiction of the transfer of goods and services to each customer due to the Company's ability to accurately measure the time and materials incurred to date.

If the Company satisfies a performance obligation before it receives the consideration, the Company recognises accrued income within trade and other receivables in its statement of financial position.

All revenue is earned in Australia and is recognised in the month that the work is completed.

j) Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Tax Office and other taxation authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax losses can be utilised. The company has not recognised any deferred tax assets.

k) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the Inland Revenue Department, in which case the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Tax Office.

l) Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Contract revenue

Recognised amounts of contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion. This includes the assessment of the profitability of on-going contracts. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

3. Finance (expense)/income

Finance (expense)/income for the reporting periods consists of the following:

	2022	2021
	$	$
Interest income	**-**	-
Finance income	**-**	-
Interest and bank charges	**(45,262)**	(130)
Finance costs	**(45,262)**	(130)
Net finance income/(expense)	**(45,262)**	(130)

4. Income tax

(a) The major components of income tax expense are:

	2022	2021
	$	$
Statement of comprehensive income		
Current tax expense	**225,099**	336,543
Adjustments to current tax in prior years	**-**	-
Deferred tax expense relating to the origination and reversal of temporary differences	**-**	-
Adjustments to deferred tax in prior years	**-**	-
Income tax expense reported in profit or loss	**225,099**	336,543

(b) Numerical reconciliation between aggregate tax expense recognised in profit or loss and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

	2022	2021
	$	$
Total accounting profit before income tax	**1,275,924**	1,391,896
At the Company's statutory income tax rate of 28% (2021: 28%)	**357,259**	389,731
Non-deductible/(non-assessable) items	**(132,160)**	(53,188)
Under/(over) provision in prior years	**-**	-
Other	**-**	-
Aggregate income tax expense	**225,099**	336,543

5. Trade and other receivables

	2022	2021
	$	$
Trade receivables	**4,078,669**	1,096,444
Work in progress	**455,484**	-
Carrying amount of trade and other receivables	**4,534,153**	1,096,444

6. Trade and other payables

	2022	2021
	$	$
Trade payables	**296,127**	220,490
Employee benefits	**64,770**	61,857
GST payable	**289,033**	152,059
Provisions	**696,801**	-
Sundry payables	**131,152**	8,400
Carrying amount of trade and other payables	**1,477,883**	442,806

7. Related parties

The Company's related parties are described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

(a) Related party transactions			**2022**	**2021**
Name	**Relationship**	**Transaction**	**$**	**$**
Tenzing Limited	Common ownership	Sales to	**813,714**	61,200
Tenzing Limited	Common ownership	Purchases from	**842,106**	2,580,512
Tenzing Limited	Common ownership	Advances to	**-**	840,100
Tenzing Limited	Common ownership	Advances from	**1,966,980**	-
			3,622,800	3,481,812

(b) Related party balances				
Name	**Relationship**	**Type**		
Tenzing Limited	Common ownership	Receivable		
Tenzing Limited	Common ownership	Payable	**-**	29,232
			1,261,044	-

8. Financial instruments

The Company's principal financial instruments comprise receivables, payables and cash.

	2022	2021
	$	$
Financial assets:		
- Cash and cash equivalents	**245,063**	475,507
- Trade and other receivables	**4,534,153**	1,096,444
	4,779,216	1,571,951
Financial liabilities at amortised cost:		
- Trade and other payables	**1,477,883**	442,806
	1,477,883	442,806

The fair values of these financial instruments approximate to their carrying values.

9. Capital Commitments

The Company has no capital commitments as at 31 March 2022 (2021: nil).

10. Contingencies

The Company has no contingencies at year as at 31 March 2022 (2021: nil).

11. Post-Reporting date events

The Directors are not aware of any other matters or circumstances after year end which would impact the financial statements.

TECH MAHINDRA DIGITAL PTY LTD

Board of Directors

Mr. Gautam Bhasin
Mr. Viswanath Chavali

Registered Office

Suite 2 Level 7, 607 Bourke Street,
Melbourne, Victoria 3000

Bankers

National Australia Bank

DETAILED BALANCE SHEET AS AT 31ST MARCH'22

(Amt in AUD)

	31-Mar-22	31-Mar-21
Current Assets		
Cash and cash equivalent	6,549,841	2,369,557
Account Receivable	1,385,840	713,287
Accrued revenue	85,724	
Prepaid Expenses	8,151	20,726
Total Current Assets	**8,029,556**	**3,103,570**
Non Current Assets		
Property, Plant and Equipment	78,156	74,158
Total Non Current Assets	**78,156**	**74,158**
Total Assets	**8,107,712**	**3,177,728**
Current Liability		
Payables		
Account Payable	286,286	24,116
Accrued Salaries & Wages	-	218,515
Provision for annual leaves	222,895	
Inter-company payables	482,736	
Others	184,884	275,720
	1,176,801	**518,351**
Current Tax Liabilites		
Statutory Dues	351,381	383,764
Income Tax Liability	56,477	419,407
	407,858	**803,171**
Total Current Liability	**1,584,659**	**1,321,522**
Net Assets	**6,523,053**	**1,856,206**
Equity		
Issued & paid up capital	1,320	1,320
Capital reserve	3,187,789	-
Retained Earnings	3,333,944	1,854,886
Total Equity	**6,523,053**	**1,856,206**

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MAR 22

(Amt in AUD)

Particulars	Year ended 31 March 22	For the period 12 February 21 to 31 March 2021
Revenue from Operation	17,054,803	1,871,088
Other income	377	493
Total Income	**17,055,180**	**1,871,581**
Expenses		
Employment expenses	12,796,372	1,710,216
Staff Welfare Expenses	7,847	1,305
Subcontracting Expenses	963,703	46,000
Rent	40,273	7,673
Communication Expenses	1,407	338
Depreciation	1,340	-
Travelling Expenses	473	29
Recruitment Expenses	294,758	1,282
Legal and other professional costs	16,755	30,715
Repair and maintenance Expenses		
- Machinery and Computers	1,673	(1,383)
Insurance charges	38,718	4,174
Software, Hardware and Project Specific Expenses	74,333	267
Advertisement, Promotion & Selling Expenses	6,838	14,728
General Office Expenses	4,635	514
Miscellaneous Expenses	10,866	1,551
Total Expenses	**14,259,991**	**1,817,409**
Profit from Ordinary Activities before income tax	2,795,189	54,172
Income tax expense	(1,275,083)	-
	1,520,106	**54,172**

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

Note 1: Summary of Significant Accounting Policies

The directors have prepared the financial report on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial report are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial report have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial report have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income). The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(b) Loans and Receivables

Trade receivables are recognised initially at cost and are subsequently measured at cost less any provision for impairment. Most sales are made on the basis of normal credit terms and are not subject to interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to their present value. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables include loans granted by the Company and are discounted to present values using the interest rate inherent in the loan.

(c) Property, Plant and Equipment (PPE)

Property, plant and equipment are carried at cost, independent of directors' valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the assets charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

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. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

(d) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reasonably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on 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 balance sheet.

(f) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognised related to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(g) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

GEOMATIC.AI PTY LIMITED

Board of Directors
Sahil Dhawan
Viswanath Chavali

Registered Office
32 Cromwell Street Collingwood VIC 3066

Bankers
HSBC Bank Australia Limited

GEOMATIC.AI PTY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the period from 07 February 2022 to 31 March 2022

	Note	2022 2 Months $
Revenue		**3,174,385**
Gross profit		**1,548,327**
Employee expenses		**(1,188,612)**
Depreciation, amortisation and impairment of non-financial assets		**(58,663)**
Other expenses		**(70,931)**
Operating profit		**230,121**
Net finance (loss)/income	3	**2,341**
Profit before income tax		**232,462**
Income tax expense	4	**(65,089)**
Net profit for the year		**167,373**
Other comprehensive income		**-**
Total other comprehensive income		**-**
Comprehensive income for the year attributable to the owners		**167,373**

The above statement has not been audited and should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Note	2022 2 Months $
ASSETS		
Current assets		
Cash and cash equivalents		-
Trade and other receivables	5	**3,253,067**
Total current assets		**3,253,067**
Non-current assets		
Assets under construction		**324,266**
Property plant and equipment		**347,164**
Total non-current assets		**671,430**
Total assets		**3,924,497**
Current liabilities		
Trade and other payables	6	**3,692,035**
Current income tax	4	**65,089**
Total current liabilities		**3,757,124**
NET ASSETS		**167,373**
EQUITY		
Retained earnings		**167,373**
Total Equity		**167,373**

The above statement has not been audited and should be read in conjunction with the accompanying notes.

GEOMATIC.AI PTY LIMITED

STATEMENT OF CHANGES IN EQUITY

For the period from 07 February 2022 to 31 March 2022

	Retained earnings	Total equity
	$	**$**
As at 07 February 2022	-	-
Profit for the period	167,373	167,373
Dividends	-	-
Other comprehensive income for the year	-	-
As at 31 March 2022	**167,373**	**167,373**

The above statement has not been audited and should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the period from 07 February 2022 to 31 March 2022

	Note	2022 2 Months $
Operating activities		
Receipts from customers		**2,473,851**
Payments to suppliers and employees		**(2,187,691)**
Interest received		**-**
Finance Costs		**2,341**
Income tax (paid) / refunded		**-**
Net cash generated from/(used in) operating activities		**288,501**
Investing activities		
Purchase of plant and equipment		**(288,501)**
Net cash generated from/(used in) investing activities		**(288,501)**
Financing activities		
Receipt of related party advances		**-**
Dividend		**-**
Repayment of lease liability principal		**-**
Repayment of lease liability interest		**-**
Net cash generated from/(used in) financing activities		**-**
Net change in cash and cash equivalents		**-**
Cash and cash equivalents, beginning of period		**-**
Cash and cash equivalents, end of period		**-**

The above statement has not been audited and should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 07 February 2022 to 31 March 2022

1. Corporate information

The reporting entity is Geomatic.ai Pty Limited (the "Company"). It is profit orientated and is registered under The Corporations Act 2001. The Company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

The Company's primary activity is geospatial technologies and consulting services.

2. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

a) Basis of preparation

The Company's financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements comply with International Financial Reporting Standards adopted by the International Accounting Standards Board.

The financial statements have been prepared on the basis of historical cost, being based on the fair values of the consideration given in exchange for assets. The financial statements have been prepared under the assumption that the Company operates on a going concern basis.

b) Foreign currency translation

(i) Functional and presentation currency

Both the functional and presentation currency of the Company is Australian dollars ($).

(ii) Transactions & balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. 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 determined.

c) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity 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.

d) Financial instruments

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Financial assets principally consist of the Company's cash and cash equivalents and trade and other receivables. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Trade receivables, which generally have 30-90-day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. An allowance for credit losses is made when there is objective evidence that the Company will not be able to collect the debt. Credit losses are written off during the period in which they are identified.

Financial liabilities

As the accounting for financial liabilities remains largely the same under Australia IFRS 9 compared to Australia IAS 39, the Company's financial liabilities were not impacted by the adoption of Australia IFRS 9. The Company's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

e) Property, plant and equipment

All property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. This also includes assets held under a finance lease. Property, plant and equipment are subsequently measured using the cost model, being cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost of property, plant and equipment at the rate of 10%.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

	Total
	$
Period ended 31 March 2022	
Opening net book amount	-
Additions	405,827
Disposals	-
Depreciation/amortisation	(58,663)
Closing net book amount	**347,164**
As at 31 March 2022	
Cost	405,827
Accumulated depreciation / amortisation	(58,663)
Net book amount	**347,164**

f) Provisions

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

Provisions are reviewed at each balance date and adjusted to reflect the current best estimate. Where 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 provision due to the passage of time is recognised in finance costs.

g) Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

h) Operating expenses.

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

i) Revenue recognition

Revenue arises from the provision of software services and business process outsourcing services. To determine when to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when and as its performance obligations are satisfied.

The Company enters into agreements with customers to provide software and business process outsourcing solutions, which are specific to that customer's requirements. Services are provided in exchange for a consideration which is calculated either on a 'time and material' basis or a fixed price basis and it recognises the revenue over time. Due to the high degree of interdependence between the various elements of these projects, they are accounted for as a single performance obligation.

To depict the progress by which the Company transfers control of the software and services the customer, and to establish when and to what extent revenue can be recognised, the Company measures its progress towards complete satisfaction of the performance obligation by measuring outputs to date. This basis provides the most faithful depiction of the transfer of goods and services to each customer due to the Company's ability to accurately measure the time and materials incurred to date.

If the Company satisfies a performance obligation before it receives the consideration, the Company recognises accrued income within trade and other receivables in its statement of financial position.

All revenue is earned in New Zealand and is recognised in the month that the work is completed.

j) Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, Inland Revenue and other taxation authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax losses can be utilised. The company has not recognised any deferred tax assets.

k) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the Inland

  Revenue Department, in which case the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

l) Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Contract revenue

Recognised amounts of contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion. This includes the assessment of the profitability of on-going contracts. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

3. Finance (expense)/income

Finance (expense)/income for the reporting periods consists of the following:

	2022 2 Months $
Foreign exchange gains	2,341
Finance income	**2,341**
Interest and bank charges	0
Finance costs	**0**
Net finance income/(expense)	**2,341**

4. Income tax

	2022 2 Months $
(a) Income tax expense	
The major components of income tax expense are:	
Statement of comprehensive income	
Current tax expense	65,089
Adjustments to current tax in prior years	-
Deferred tax expense relating to the origination and reversal of temporary differences	-
Adjustments to deferred tax in prior years	-
Income tax expense reported in profit or loss	**65,089**

(b) Numerical reconciliation between aggregate tax expense recognised in profit or loss and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

	2022 2 Months $
Total accounting profit before income tax	232,462
At the Company's statutory income tax rate of 28%	65,089
Non-deductible items	-
Under/(over) provision in prior years	-
Other	-
Aggregate income tax expense	**65,089**

5. Trade and other receivables

	2022 $
Trade receivables	1,176,692
Work in progress	1,935,675
Sundry receivables	140,700
Carrying amount of trade and other receivables	**3,253,067**

6. Trade and other payables

	2022
	$
Trade payables	**300,167**
Employee benefits	**1,763,440**
GST payable	**30,414**
Provisions	**1,535,593**
Lease liability	**62,421**
Carrying amount of trade and other payables	**3,692,035**

7. Financial instruments

The Company's principal financial instruments comprise receivables, payables and cash.

	2022
	$
Financial assets:	
- Cash and cash equivalents	**-**
- Trade and other receivables	**3,253,067**
	3,253,067
Financial liabilities at amortised cost:	
- Trade and other payables	**3,692,035**
	3,692,035

The fair values of these financial instruments approximate to their carrying values.

8. Leases

The Company as a lessee

For lease contracts the Company considers whether a contract is, or contains, a lease.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the Statement of Financial Position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease 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 Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-to-use assets have been included in property, plant and equipment and lease liabilities have been included in Trade and other payables.

9. Capital Commitments

The Company has no capital commitments as at 31 March 2022.

10. Contingencies

The Company has no contingencies at year as at 31 March 2022.

11. Post-Reporting date events

The Directors are not aware of any other matters or circumstances after year end which would impact the financial statements.

COMVIVA TECHNOLOGIES SINGAPORE PTE. LTD.

Board of Directors

Mr. Manoranjan Mohapatra

Mr. Manish Goenka

Mr. Ayush Keshan

Registered No:

201127764Z

Registered Office:

180B, Bencoolen Street, #12-05,

The Bencoolen, Singapore 189648

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022

The directors submit their report together with the management statements of Comviva Technologies Singapore Pte. Ltd. ("The Company"), for the year ended 31st March, 2022.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2022 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Limited, India has disinvested 100% of its shareholding in the Company to Tech Mahindra (Singapore) Pte. Ltd. with effect from November 12, 2021.

Directors

The Directors who served during the year are as follows:

Mr. Manoranjan Mohapatra

Mr. Manish Goenka

Mr. Ayush Keshan

Acknowledgments:

Your Directors thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholders for the cooperation and assistance received from them

On behalf of the Board of Directors,.

Manoranjan Mohapatra **Director**	**Manish Goenka** **Director**	**Ayush Keshan** **Director**

COMVIVA TECHNOLOGIES SINGAPORE PTE. LTD.

BALANCE SHEET AS AT MARCH 31, 2022

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I	**Assets**			
A	**Non current assets**			
	(a) Property, Plant and Equipment	3(i)	**4,128**	34,347
	(b) Capital work-in-progress		**-**	(1)
	(c) Other Intangible assets	3(ii)	**-**	1,086
	(d) Deferred tax assets	4	**4,952**	-
	Total non-current assets		**9,080**	35,432
B	**Current Assets**			
	(a) Financial Assets			
	(i) Trade receivables	5	**(30)**	383,166
	(ii) Cash and cash equivalents	6	**24,864**	438,831
	(iii) Others financial assets	7	**-**	273
	(b) Other current assets	8	**3,108**	100,045
	Total current assets		**27,942**	922,315
	TOTAL ASSETS		**37,022**	957,747
II	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital	9	**561,000**	561,000
	(b) Other Equity	10	**(554,054)**	(568,477)
	Equity attributable to equity holders of the Company		**6,946**	(7,477)
III	**Liabilities**			
A	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	11	**-**	550,478
	(ii) Trade Payables	12	**25,689**	117,339
	(iii) Others financial liabilities	13	**-**	226,101
	(b) Other current liabilities	14	**-**	49,063
	(c) Current tax liabilities (Net)		**4,387**	22,243
	Total current liabilities		**30,076**	965,224
	TOTAL EQUITY AND LIABILITIES		**37,022**	957,747
IV	**See accompanying notes forming part of the financial statements**	3-18		

For and on behalf of Comviva Technologies Singapore Pte. Ltd.

Manish Goenka

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars		Note No.	**For the year ended March 31, 2022**	For the year ended March 31, 2021
I.	Revenue from operations	15	**-**	146,091
II.	Other income	16	**(9,866)**	30,428
III.	**Total income (I+II)**		**(9,866)**	176,519
IV.	**Expenses**			
	(a) Employee benefits expense	17	**22**	(10,139)
	(b) Subcontracting cost		**2,876**	33,267
	(c) Finance costs		**646**	3,195
	(d) Depreciation and Amortization expense	3	**31,305**	92,199
	(e) Other expenses	18	**(41,495)**	221,219
	Total expenses		**(6,646)**	339,741
V.	**Profit/(Loss) before tax**		**(3,220)**	(163,222)
VI.	**Tax expenses**			
	(a) Current tax		**12,691**	-
	(b) Deferred tax		**4,952**	-
			17,643	-
VII.	**Profit/(Loss) after tax**		**14,423**	(163,222)
VIII.	**See accompanying notes forming part of the financial statements**	3-18		

For and on behalf of Comviva Technologies Singapore Pte. Ltd.

Manish Goenka

Note 3(i) - Property, Plant and Equipment

Particulars	Gross Block					Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2021	Additions during the year	Disposals during the year	Adjustment	As at March 31, 2022	As at 1st April, 2021	For the year	On disposal for the year	As at March 31, 2022	As at March 31, 2022	As at 1st April 2021
Network systems	40,140	-		-	**40,140**	38,166	1,974	-	**40,140**	**-**	1,974
Computers	398,756	-	-	-	**398,756**	366,383	28,245	-	**394,628**	**4,128**	32,373
Total	**438,896**	**-**	**-**	**-**	**438,896**	**404,549**	**30,219**	**-**	**434,768**	**4,128**	**34,347**

Note 3(ii) - Other Intangible assets

Particulars	Gross Block					Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2021	Additions during the year	Disposals during the year	Adjustment	As at March 31, 2022	As at 1st April, 2021	For the year	On disposal for the year	As at March 31, 2022	As at March 31, 2022	As at 1st April 2021
Computer Software	28,685	-	-	-	28,685	27,599	1,086	-	28,685	-	1,086
Total	28,685	-	-	-	28,685	27,599	1,086	**-**	28,685	**-**	1,086

Note 4 - Deferred tax assets (net) :

Amount in SGD

Particulars	As at	
	March 31, 2022	March 31, 2021
Break up of deferred tax assets		
Nature of timing difference		
- Others	**4,952**	**-**
Total	**4,952**	**-**

Note 5 - Trade receivables :

Amount in SGD

Particulars	As at	
	March 31, 2022	March 31, 2021
Trade Receivables (Unsecured)		
- Considered good	**(30)**	383,166
Total	**(30)**	383,166

Note 6 - Cash and cash equivalents :

Amount in SGD

Particulars	As at	
	March 31, 2022	March 31, 2021
Balances with banks:		
- In current accounts	**24,864**	438,831
Total	**24,864**	438,831

Note 7 - Other Financial assets :

Amount in SGD

Particulars	As at	
	March 31, 2022	March 31, 2021
Unbilled Revenue (Less alloances for credit loss)	**-**	273
Total	**-**	273

Note 8 - Other Current Assets :

Amount in SGD

Particulars	As at	
	March 31, 2022	March 31, 2021
Advance to suppliers	**2,968**	18,192
Inter entity receivable	**-**	81,853
Prepaid expenses	**140**	-
Total	**3,108**	100,045

Note 9 -Equity Share capital :

Amount in SGD

Particulars	As at			
	March 31, 2022		March 31, 2021	
	Number	**Amount**	Number	Amount in SGD
(a) Authorised :				
Equity shares of SGD 1 each	**561,000**	**561,000**	561,000	561,000
(b) Issued, subscribed and fully paid up :				
Equity shares of SGD 1 each fully paid up	**561,000**	**561,000**	561,000	561,000
Total	**561,000**	**561,000**	561,000	561,000

Note 10 - Other Equity :

Amount in SGD

Particulars	As at			
	March 31, 2022		March 31, 2021	
Surplus in the statement of profit and loss				
Opening balance	**(568,477)**		(405,255)	
Add: profit/(loss) for the period/year	**14,423**		(163,222)	
Closing balance		**(554,054)**		(568,477)
Total		**(554,054)**		(568,477)

Note 11 -Borrowings :

Amount in SGD

Particulars	As at	
	March 31, 2022	March 31, 2021
Loan from Head office (Comviva India)	**-**	550,478
Total	**-**	550,478

Note 12 - Trade payables :

Amount in SGD

Particulars	As at	
	March 31, 2022	March 31, 2021
Expenses payables other than Accrued Salaries and Benefits	**25,689**	117,339
Total	**25,689**	117,339

Note 13 - Other Financials liabilities:

Amount in SGD

Particulars	As at	
	March 31, 2022	March 31, 2021
Inter Company Receivable /Payable (Net)	**-**	226,101
Total	**-**	226,101

Note 14 - Other Current liabilities :

Particulars	Amount in SGD	
	As at	
	March 31, 2022	March 31, 2021
Advance from customers	**-**	49,063
Total	**-**	49,063

Note 15 - Revenue from operations :

	Amount in SGD	
	For the year ended	
Particulars	**March 31, 2022**	March 31, 2021
Revenue sharing arrangements	**-**	146,091
Total	**-**	146,091

Note 16 - Other income :

	Amount in SGD	
	For the year ended	
Particulars	**March 31, 2022**	March 31, 2021
Exchange gain/(loss) (net)	**(9,866)**	30,428
Total	**(9,866)**	30,428

Note 17 - Employee benefits expense :

	Amount in SGD	
	For the year ended	
Particulars	**March 31, 2022**	March 31, 2021
Salaries, wages and bonus	**22**	(10,139)
Total	**22**	(10,139)

Note 18 - Operating and other expense:

	Amount in SGD	
	For the year ended	
Particulars	**March 31, 2022**	March 31, 2021
Cost of hardware equipment and other items sold	**14,175**	20,993
Royalty and software charges	**(84,803)**	87,473
Travelling and conveyance	**-**	26
Rates and taxes	**6,601**	84,434
Advertising and sales promotion	**-**	42
Communication costs	**-**	6
Legal and professional fees	**13,122**	15,364
Credit loss allowance on account receivable (net)	**9,410**	3,583
Miscellaneous expenses	**-**	9,299
Total	**(41,495)**	221,219

CITISOFT LIMITED

UNAUDITED FINANCIAL STATEMENTS
For the year ended 31st March 2022

Directors
V N Nair
L Chidambaram
B B Pal
P V Migliore
T J Secaur

Company secretary
E J Newell

Registered number
01968753

Registered office
63 Queen Victoria Street
London
EC4N 4UA

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

On 8 November 2021, the company re-registered as a limited company and is now incorporated under the name of Citisoft Limited.

Principal activity

The company's principal activity during the year continued to be that of providing advisory and delivery services to the asset management industry. The company is a UK based business consulting company with a wholly owned subsidiary, Citisoft Inc, operating in the United States of America and Canada.

On 28 February 2022, the company's shareholding in Citisoft Inc. was sold to Tech Mahindra (Americas) Inc. From 1 March 2022, the company ceased to trade and certain assets were sold to Citisoft, Inc. UK, a UK branch of Citisoft Inc.

Directors

The directors who served during the year were:

V N Nair

L Chidambaram

B B Pal

P V Migliore

T J Secaur

This report was approved by the Board on 21st June 2022 and signed on its behalf.

P V Migliore
Director
Place: United States

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover		**1,906,335**	1,581,444
Cost of sales		**(1,435,278)**	(1,101,249)
Gross profit		**471,057**	480,195
Administrative expenses		**(427,824)**	(403,574)
Exceptional income	4	**9,717,330**	-
Operating profit		**9,760,563**	76,621
Interest receivable and similar income		**309**	498
Interest payable and similar expenses		**(2,604)**	-
Profit before tax		**9,758,268**	77,119
Tax on profit		**(8,661)**	(14,785)
Profit after tax		**9,749,607**	62,334
Retained earnings at the beginning of the year		**723,761**	661,427
		723,761	661,427
Profit for the year		**9,749,607**	62,334
Retained earnings at the end of the year		**10,473,368**	723,761

See accompanying notes forming part of the financial statements

BALANCE SHEET AS AT 31 MARCH 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	5		-		2,872
Investments	6		-		505,793
			-		508,665
Current assets					
Debtors: amounts falling due within one year	7	**775**		247,416	
Cash at bank and in hand		**11,710,584**		638,110	
		11,711,359		885,526	
Creditors: amounts falling due within one year	8	**(755,875)**		(188,314)	
Net current assets			**10,955,484**		697,212
Total assets less current liabilities			**10,955,484**		1,205,877
Net assets			**10,955,484**		1,205,877
Capital and reserves					
Called up share capital			**112,410**		112,410
Share premium account			**369,706**		369,706
Profit and loss account			**10,473,368**		723,761
			10,955,484		1,205,877

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21st June 2022.

P V Migliore
Director
Place: United States

See accompanying notes forming part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022.

1. General information

The company is a private company, limited by share capital incorporated in the United Kingdom.

The address of its registered office and principal place of business is:
63 Queen Victoria Street
London
EC4N 4UA

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006, so far as relevant to the Company's Management Certified financial statements for the year.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements have been rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The directors have satisfied themselves that the parent company, Tech Mahindra Limited, prepares group accounts. The company has, therefore, not prepared consolidated financial statements.

2.3 Going concern

In assessing the going concern basis of preparation for these financial statements, the directors have considered the transfer of the trade and assets to Citisoft Inc that took place on 1 March 2022. Following this transfer, the company has no investments and no other trading activity. It is likely that the company will be wound up at some future time.

Therefore, the directors have concluded that it is appropriate to prepare the financial statements on a basis other than that of a going concern.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency, using the spot exchange rates at the dates of the transactions.

At each period end foreign currency, monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items, measured at fair value, are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Revenue

Revenue is recognised 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 measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Unbilled revenue comprises of revenue recognised in relation to efforts incurred on time contracts not billed as of the period end where services are performed in accordance with agreed terms.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid, the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals, as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Employee benefits

When employees have rendered service to the company, short term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

2.9 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Office equipment	5 years straight line
Furniture & Fixtures	4 Years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Financial instruments

Financial assets, liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets and liabilities classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs). If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions set out by FRS 102 to be classified as basic financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

3. Employees

	2022	2021
	£	£
Wages and salaries	**862,422**	711,608
Social security costs	**200,312**	85,420
Cost of defined contribution scheme	**144,422**	83,882
	1,207,156	880,910

The average monthly number of employees, including directors, during the year was 7 (2021 6).

4. Exceptional income

	2022	2021
	£	£
Profit on disposal of investment	**(9,144,207)**	-
Profit on disposal of trade and assets	**(573,123)**	-
	(9,717,330)	-

5. Tangible fixed assets

	Office equipment
	£
At 1 April 2021	113,707
Additions	6,310
Transfer to group undertaking	(13,034)
Disposals	(106,983)
At 31 March 2022	-
At 1 April 2021	110,835
Charge for the year on owned assets	1,315
Transfer to group undertaking	(5,167)
Disposals	(106,983)
At 31 March 2022	
Net book value	
At 31 March 2022	-
At 31 March 2021	2,872

6. Fixed asset investments

	Investments in subsidiary companies
	£
At 1 April 2021	505,793
Disposals	(505,793)
At 31 March 2022	-

7. Debtors

	2022	2021
	£	£
Trade debtors	-	55,650
Amounts owed by group undertakings	-	119,273
Other debtors	775	40,861
Prepayments and accrued income	-	31,632
	775	247,416

8. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	-	54,528
Amounts owed to group undertakings	752,214	7,252
Corporation tax	3,661	9,285
Other taxation and social security	-	43,054
Accruals and deferred income	-	74,195
	755,875	188,314

9. Controlling party

The company's immediate parent is Tech Mahindra Limited, incorporated in India.

The ultimate parent is Tech Mahindra Limited, incorporated in India.

The financial statements of Tech Mahindra Limited are available upon request from the company secretary at Rajiv Gandhi Infotech Park, Phase III, Pune, India.

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Turnover	**1,906,335**	1,581,444
Cost Of Sales	**(1,435,278)**	(1,101,249)
Gross profit	**471,057**	480,195
Gross profit %	**24.7%**	30.4 %
Less: overheads		
Administration expenses	**(427,824)**	(403,574)
Exceptional income	**9,717,330**	-
Operating profit	**9,760,563**	76,621
Interest receivable	**309**	498
Interest payable	**(2,604)**	-
Tax on profit on ordinary activities	**(8,661)**	(14,785)
Profit for the year	**9,749,607**	62,334

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Turnover		
Rendering of services, Europe	**155,280**	247,800
Rendering of services, Rest of World	**1,327,961**	1,207,264
Rendering of services, UK	**422,700**	126,380
Other income - Other EU	**394**	-
	1,906,335	**1,581,444**

	2022 £	2021 £
Cost of sales		
Wages and salaries	**597,419**	490,202
National insurance	**163,821**	59,575
Staff pension - defined contribution scheme	**112,580**	64,912
Subcontract labour	**556,460**	483,520
Staff training	**4,998**	3,040
	1,435,278	1,101,249

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Administration expenses		
Staff salaries	**265,003**	221,406
Staff national insurance	**36,491**	25,845
Staff pension costs - defined contribution schemes	**31,842**	18,970
Staff training	**6,514**	3,332
Entertainment	**1,067**	80
Hotels, travel and subsistence	**599**	-
Printing and stationery	**700**	220
Postage	**12**	20
Telephone and fax	**177**	666
Computer costs	**3,596**	1,032
Advertising and promotion	**326**	-
Charity donations	**1,180**	1,000
Legal and professional	**18,067**	31,590
Auditors' remuneration	**-**	9,000
Accountancy fees	**3,985**	900
Bank charges	**369**	424
Difference on foreign exchange	**9,019**	13,893
Rent	**26,934**	42,750
Rates	**18,756**	29,772
Insurances	**901**	1,155
Sundry expenses	**971**	68
Depreciation office equipment	**1,315**	1,451
	427,824	403,574

	2022	2021
	£	£
Exceptional income		
Profit on disposal of trade and assets	**(573,123)**	-
Profit on disposal of investment	**(9,144,207)**	-
	(9,717,330)	-

	2022	2021
	£	£
Interest receivable		
Bank interest receivable	**105**	498
Other interest receivable	**204**	-
	309	498

	2022	2021
	£	£
Interest payable		
Other interest - on overdue tax	**2,604**	-
	2,604	-

TECH MAHINDRA DEFENCE TECHNOLOGIES LIMITED

Board of Managers
Mr. Aniruddha Vinayak Gadre
Mr. Jagdish Mitra (Appointed w.e.f. 26th October 2021)
Mr. Gautam Shirali
Mr. Apurva Chamaria (Up to 31st October 2021)

Registered Office
Oberoi Garden Estate,
Near Chandivali Studio,
Wing-I Andheri (E),
Mumbai 400072, India

Bankers
Citibank N. A.

Auditors
Ahuja Valecha & Associates LLP
Chartered Accountant

BOARD'S REPORT

Your Directors present their First Annual Report together with the audited Accounts of the Company for the year ended March 31, 2022.

FINANCIAL SUMMARY / RESULTS

	(Figures in Rs.)
For the year ended	**March 31st 2022**
Income	NIL
Expenditure	4,97,731
Profit/(Loss) Before Tax & Extra Ordinary items	(4,97,731)
Provision for Taxation	NIL
Profit/ (Loss) after Tax	(4,97,731)

BUSINESS OVERVIEW / STATE OF COMPANY'S AFFAIRS

Your Company is yet to start its commercial activities.

DIVIDEND

The Board of Directors do not recommend any dividend for the FY 2021-22.

RESERVES

The Board does not propose to carry any amount to General Reserves of the Company.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

STATUTORY AUDITORS

The Board of Directors in its meeting held on 26th August, 2021 had pursuant to the provisions of Section 139(6) of the Companies Act, 2013, appointed Ahuja Valecha & Associates LLP, as Statutory Auditors of the Company. As per the provisions of the Companies Act, 2013, the said appointment of Ahuja Valecha & Associates LLP, is till the conclusion of the ensuing Annual General Meeting.

Further in terms of Section 139(1), the Board further proposes re-appointment of Ahuja Valecha & Associates LLP, for the period of 5 (five) consecutive years i.e. from the conclusion of the First Annual General Meeting till the conclusion of the Sixth Annual General Meeting of the Company to be held in the Financial Year 2027-28.

AUDITORS REPORT

The Auditor's Report on the Financial Statements of the Company is annexed and forms part of the Annual Report. The Auditor's report does not contain any qualification or observations on the accounts of the Company.

SHARE CAPITAL

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is Rs. 10,000,000/- comprising of 1,000,000 equity shares of Face Value Rs. 10/- each.

ANNUAL RETURN

The Company does not have website and hence the web-link of Annual Return required to be disclosed in this Report in pursuance of the provisions of Section 92(3) of the Companies Act, 2013 is not mentioned.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provisions related to Corporate Social Responsibility are not applicable to your Company.

DIRECTORS

The first Director's of the Company were as under:

- Mr. Anirudha Gadre
- Mr. Gautam Shirali
- Mr. Apurva Chamaria

Mr. Apurva Chamaria resigned as Director of the Company with effect from October 31, 2021. The Board places on records its appreciation for the guidance received from Mr. Chamaria during his tenure as Director of the Company. Mr. Jagdish Mitra was appointed as Additional Director on the Board of the Company with effect from October 26, 2021.

Mr. Jagdish Mitra holds office till the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends the appointment of Mr. Jagdish Mitra as Director of the Company.

Pursuant to the provisions of Section 152(6)(c) of the Companies Act 2013, Mr. Gautam Shirali, Director is liable to retire by rotation and being eligible offers himself for reappointment.

The Director's recommend appointment of Mr. Gautam Shirali as Director of the Company.

BOARD AND COMMITTEES OF BOARD

The Ministry of Corporate Affairs by its Notification dated 13th July, 2017 amended Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014. In view of this, the provisions in respect of appointment of independent directors on the board of unlisted wholly owned subsidiary Company are not applicable.

Also such unlisted wholly owned subsidiary Company need not constitute Audit Committee and Nomination & Remuneration Committee of the Board.

During the period, 2 (two) Board meetings were held on 26th August 2021 and 22nd December 2021.

STATEMENT OF COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS

Your Directors state that the Company has complied with the applicable Secretarial Standards during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans or guarantees under Section 186 of the Companies Act, 2013. Investments made are within the limits provided under Section 186.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any transaction with its Related Parties.

PARTICULARS OF EMPLOYEES

There are no employees in the Company whose particulars are required to be disclosed in terms of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company has an adequate system of internal controls commensurate with its size and the nature of its business. It ensures that transactions are authorized, recorded, and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use and disposition.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134(5) of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

(iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the directors have prepared the annual accounts on a going concern basis;

(v) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Conservation of Energy & Technology Absorption

Since the Company has not started its Commercial Operations, the details of conservation of Energy and Technology absorption are not applicable.

2. Foreign Exchange earnings and outgo

The foreign exchange earnings of your Company during the year were NIL and outgoings were NIL

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Since the Company have not appointed any employees, the details required to be given under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013 are not applicable.

ACKNOWLEDGEMENTS

Your Directors sincearly thank all the members, bankers and consultants for extending their valuable support and co-operation.

For and on behalf of the Board of Directors

Place: Pune

Date: 18 April 2022

Aniruddha Gadre	**Gautam Shirali**
Director	Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Tech Mahindra Defence Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of Tech Mahindra Defence Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including the comprehensive income), statement of changes in equity and cash flow statement for the period ended March 31, 2022 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2022, and loss, and other comprehensive income, changes in equity and its cash flows for the period 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 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.

Matter of Emphasis

Without qualifying our opinion, we draw attention to Note no. 12 of the notes to accounts on the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its shareholders. The mitigating factors have been more fully discussed in note 12 to the accompanying financial statements, in view of which the accompanying financial statements have been prepared under the going concern assumption and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

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 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 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 of the assets of the Company and for preventing an d 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.

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.
- 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 (Auditors Report) Order 2020 ("the Order") issued by the Central Government 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 paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

   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.

   a. 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.

   b. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   d. 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.

   e. As per the notification issued by the Ministry of Corporate Affairs dated June 13, 2017 amending the notification number GSR 464 (E), the provisions 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".

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

   i. The Company does not have any pending litigations which would impact its financial position.

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

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

for **Ahuja Valecha & Associates LLP**

Firm Registration no.: - 126791W/W100132

Chartered Accountants

per Ankit Shah

Partner

Membership No.: 118976

Place: Pune

UDIN: 22118976AIUVTH8713

Date: 18 April 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON IND AS FINANCIALSTATEMENTSOFTECHMAHINDRADEFENCETECHNOLOGIES LIMITED – MARCH 31, 2022

[Annexure referred to in paragraph under "Report on other legal and regulatory requirements" of the Independent audit report Re: Tech Mahindra Defence Technologies Limited ('the Company')]

(i) The Company does not own any property, plant and equipment or intangible assets which needs to be capitalized in the books of the Company and accordingly, the requirement to report on clause 3(i) (a), (b), (c), (d) and (e) of the Order is not applicable to the Company.

(ii) (a)The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii) (a) of the Order is not applicable to the Company.

(ii) (b)The Company has not been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) During the year the company has not made any investment nor any guarantee or security or granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, Clause 3 (iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Companies (Auditor's Report) Order is not applicable to the Company.

(vii) (a)The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. In the current year, there are no dues towards goods and services tax, provident fund, employees' state insurance sales-tax, service tax, duty of customs, duty of excise, value added tax, cess.

(vii) (b)There are no dues of goods and service tax, income tax, goods and service tax, custom duty and other statutory dues which have not been deposited by the Company with appropriate authorities on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Companies (Auditor's Report) Order is not applicable to the Company and hence not commented upon.

(ix) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause 3(ix) (a), (b), (c), (d), (e) and (f) of the Order is not applicable to the Company.

(x) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) or made any preferential allotment or private placement under section 42 and 62 of the Companies Act, 2013 hence, the requirement to report on clause 3(x)(a), (b) of the Order is not applicable to the Company.

(xi) (a)No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year. Accordingly, the requirement to report on clause 3(xi) (a) of the Order is not applicable to the Company.

(xi) (b)During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by [cost auditor/ secretarial auditor or by us] in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the requirement to report on clause 3(xi) (b) of the Order is not applicable to the Company.

(xi) (c)As represented to us by the management, there are no whistle blower complaints received by the Company during the year. Accordingly, the requirement to report on clause 3(xi) (c) of the Order is not applicable to the Company.

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and (b) of the Order is not applicable to the Company.

(xv) The Company has not entered into non- cash transactions with directors or persons connected to its directors hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi) (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) and (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year. The Company has been registered for a period of less than one year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) The Company has been incorporated in the current financial year and the business activities are yet to start. Accordingly, none of the financial ratios are disclosed in the financial statements.

(xx) Since there are no ongoing projects, hence the requirement to report on clause 3(xx) (a) and (b) of the Order is not applicable to the Company.

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

for **Ahuja Valecha & Associates LLP**

Firm Registration no.: - 126791W/W100132

Chartered Accountants

per Ankit Shah

Partner

Membership No.: 118976

Place: Pune

UDIN: 22118976AIUVTH8713

Date: 18 April 2022

ANNEXURE - B TO 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")

Referred to paragraph 2(f) in report on other legal and regulatory requirements of the Independent Auditors report to the members of Tech Mahindra Defence Technologies Limited on the IndAS financial statements for the year ended March 31, 2022.

Opinion

We have audited the internal financial controls with reference to financial statements of Tech Mahindra Defence Technologies Limited ("the Company") as of March 31st, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 31st, 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.

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 asset s, 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 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

for **Ahuja Valecha & Associates LLP**

Firm Registration no.: - 126791W/W100132

Chartered Accountants

per Ankit Shah

Partner

Membership No.: 118976

Place: Pune

UDIN: 22118976AIUVTH8713

Date: 18 April 2022

BALANCE SHEET AS AT MARCH 31, 2022

(All amounts are in Rupees, unless stated otherwise)

	Notes	As at March 31, 2022
Assets		
Current assets		
Financial assets		
i. Cash and cash equivalents	3	**10,000,000**
Total current assets		**10,000,000**
Total assets		**10,000,000**
Equity and liabilities		
Equity		
Equity share capital	4	**10,000,000**
Other equity		
Reserves and surplus	5	**(497,731)**
Total equity		**9,502,269**
Liabilities		
Current liabilities		
Financial liabilities		
i.Trade payables		
(a) Total outstanding dues of micro and small enterprises	6	**-**
(b) Total outstanding dues of creditors other than micro and small enterprises	6	**497,731**
Total current liabilities		**497,731**
Total equity and liabilities		**10,000,000**
Summary of significant accounting policies	2	

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Statements.

For and on behalf of Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

per Ankit Shah
Partner
Membership no.: 118976
Place: Pune
Date: 18 April 2022

For and on behalf of the Board of Directors of Tech Mahindra Defence Technologies Limited

Gautam Shirali
Director
DIN No: 07452020
Place: Pune
Date: 18 April 2022

Aniruddha Garde
Director
DIN No: 07659176
Place: Pune
Date: 18 April 2022

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED JULY 28, 2021 TO MARCH 31, 2022

(All amounts are in Rupees, unless stated otherwise)

Particulars	Notes	For the period ended July 28, 2021 to March 31, 2022
Revenue from operations		-
Total income		**-**
Expenses		
Other expenses	7	497,731
Total expenses		**497,731**
Profit before tax		**(497,731)**
Income tax expense		
Current tax		-
Total tax expense		**-**
Profit for the period		**(497,731)**
Other comprehensive income		**-**
Items that will not be reclassified to profit or loss		**-**
Other comprehensive income for the period, net of tax		**-**
Total comprehensive income for the period		**(497,731)**
Restated earnings per equity share - Basic and Diluted (in ₹)		
(Face value of share - ₹ 10 each) (refer note 4)	9	(0.50)
Summary of significant accounting policies	2	

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Statements.

For and on behalf of Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

per Ankit Shah
Partner
Membership no.: 118976
Place: Pune
Date: 18 April 2022

For and on behalf of the Board of Directors of
Tech Mahindra Defence Technologies Limited

Gautam Shirali
Director
DIN No: 07452020
Place: Pune
Date: 18 April 2022

Aniruddha Garde
Director
DIN No: 07659176
Place: Pune
Date: 18 April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2022

(All amounts are in Rupees, unless stated otherwise)

A. Equity share capital:

Equity Shares of ₹10 each issued, subscribed and fully paid up

	Notes	No. of shares	Amount
As at July 28, 2021		-	-
Issued during the year		1,000,000	10,000,000
As at March 31, 2022	4	**1,000,000**	**10,000,000**

B. Other equity

		Reserves and surplus	
	Notes	**Retained earnings**	**Total other equity**
As at July 28, 2021			
Net loss after tax, as restated	5	(497,731)	(497,731)
Other Comprehensive Income/(Loss),net of tax,as restated		-	-
As at March 31, 2022		**(497,731)**	**(497,731)**

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Statements.

For and on behalf of Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

per Ankit Shah
Partner
Membership no.: 118976
Place: Pune
Date: 18 April 2022

For and on behalf of the Board of Directors of
Tech Mahindra Defence Technologies Limited

Gautam Shirali
Director
DIN No: 07452020
Place: Pune
Date: 18 April 2022

Aniruddha Garde
Director
DIN No: 07659176
Place: Pune
Date: 18 April 2022

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

(All amount in Rupees ,unless otherwise stated)

1. Corporate Information

Tech Mahindra Defence Technologies Limited (“the Company”) incorporated on July 28, 2021 provides information technology enabled services to defence engineering, aerospace, and aviation sectors in india or elsewhere. The Company caters to both domestic and international markets.

2. Basis of preparation and Significant Accounting Policies

This note provides basis of preparation and significant accounting policies adopted in the preparation of these Financial Information and have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services.

2.2 Significant Accounting Policies

Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as Non-current assets.

A liability is current when:

- It is expected to be settled in the 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.

All other liabilities as Non-current liabilities.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of products and the time between the acquisitions of assets for processing and their realization in cash and cash equivalents, the company has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

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 and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of, useful lives of property, plant and equipment, provision for warranty, variable consideration in revenue, and provisions and contingent liabilities. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2.3 Revenue from contracts with Customers

Ind AS 115 Revenue from contracts with customers has been issued with effect from April 1, 2018. The new standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

A new five-step process must be applied before revenue can be recognised:

(i) identify contracts with customers

(ii) identify the separate performance obligation

(iii) determine the transaction price of the contract

(iv) allocate the transaction price to each of the separate performance obligations, and

(v) recognise the revenue as each performance obligation is satisfied."

Rendering of services

Revenue from services is recognized as and when the services are rendered and the related costs are incurred.

2.4 Other income

Interest income

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

2.5 Foreign Currency

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 ('the functional currency'). The financial statements are presented in Indian rupees (INR), which is functional and presentation currency of the Company

Transactions and balances

Transactions in currencies other than the Company's functional currency are recognized at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date. Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevailing at the date of initial recognition (in case measured at historical cost) or at the rate prevailing at the date when the fair value is determined (in case measured at fair value). Foreign exchange differences are recognized in profit or loss in the period in which they arise except for exchange difference on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings and exchange differences on transactions entered into in order to hedge foreign currency risks.

2.6 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

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 or loss and other comprehensive income 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.

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.

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

Deferred income taxes

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

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.

2.7 Provisions

General

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Onerous Contracts:

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.8 Contingent Liabilities

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

2.9 Financial instruments

Financial assets:

Initial recognition and measurement:

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction cost directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent Measurement:

Debt instruments

Subsequent measurement of debt instruments depends on the company’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- **Financial assets at amortized cost**

Financial assets that are held within a business model whose objective is to hold assets for collecting contractual cash flows and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortized cost using the effective interest rate method. The change in measurements are recognized as finance income in the statement of profit and loss.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at fair value. Fair value movements are recognized in other comprehensive income.

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

Any financial asset which does not meet the criteria for categorization as financial instruments at amortized cost or as FVTOCI, is classified as financial instrument at FVTPL. Financial instruments included within the FVTPL category are subsequently measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

- **Derecognition**

The Company derecognizes 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.

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, if any, is recognised in profit or loss.

- **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.

Financial liabilities:

Initial recognition and measurement

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

For the purpose of subsequent measurement, financial liabilities are classified as:

- **Financial liabilities at amortized cost**

Financial liabilities such as loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. The change in measurements are recognized as finance costs in the statement of profit and loss.

- **Financial liabilities at fair value through profit or loss (FVTPL)**

Financial liabilities include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss if the recognition criteria as per Ind AS 109 – "Financial Instruments" are satisfied. Gains or losses on liabilities held for trading are recognized in statement of profit and loss. Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognized in other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognized in the statement of profit and loss. The Company has not designated any financial liability as at FVTPL.

- **Derecognition**

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

Derivative financial instruments:

Forward exchange contracts not intended for trading or speculation purposes, classified as derivative financial instruments. The Company uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuations. Such derivative contracts are not designated as hedges and are accounted for at Fair Value through Profit and Loss. There are no derivative financial instruments outstanding as on year end.

Offsetting of financial instruments:

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

2.10 Impairment

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. Company performs credit assessment for customers on an annual basis. Company recognizes credit risk, on the basis of lifetime expected losses and where receivables are due for more than six months. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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 profit or loss.

(ii) Non-Financial Assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

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 profit or loss.

2.11 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.12 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, cash and cash equivalents consist of cash and cash equivalent, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Company's cash management.

2.14 Fair value measurement

Fair value is the price that would be received from the sale of 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 an asset or transfer the liability takes place either:

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

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

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

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

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

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

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

1) Financial Assets

The fair value of financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purpose.

2) Non-Derivative financial liabilities

Fair Value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

(All amounts are in Rupees, unless stated otherwise)

3 Cash and cash equivalents

	As at March 31, 2022
Balances with bank:	
In current accounts	10,000,000
Cash on hand	-
Total	**10,000,000**

There are no restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

4 Equity Share Capital

	As at March 31, 2022
Authorized:	
30,00,000 (July 28, 2021 : 0) ordinary equity shares of ₹10 (July 28, 2021: 0) each	30,000,000
	30,000,000
Issued, subscribed and paid up:	
10,00,000 (July 28, 2021: 10,000) ordinary equity shares of ₹10 (July 28, 2021 :0) each	10,000,000
	10,000,000

Number of shares have been disclosed in absolute terms.

a) Movement in Subscribed and Paid-up Equity Share Capital

Equity Shares	
Equity shares outstanding at the beginning of the year	
Additional equity shares allotted	1,000,000
Equity shares outstanding at the end of the year	**1,000,000**

b) Rights, preferences and restrictions attached to Equity Shares

The Company has one class of equity shares having a par value of ₹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 shareholders in the 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.

(i) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of Shareholders holding more than 5% Equity Shares in the Company

Name of the Shareholder	**March 31, 2022**	
Equity Shares	**Numbers of shares**	**% holding**
Tech Mahindra Limited	999,994	100%
	999,994	**100%**

d) Details of shareholding of promoters in the company

Name of the Shareholder	March 31, 2022	
Equity Shares	**Numbers of shares**	**% holding**
Tech Mahindra Limited	10,000	100%
	10,000	**100%**

5 Reserves and Surplus

	As at March 31, 2022
Retained earnings	(497,731)
Total Reserves and surplus	**(497,731)**
Retained earnings	
Opening balance	-
Add: Loss for the period	(497,731)
Closing balance	**(497,731)**

Retained earnings

The cumulative gain or loss arising from the operations which is retained by the company is recognised and accumulated under the heading "Retained Earnings". At the end of the year, the profit after tax and Other comprehensive income is transferred from thes tatement of profit and loss to retained earnings.

6 Trade payables

	As at March 31, 2022
(a) Total Outstanding dues of micro enterprises and small enterprises (refer note 12)	-
(b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	497,731
Total	**497,731**

Particulars	Outstanding as on March 31, 2022 from due date of payments						
	Unbilled	**Not due**	**Less than 1 year**	**1-2 yrs.**	**2-3 yrs.**	**More than 3 years**	**Total**
MSME	-	-	-	-	-	-	-
Others	497,731	-	-	-	-	-	497,731
Disputed dues- MSME	-	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-	-
Total	**497,731**	**-**	**-**	**-**	**-**		**497,731**

7 Other expenses

	For the period ended July 28, 2021 to March 31, 2022
Preliminary expenses	467,731
Legal and professional fees (refer note 8(a) below)	30,000
Total	**497,731**

7(a) Details of payment to auditors

	For the period ended July 28, 2021 to March 31, 2022
Payment to auditors	
As auditor:	
a. Audit Fees	30,000
b. Others	-
Total	**30,000**

8 Contingent liabilities

The Company has no contingent liabilities as at the year end.(Previous year: Nil)

9 Earnings per share (EPS)

	March 31, 2022
Net profit after tax	(497,731)
Basic and diluted earnings per share :	
Weighted average number of equity shares outstanding during the year	1,000,000
Earnings per Share	**(0.50)**

11 Capital and other commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities are as at March 31, 2022- NIL.

12 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 (‘MSMED Act’) has been determined to the extent such parties have been identified on the basis of information available with the company. The amount of principal and Interest outstanding during the year is given below:

	Particulars	March 31, 2022
a)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-
b)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-
c)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
d)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
e)	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
f)	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-
g)	Further interest remaining due and payable for earlier years	-

13 The business activities of the Company has not yet started during the year, further, there are no employees in the Company. The Company has prepared forecasts for the current year and the contracts with the new customers is under progress which the management believes to be crystalised in the ensuing financial year. Further, the Company has been able to meet its obligations in the ordinary course of business and the holding company is committed to provide financial support to the Company as and when required. Accordingly these financial statements have been prepared assuming that the Company will continue as a going concern.

14 Related party disclosures

In accordance with the requirements of Ind AS 24, following are details of the transactions during the year with the related parties of the company.

A Names of related parties and description of relationship

(i) Related Parties with whom transactions have taken place during the year:

Key Management Personnel:	
Gautam Shirali	Director
Aniruddha Garde	Director
Tech Mahindra Limited	Holding Company

(ii) Related party transactions include transactions pertaining to the following parties:

Particulars	**For the year ended March 31, 2022**
Issue of Equity Shares	
Tech Mahindra Limited	9,999,940
Gautam Shirali	10
Aniruddha Garde	10

15 Impact of COVID 19

The Novel Coronavirus (COVID-19), a Global Pandemic, is rapidly spreading throughout the world. Outbreak of COVID - 19 has significantly affected the social and economic activities worldwide and, as a result, could affect the operations and results of the Company. In line with the advisories, orders and directions issued by the local and state government authorities to prevent and contain the spread of Coronavirus, the Management has taken necessary measures. The Management has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic in the assessment of recoverability of trade receivables & contract assets upto the date of approval of these financial results. In this assessment, the company has performed sensitivity analysis on the key assumptions used. However the impact assessment of COVID-19 is an ongoing process, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any significant impact on the company's financial position.

For and on behalf of Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

per Ankit Shah
Partner
Membership no.: 118976
Place: Pune
Date: 18 April 2022

For and on behalf of the Board of Directors of Tech Mahindra Defence Technologies Limited

Gautam Shirali	**Aniruddha Garde**
Director	Director
DIN No: 07452020	DIN No: 07659176
Place: Pune	Place: Pune
Date: 18 April 2022	Date: 18 April 2022

COMVIVA TECHNOLOGIES LIMITED

Board of Directors
Mr. Vivek Satish Agarwal – Director & Chairman
Mr. Manishkumar Murlimanohar Vyas - Director
Mr. Jagdish Mitra - Director
Mr. Rajat Mukherjee - Independent Director
Ms. Sunita Umesh - Independent Director

Committees of the Board

Audit Committee
Ms. Sunita Umesh, Chairperson
Mr. Jagdish Mitra
Mr. Rajat Mukherjee

Nomination and Remuneration Committee
Ms. Sunita Umesh, Chairperson
Mr. Vivek Satish Agarwal
Mr. Rajat Mukherjee

Corporate Social Responsibility Committee
Mr. Rajat Mukherjee, Chairman
Ms. Sunita Umesh
Mr. Jagdish Mitra

Registered Office:
5th, 7th & 8th Floor, Capital Cyberscape,
Sector-59, Golf Course Extension Road,
Gurugram, Haryana-122102

Bankers
IDBI Bank Limited
HDFC Bank Limited
ICICI Bank Limited
BNP Paribas Bank
Standard Chartered Bank
UCO Bank

Auditors
M/s. BSR & CO. LLP, Chartered Accountants
Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase-II, Gurugram – 122 002, India

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report with the audited financial statements of the Company for the financial year ended March 31, 2022.

1 (a) FINANCIAL SUMMARY/ HIGHLIGHTS: (STANDALONE)

Figures in Rs. Million

FINANCIAL RESULTS	2021-22	2020-21
Total Income	7032	6,815
Profit before Depreciation & Taxation	1795	1,493
(-) Depreciation	255	269
Exceptional items:		
(+) Additional consideration on sale of subsidiary	-	730
Profit before Taxation	1540	1,954
(-) Provision for Income Tax	(1098)	(614)
(-) Deferred Tax Reversal /(charge)	(3)	93
Profit for the period	439	1,433
EPS Basic (Rs.)	20.08	65.51
EPS Diluted (Rs.)	20.08	65.51

(b) FINANCIAL SUMMARY/ HIGHLIGHTS: (CONSOLIDATED)

Figures in Rs. Million

FINANCIAL RESULTS	2021-22	2020-21
Total Income	9014	8599
Profit before Depreciation & Taxation	2026	1668
(-) Depreciation	320	318
Exceptional items:		
(+) Additional consideration on sale of subsidiary	-	730
(+) Contractual obligation written back	-	188
Profit before Taxation	1707	2269
(-) Provision for Income Tax	(1128)	(658)
(-) Deferred Tax Reversal /(charge)	(7)	111
Profit for the period	572	1722
EPS Basic (Rs.)	26.17	78.72
EPS Diluted (Rs.)	26.17	78.72

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIRS

Total Income for the year 2021-22 is Rs. 7032 Mn as against Rs. 6,815 Mn in previous year.

In the concluded Financial Year, although there was some reduction in pandemic impact companies faced new challenges in the form of extremely high attrition and inflated salaries. Despite the two front impact the Company was able to achieve growth in revenue performance with growth in Digital Business Support Solution, Consumer Value Management and Converged Mobile Solutions business. Although there are some region-specific challenges faced in the order book compared to previous year especially in MENA region and key accounts like Airtel and Orange group. We expect the order book to bounce back next year with increased traction and orders from the customers in the Company's products and solutions businesses in the Consumer Value Management, Digital Financial Services and Digital Business Support Solution space and the Company expects that these will continue to exhibit high growth in the coming years.

Order book of our traditional products like MobiLytix Marketing Studio, Mobiquity Pay® and Digital BSS continues to be strong. We have seen significant traction in the market for our MobiLytix Marketing Studio portfolio with several new customers. The Company's strategy of focusing on key accounts for cross-sell / up-sell of new products continues to produce good results. The Company continues to invest in new products such as FactoReal, YABX and MCIP, which are expected to contribute to revenue growth in coming years.

For the next Financial Year, the Company is expected to grow significantly from current levels on account of higher demand for products, continued focus on the developing markets and in leveraging its existing customer relationships and continued innovation and diversification into non-telco markets such as BFSI & retail industry through extension of its existing product portfolio as well as new products and services which are yielding good results.

Along with the continued investment in its existing product portfolio, the Company is also looking to grow inorganically in the coming years through some strategic acquisitions. In FY 2022, Company has acquired IP of VSPP product from Media Kind which will lead to significant growth in FY 2023.

The Company has been regularly participating in international events to take its visibility outside India to greater heights and has been able to achieve significant recognition internationally and nationally.

The Company won 19 prestigious awards and recognitions over the last year. Won Emerging Payments Awards 2021 in three categories - “Leading Financial Services or Payments Start-Up” and “Best Direct Account to Account Solution” categories for MOVii digital wallet services in Colombia. The Company also won the “Best B2B/B2C Banking Initiative” award for Bankily services by Banque Populaire de Mauritanie (BPM); AITE Group Digital Wallet Innovation awards in the "Market Adoption" category for Movii digital wallet service in Colombia; BankingTech Awards in the "Best Contribution to Economic Mobility in Banking" category for MOVii digital wallet services in Colombia; GLOTEL Awards in the "Mobile Money Mastery" category for MOVii digital wallet services in Colombia; EastAfrica Com Awards in the "Fintech Innovation" category for Airtel Money; PayTech Awards in the "Best Mobile Payments Initiative" category for Airtel Money Uganda and "Best Prepaid Initiative" category for Airtel Money Uganda; Payments Awards in the "Best Alternative Payments Project" category for the Bankilyservices by Banque Populaire de Mauritanie (BPM). Other noteworthy awards include the 2021 World Communication Awards; Finovate Awards; CX Asia Awards; Inntech Awards and Unlocked Awards.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of the business of the Company during the Financial Year 2021-22.

DIVIDEND

The Board of Directors on October 21, 2021 declared an interim dividend of Rs. 20/- (Rupees Twenty) per share on each equity share of Rs. 10/- (Ten) fully paid up and the same was paid by the Company to the shareholders whose names were appearing in the Register of Members as on September 30, 2021 being record date for the payment of dividend.

Your Directors do not recommend Final Dividend on Equity Shares for the year ended March 31, 2022 and the Interim Dividend declared and paid to the shareholders as mentioned above would be treated as Final Dividend of the financial year 2021-22.

TRANSFER TO RESERVE

The entire amount of profits has been transferred to reserves.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statement relate and the date of the report.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES-

As on March 31, 2022, your Company has 10 subsidiaries and 5 step-down subsidiaries which are all operational as per details given below:

List of Subsidiaries	List of Step-down Subsidiaries
Comviva Technologies Madagascar Sar-lu	Comviva Technologies (Argentina) S.A.
Comviva Technologies Nigeria Limited	Comviva Technologies do Brasil Indústria, Comércio, Importação e Exportação Ltda
Comviva Technologies FZ LLC	Comviva Technologies Colombia S.A.S
Comviva Technologies B.V.	Comviva Technologies (Australia) Pty Ltd.
YABX Technologies (Netherlands) BV	Emagine International Pty Ltd**
Comvi-va Technologies Myanmar Limited	
Comviva Technologies USA Inc	
Comviva Technologies Cote D'ivoire	
Yabx India Private Limited	
Comviva Technologies Americas Inc*	

*Incorporated as a wholly-owned subsidiary in Delaware, USA on November 04, 2021.

During the financial year, Comviva Technologies Singapore Pte. Ltd. was disinvested with effect from November 12, 2021 to Tech Mahindra (Singapore) Pte. Limited which is subsidiary of Tech Mahindra Limited.

During the financial year the Company also closed its branch in Madagascar with effect from January 06, 2022.

**On March 28, 2022, the requisite final application with the appropriate authorities has been made for deregistration of Emagine International Pty Ltd.

There has been no material change in the nature of the business of the subsidiaries. As per Companies Act, 2013, the consolidated financial statements of your Company and all its subsidiaries are provided in this Annual Report. The consolidated financial statements have been prepared in accordance with IND AS. The performance and financial position of subsidiaries and step down subsidiaries are included in the consolidated financial statement is provided in accordance with the provisions of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 as a separate statement annexed to the notes on accounts containing the salient features of the financial statement of Company's subsidiaries/joint ventures or associate companies in Form AOC – 1 as Annexure-5

DEPOSITS

Company has not accepted any deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Chapter V of the Companies Act, 2013.

STATUTORY AUDITORS

The members, in the 18th Annual General Meeting (AGM) held on June 29, 2017, appointed B S R & Co. LLP, Chartered Accountants with Registration no. 101248W/W- 100022 as the Statutory Auditors of the Company, to hold office for a term of five years from the conclusion of the 18th AGM of the Company held in the financial year 2017- 18 until the conclusion of the 23rd AGM of the Company for the financial year 2021-22, on such remuneration as may be determined by the Board of Directors.

Pursuant to Section 139 of the Companies Act, 2013 the statutory auditors B S R & Co. LLP, Chartered Accountants have confirmed eligibility and offered themselves to be re-appointed as Auditors of the Company for the period of next five years.

The Board of Directors recommend re-appointment of BSR & Co. LLP, Chartered Accountants as Statutory Auditors of the Company for a period of five years from the conclusion of the 23rd AGM of the Company until the conclusion of the 28th AGM of the Company.

AUDITOR'S REPORT

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2021-22 by M/s. BSR & Co, LLP.

There are no frauds reported by the auditors under sub-section (12) of section 143 of the Companies Act, 2013.

SECRETARIAL AUDITOR'S REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s RMG & Associates, Company Secretaries, New Delhi to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is available at "Annexure I" to this report.

The Secretarial Audit Report contains one qualification and clarification thereon by your Directors is as follows:

Observation by Secretarial Auditors: The CSR amount remaining unspent as on March 31, 2021 for the financial year 2020-21 was not transferred to the fund specified in Schedule VII of the Companies Act, 2013 ('Act') within prescribed period of 6 (six) months from the end of the financial year under Section 135(5) of the Act.

Clarification: Your Directors would like to inform that the Company could not spend 100% of its CSR obligation of FY 2020-21 and in accordance with Section 135(5) of the Act read with Rule 10 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company had deposited unspent amount of Rs. 5,50,122/- (Rupees Five Lakh Fifty Thousand One Hundred and Twenty-Two) to Prime Minister National Relief Fund on April 22, 2021 i.e. well within the stipulated period. However, it has now come to the knowledge of the Company that due to some technical error, the said amount bounced back into Company's bank account on the same day but remained unnoticed. This has resulted in an inadvertent non-compliance to Section 135(5) of the Act.

In order to make good the default good, the Company again deposited the aforesaid unspent CSR amount of Rs. 5,50,122/- (Rupees Five Lakh Fifty Thousand One Hundred and Twenty-Two) to Prime Minister National Relief Fund on March 30, 2022. The offence being compoundable u/s 441 of the Companies Act, 2013, the Company already initiated the process of approaching Hon'ble National Company Law Tribunal, Chandigarh, or the Hon'ble Regional Director, Northern Region, as may be required, for compounding of the abovementioned offence u/s 135(5) read with 135(7) of the Act.

SHARE CAPITAL

The Authorized share capital of the Company is Rs. 33,50,00,000/- (Rupees Thirty Three Crores and Fifty Lakhs) divided into 2,55,00,000 (Two Crore Fifty Five Lacs) Equity Shares of Rs.10/- (Rupees Ten) each and 80,00,000 (Eighty Lacs) Series A - 0.001% Fully Convertible and Non-Cumulative Preference Shares of Rs. 10/- each.

The issued and paid-up share capital is of the Company is Rs. 21,86,90,000/- (Rupees Twenty One Crores Eighty Six Lakhs and Ninety Thousand) divided into 2,18,69,000 Equity Shares of Rs. 10/- each.

During the financial year, there was no change in the authorized and paid-up share capital of the Company. While the Board approved buyback of its equity shares on October 21, 2021, later the same was rescind on January 27, 2022.

Further, the Board had approved the issuance of equity shares on rights basis on January 27, 2022.

EMPLOYEES STOCK OPTION PLANS

Company has no ESOP Schemes implemented for the employees as on the date of this Report.

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, the Annual Return in Form MGT-7 is available at the weblink : www.comviva.com.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met four (4) times on April 22, 2021, July 23, 2021, October 21, 2021 and January 27, 2022 during the Financial Year and the notices convening meeting of the Board were duly sent to all the Directors.

Further, four meetings each of Audit Committee and Nomination and Remuneration Committee were held and three meetings of Corporate Social Responsibility (CSR) Committee held on the following dates:

Meeting	**Date(s) of Meeting**
Audit Committee Meeting	April 22, 2021, July 23, 2021, October 21, 2021 and January 27, 2022
Nomination and Remuneration Committee	April 22, 2021, July 23, 2021, October 21, 2021 and January 27, 2022
CSR Committee	April 22, 2021, July 23, 2021 and October 21, 2021

Further, one (1) meeting of the Independent Directors was held on March 14, 2022 for the Financial Year 2021-22.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO UNDER SECTION 134(3)(m)

(A) CONSERVATION OF ENERGY

a) The Steps Taken or Impact on Conservation of Energy:

Conservation of energy is of utmost significance to the Company. Operations of the Company are not energy intensive. However, every effort is made to ensure optimum use of energy by using energy-efficient computers, processes and other office equipment. Constant efforts are made through regular / preventive maintenance and upkeep of existing electrical equipment to minimize breakdowns and loss of energy.

b) The Steps Taken by the Company to Utilize Alternate Sources of Energy:

As Company has taken all their premises on lease, alternate source of energy could not be installed.

c) The Capital Investment on Energy Conservation Equipment:

There is no capital investment on energy conservation equipment.

(B) TECHNOLOGY ABSORPTION

(i) The Efforts Made Towards Technology Absorption

The Company is continuously making efforts for induction of innovative technologies and techniques required for the business activities.

Details of Technology Absorption are given as follows:

- **Research and Development (R&D)**

(a) Specific Area in which R&D carried out by the Company

Company continues to do R&D in the areas of mobile commerce, content and data. As such Company continues to enrich its strong product portfolio in these domains through mobile banking, analytics, and rich engagement, communication, content and delivery platforms.

Company, after having surpassed its vision of touching billion lives through its offerings, has embarked on a vision of building 'Mobility solutions that transforms lives'. The three main pillars of its R&D efforts are around 'Commerce, Content, and Data' and adjunct focus areas are Customer Value Solutions and Managed Services.

R&D primarily consists of below activities in all the products and new innovative MVP's:

(1) New product development

(2) Creating new features and upgrades / version of existing product as per either internal product roadmap, or customer requirement and

(3) Development work by the Core Engineering Team called as SET on the re-usable common components, engineering practices and innovative prototypes that are utilized as part / addition to products developed by the various domain specific product units.

R&D involves rapid prototyping of new products and features in existing products that address the needs of our customers in the market. Focus is around new features, designs, frameworks and methodologies that continue to be of importance to the Company. It not only allows enhancing quality of products and customer satisfaction but also enhances the revenues of customer satisfaction through robust and innovative products.

(b) The benefits derived like Product Improvement, Cost Reduction, Product Development or Import Substitution;

Continuous R&D is instrumental in building expertise and increasing revenues through enhancement in functionalities and introduction of new products. The organization is receiving significant client traction for new market capabilities including Factoreal, Yabx, MobiLytix, Mobiquity, CMS (Content) and Data Platforms.

Continuous R&D is helping us and our customers in following ways:

- New features to attract additional customers.
- Introduction of new products.
- Better system / product stability
- System / resource optimization-more transaction using same hardware infrastructure
- Reduction in cost of ownership
- Simplicity and user convenience for managing his mobile related services

(C) In Case of Imported Technology (Imported during last three years reckoned from the beginning of the Financial Year)

(i) Company has not imported technology during the last three years

(ii) Expenditure incurred on R&D.

Figures in Rs. Mn

S . No.	Particulars	Current year	Previous year
1	Capital	28	44
2	Recurring	510	510
3	Total	538	554
4	Total R&D expenditure as a percentage of total turnover	6.1%	8.1%

C. FOREIGN EXCHANGE EARNINGS & OUTFLOWS

Company is making continuous efforts to increase its sales in overseas markets and to explore new export markets. During the year under review, the Company has ventured into new markets such as Latin America and South East Asia along with several wins in these markets.

(Amount in Rs.)

Details of Foreign Exchange Earnings & Outflows	Financial Year ended 31st March, 2022	Financial Year ended 31st March, 2021
Foreign Exchange Earnings	6,039,521,124	5,566,280,598
Foreign Exchange Outflows	16,69,294,672	1,803,613,572

DIRECTORS

A. Changes in Directors and Key Managerial Personnel (KMP)

In accordance with the provisions of Section 152(6)(c) of the Companies Act, 2013, Mr. Vivek Satish Agarwal (DIN: 05218475), Director, is liable to retire by rotation and being eligible offered for re-appointment. The Board recommends his re-appointment in the ensuing Annual General Meeting.

Further Mr. Manishkumar Murlimanohar Vyas (DIN: 09042978), appointed as an Additional Director of the Company on January 25, 2021 was regularized and appointed as Director of the Company, liable to retire by rotation, at the Twenty Second Annual General Meeting held on July 20, 2021.

As on date, the Board composition is as follows:

Mr. Manishkumar Murlimanohar Vyas (DIN: 09042978), Mr. Jagdish Mitra (DIN: 06445179) and Mr. Vivek Satish Agarwal (DIN: 05218475) are Non-Executive Non-Independent directors of the Company.

Mr. Rajat Mukherjee (DIN: 03431635) and Ms. Sunita Umesh (DIN: 06921083) are Independent Directors of the Company.

	Number of Board and Committee Meetings Attended			
Directors	**Board Meeting**	**Audit Commit-tee**	**CSR Committee**	**NRC Committee**
Jagdish Mitra	3	3	2	NA
Manishkumar Murlimanohar Vyas	3	NA	NA	NA
Rajat Mukherjee	4	4	4	4
Sunita Umesh	4	4	4	4
Vivek Satish Agarwal	4	NA	NA	4

B. Declaration by an Independent Director(s)

During the year under review, all Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

C. Commission paid to Managing Director or Directors of the Company

During the year under review, there were no executive/managing directors on the Board of Company. Also Independent Directors are not entitled to any Commission.

D. Formal Annual Evaluation

Pursuant to the provisions of Section 178 the Companies Act, 2013, the Board has devised a policy on evaluation of performance of Board as a whole, evaluation of the committees and peer evaluation. Accordingly, the evaluation templates were circulated and the Chairman of the Board and Nomination and Remuneration Committee obtained duly filled-in evaluation templates. The Directors had positive feedback on the overall functioning of the Committees and the Board.

E. Policy for selection and appointment of Directors, KMP and their remuneration

The Company has in place a Nomination and Remuneration Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence and other matters provided under section 178(3) of the Companies Act, 2013. The highlights of this policy forms part of this report as Annexure-2, however complete policy is available at the company's website at https://www.comviva.com

The Nomination and Remuneration Committee identifies and ascertains the integrity, qualification, expertise and experience of the person for appointment as Director or KMP. The appointment of Directors, KMP and Senior Management as recommended by the Nomination and Remuneration Committee requires approval of the Board.

The remuneration to the Directors and KMP is proposed by the Nomination and Remuneration Committee in compliance with requirements of the Companies Act and recommended to the Board for their approval. Approval of Shareholders is obtained, if required.

PARTICULARS OF EMPLOYEES u/s 197 OF THE COMPANIES ACT, 2013 r/w COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

As per the provisions of this section the same is not applicable to the Company.

BOARD COMMITTEES

Audit Committee

The Audit Committee consists of the following Directors:

(i) Mr. Jagdish Mitra

(ii) Mr. Rajat Mukherjee

(iii) Ms. Sunita Umesh

Ms. Sunita Umesh is Chairperson of the said Committee. Mr. Parminder Singh Bakshi, Company Secretary of the Company acts as Secretary of the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration committee consist of the following Directors:

(i) Mr. Rajat Mukherjee

(ii) Ms. Sunita Umesh

(iii) Mr. Vivek Satish Agarwal

Ms. Sunita Umesh is Chairperson of the said Committee.

CSR (Corporate Social Responsibility) Committee

A. The CSR Committee consists of the following Directors:

(i) Mr. Jagdish Mitra

(ii) Mr. Rajat Mukherjee

(iii) Ms. Sunita Umesh

Mr. Rajat Mukherjee is Chairman of the said Committee.

B. Contents of the CSR Policy and initiatives taken as detailed in the Annual Report are in Annexure 3 to this report. Complete CSR Policy of the Company is available at the Company’s website at https://www.comviva.com.

C. The Company has spent its entire CSR obligation of Rs. 3,34,77,662/- for the Financial Year 2021-22 before March 31, 2022.

POLICY TO PREVENT AND DEAL WITH SEXUAL HARASSMENT

Your Company laid down Prevention of Sexual Harassment (POSH) policy which is available on its website. The Company has zero tolerance on Sexual Harassment at workplace. During the year under review there was one case of sexual harassment which was reported to Internal Compliant Committee and the same was closed before March 31, 2022.

The Company has complied with provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 relating to the constitution of Internal Complaints Committee.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has adopted the Whistle Blower Policy which is available on the Company website at https://www.comviva.com under the ‘Who Are We” tab. It has been publicized to employees.

RISK MANAGEMENT POLICY

Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company’s management system, organizational, structure, processes, standards, code of conduct and behaviors together form the risk management matrix that govern how the Company conducts the business and manages associated risks.

Company has introduced several improvements to integrated Enterprise Risk Management, Internal Controls Management and Assurance Framework and Processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by fully aligned across Companywide risk management, internal control and internal audit methodologies and process.

Company risk management policy was reviewed and approved by the Audit committee.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 AS ON MARCH 31, 2022

Name of Body Corporate	Nature of transaction (whether Loan/Guarantee /Security /Acquisition)	Amount of Loan/ Security/Acquisition /Guarantee (in Rs.)	Purpose of Loan/ Acquisition /Guarantee/ Security
Comviva Technologies FZ-LLC	Equity Investment	767,800	Investment in Subsidiaries
Comviva Technologies Nigeria Limited	Equity Investment	151,156,703	Investment in Subsidiaries
Comviva Technologies B.V.	Equity Investment	1,67,66,00,500	Investment in Subsidiaries
Comviva Technologies (Ar-gentina) S.A.	Equity Investment	13,511,974	Investment in Subsidiaries
Comviva Technologies Do Bra-sil Indústria, Comércio, Im-portação E Exportação LTDA	Equity Investment	2,099,844	Investment in Subsidiaries
Comviva Technologies Mada-gascar Sarlu	Equity Investment	1,349,802	Investment in Subsidiaries
Comviva Technologies USA Inc	Equity Investment	29,998,000	Investment in Subsidiaries
Comviva Technologies My-anmar Limited	Equity Investment	14,999,000	Investment in Subsidiaries
YABX India Private Limited	Equity Investment	70,000,000	Investment in Subsidiaries
YABX India Private Limited	Cash Loan	15,000,000	Loan to Subsidiary
	Total (Rs.)	**1,97,54,83,623**	

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 has been annexed in AOC-2 as Annexure 4.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There is no significant and material order passed by the regulators or courts or tribunals impacting going concern status and Company's operations.

PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

VALUATION OF ASSETS

The provisions of Section 134(3)(q) read with Rule 8(5)(xii) of the Companies (Accounts) Rules, 2014 are not applicable on the Company as it has not taken any valuation of assets for the given purpose.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIALS CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, the safeguarding of assets, the prevention & detection of frauds & errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is confirmed:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

During the period under review, the Company has not appointed any Independent Director therefore, the requirement to provide a statement in this regard is not required.

COST RECORDS

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 (1) of the Companies Act, 2013 are not applicable for the business activities of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards

ACKNOWLEDGEMENT

Your Directors on behalf of the Company and management express their gratitude for the co-operation and support received from Customers, Vendors, Shareholders, Bankers, various agencies and Government departments Both State and Central Governments.

The Directors also place on record their appreciation for the true team spirit, valued contributions and efforts put in by the employees at all levels.

For and on behalf of
Comviva Technologies Limited

Manish Vyas	Jagdish Mitra
Director	Director
DIN: 09042978	DIN: 06445179
Place: Texas, USA	Place: Noida

Date: May 03, 2022

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD ENDED ON MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Comviva Technologies Limited
(CIN: U72200HR1999PLC041214)
5th, 7th & 8th Floor, Capital Cyberscape,
Sector-59, Golf Course Extension Road,
Gurugram, Haryana-122102

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Comviva Technologies Limited** (hereinafter referred to as **"The Company"**), having its Registered Office situated at **5th, 7th & 8th Floor, Capital Cyberscape, Sector-59, Golf Course Extension Road, Gurugram, Haryana-122102.** Secretarial Audit was conducted in a manner that provided us a reasonable foundation for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification, of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information/explanation provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on **March 31, 2022,** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022** according to the provisions of:

I. The Companies Act, 2013 ('the Act') and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **[Not Applicable as the Company has not listed any of its securities on any Stock Exchange];**

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;

V. The Company being an unlisted Company was not required to comply with any of the regulations and/or guidelines as prescribed by the Securities and Exchange Board of India in this regard under the Securities and Exchange Board of India Act, 1992, except the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client to the extent of Dematerialisation of Securities by the Company;

For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable Labour Laws & other General Laws.

The compliances by the Company of applicable Financial Laws, like Direct and Indirect Tax Laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

2. General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 respectively, issued by the Ministry of Corporate Affairs ("MCA") for conduct of Extra-Ordinary General Meetings/ Annual General Meetings through Video Conferencing ("VC") or other Audio-Visual Means ("OAVM").

   The Company convened its Annual General Meeting on July 20, 2021 through webex audio visual conference facility pursuant to MCA circulars and for passing the resolutions, stated in the notice for convening aforesaid meeting, with requisite majority voting was done through the registered e-mail ids of the shareholders of the Company.

3. Notification No. G.S.R 186 (E) dated March 19, 2020, G.S.R 395 (E) dated June 23, 2020, G.S.R 590 (E) dated September 28, 2020 and G.S.R 806 (E) dated December 30, 2020, issued by the Ministry of Corporate Affairs to conduct the Meetings of the Board or its Committees through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, circulars, notifications etc. mentioned above.

We further report that

- The Board of Directors of the Company is constituted with proper balance of Non-Executive Directors, Independent Directors and Women Director during the period under review. The changes (Regularization) in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice(s) were given to all the directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- As per the records, the Company generally filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities.
- **For the FY 2020-21, the Company had deposited unspent CSR obligation as on March 31, 2021 amounting to Rs. 5,50,122/- (Rupees Five Lakh Fifty Thousand One Hundred and Twenty-Two Only), in the Prime Minister National Relief Fund on April, 22, 2021, prior to the last date of September 30, 2021 as prescribed under section 135(5) read with applicable Rules. However, the said amount bounced back into the Company's bank account on the same day to which CSR compliance team does not have access. To make the default good, the Company has now deposited the said unspent amount in the Prime Minister National Relief Fund on March 30, 2022. The Company has initiated the application process for compounding of such offence/non-compliance before the appropriate authority.**

We further report that there are systems and processes in the Company to commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines which are generally being followed by the Company.

We further report that during the audit period, the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above: -

1) The Board of Directors in their meeting held on July 23, 2021 approved to invest funds of the Company in its wholly owned subsidiary Comviva Technologies Cote D'Ivore.
2) The Company has acquired through its wholly owned subsidiary Comviva Technologies USA Inc, an asset known as VSPP (Video Storage Processing Platform) from MK Systems USA Inc amounting to Rs. USD 20 Million.
3) The Board of Directors in their meeting held on October 21, 2021 approved to invest in its wholly owned subsidiaries, YABX Technologies (Netherland) B.V. and Comviva Technologies USA Inc.
4) The company has sold its 100% equity stakes in Comviva Technologies Singapore Pte. Ltd to its group company.
5) The Board of Directors in their meeting held on October 21, 2021 approved the buyback of its equity shares. However, in the Board meeting held on January 27, 2022 rescind the same.
6) Mr. Manishkumar Murlimanohar Vyas (DIN: 09042978) has been appointed as Additional Director in the Board Meeting held on January 25, 2021 and the same has been regularized in the Annual General Meeting held on July 20, 2021.
7) The Board of Directors in their meeting held on January 27, 2022 approved to raise of equity funds through right issue.
8) The Board of Directors in their meeting held on January 27, 2022 approved for providing Performance Guarantee on obligations of Comviva Technologies Americas Inc ("Subsidiary").

For RMG & Associates
Company Secretaries
Firm Registration No. P2001DE016100
Peer Review No.: 734/2020

Place: New Delhi
Date : 03.05.2022
UDIN: F005123D000260829

CS Manish Gupta
Partner
FCS: 5123; C.P. No.: 4095

Note: This report is to be read with 'Annexure' attached herewith and forms an integral part of this report.

Annexure

To,
The Members
Comviva Technologies Limited
(CIN: U72200HR1999PLC041214)
5th, 7th & 8th Floor, Capital Cyberscape,
Sector-59, Golf Course Extension Road,
Gurugram, Haryana-122102

Our Secretarial Audit Report of even date, for the financial year ended March 31, 2022 is to be read along with this letter:

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances as produce before us.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
7. We have conducted verification & examination of records, as facilitated by the Company, for the purpose of issuing this Report.

For RMG & Associates
Company Secretaries
Firm Registration No. P2001DE016100
Peer Review No.: 734/2020

Place: New Delhi
Date : 03.05.2022
UDIN: F005123D000260829

CS Manish Gupta
Partner
FCS: 5123; C.P. No.: 4095

POLICY ON NOMINATION AND REMUNERATION COMMITTEE

1. Objective

As a measure of good Corporate Governance and in compliance with the provisions of Section 178 of Companies Act 2013, following policies are formulated:

1.1. Policy on appointment and removal of Key Managerial Personnel and Senior Management;

1.2. Policy on Remuneration to the Key Managerial Personnel, Senior Management and other Employees

1.3. Policy on Directors Training

1.4. Policy on Evaluation of performance of the Board of Directors, Committees and individual Directors,

1.5. Policy on Board Diversity;

2. Definitions

The definitions of some of the key terms used in this Policy are given below.

“Board” means Board of Directors of the Company.

“Company” means the Comviva Technologies Limited.

“Committee(s)” means Committees of the Board for the time being in force as per the provisions of the Companies Act 2013.

“Employee” means employee of the Company whether employed in India or outside India including any whole time directors, KMPs & Senior Management who serve the company on a full-time basis and are not employed in any other entity except those which are the subsidiaries of the company or subsidiaries of its majority shareholder.

“HR’ means the Human Resource department of the Company.

“Key Managerial Personnel” and Senior Management (KMP) refers to:

(i) Chairman (CM);

(ii) Managing Director (MD), or Chief Executive Officer (CEO);

(iii) Chief Financial Officer (CFO); and

(iv) Company Secretary (CS)

“Nomination and Remuneration Committee” or “NRC” means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“Senior Management” means an employee of the Company who is a member of its Core Management team, which includes CEO, CFO, Company Secretary, Product Unit Heads (for Business units higher than USD 20 million), Global Head of Sales, EVP- New Product Initiatives, Global Head of HR.

3. Constitution of the Nomination and Remuneration Committee

The board has constituted the Nomination and Remuneration Committee on <DDMMYYYY>, in accordance with Companies Act 2013.

The board will have rights to reconstitute this committee from time to time.

4. Policy for appointment of the Board, KMPs & Senior Management

The committee shall look into the following matters:

- Make recommendations to the board on its composition and size to help ensure its effective working. It will do the following under each category of personnel:

4.1. Board Members

a) Identify and recommend to appointment or removal of such candidates who can be considered for the position of a director.

b) The NRC would decide this based on its discussions around qualifications, positive attributes and independence of the candidate being considered for directorship. The decision may also be based on conditions as best suitable for the business in accordance with statutory conditions as may be applicable from time to time.

4.2. KMPs

a) The authority to identify right candidates for the appointment of CFO and CS is vested with the CEO along with HR, who will facilitate in identifying the candidates internally or externally. NRC will consider the candidates proposed by the CEO and recommend to the Board for its consideration and appointment in accordance with the applicable provisions of the Act and Rules.

b) In case of CM / MD / CEO's appointment, NRC will initiate the process of identifying the new candidate, which can be an internal or external candidate, for the respective position. After identification and screening of the candidate, NRC will propose the candidature to the Board for its consideration and for appointment subject to the approval of the Shareholders and Regulatory Authority, if any.

c) The selection and removal would be based on the evaluations done during the selection /search process and would cover such parameters like: qualifications, positive attributes, experiences, etc. The decision may also be based on conditions as best suitable for the business in accordance with statutory conditions as may be applicable from time to time.

d) If a KMP is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations there-under or due to non-adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a KMP subject to the compliance of the applicable statutory provisions.

4.3. Senior Management personnel

a) The Senior Management personnel are appointed and removed/relieved with the authority of CEO and HR. The selection and removal would be based on the evaluations done during the selection /search process and would cover such parameters like: qualifications, positive attributes, experiences, etc as per the recruitment policy prevailing at the time of selection. The decision may also be based on conditions as best suitable for the business in accordance with statutory conditions as may be applicable from time to time.

b) The details of the appointment made and the personnel removed/relieved during a quarter shall be presented to the Board as part of update on Corporate Governance.

To maintain effective performance and continuity, all attempts will be made to retain and maintain the right balance of expertise and experience at the senior management level through various measures of identification, hiring, training, grooming, performance feedback, compensation & benefits, promotions, etc and . The NRC may seek and review such efforts for any specific position/s as they may deem fit.

Subject to that there is no conflict of interest, Comviva CEO and HR Head will be authorized to approve employee requests for accepting –

1. any honorary positions in the Board of a Company (for no remuneration or a nominal remuneration); and/or
2. any non-significant minority stake capped up to 30%

In case the request is from the Comviva CEO, Comviva CFO or the Company Secretary, the same will be cleared by the NRC

5. Remuneration to KMPs, Senior Management personnel and Other Employees

The Company follows an extensive performance management system to review the performance of the employees /Senior Management and provide rewards on the basis of meritocracy.

The overall remuneration (Total compensation) to the employees (including Whole Time Director (CEO) CFO, CS and senior management) includes a fixed component (Guaranteed Pay) and a variable component (Performance Linked pay). The percentage of the variable component increases at hierarchy levels, as the Company believes employees at higher positions have a far greater impact and influence on the overall business result. Variable Pay program is covered by respective variable pay programs (like performance linked incentive programs as applicable for respective roles). Compensation offered is decided based on what is competitive and suitable to attract top talent peer group for such a role, while looking at company's ability to pay vis-à-vis its budget.

The initial remuneration for CEO or any whole time director will be proposed by the CM/MD to the NRC consistent with the strategy of the Company and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The initial remuneration for KMPs – CFO and CS will be proposed by the CEO & HR to the NRC consistent with the strategy of the Company and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The initial remuneration for the Senior Management personnel shall be proposed by HR and approved by CEO. Remuneration for the new employees other than KMPs and Senior Management Personnel will be decided by the HR and business /line managers at the time of hiring, depending upon the relevant job experience, last compensation, position details and role maturity fitment; philosophy of which has been captured in the compensation handbook of the company.

The Total compensation is reviewed at least once every year based on company's performance and compensation philosophy and program. Compensation Revision is based on the performance, potential and market positioning of the role as determined through hiring& /attrition related data, surveys and benchmarks.

The annual review of remuneration for CEO or any whole time director will be proposed by the CM/MD to the NRC. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The annual remuneration for KMPs – CFO and CS will be proposed by the CEO & HR Head to the NRC consistent with the strategy of the Company and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

Annual Review of Remuneration (TCTC) for all employees (others than KMPs, but including senior management) will be decided by the HR, in consultation with CEO for all senior management position and along with concerned business unit head/managers as per performance management process & compensation philosophy and approved personnel cost budget. Performance Management Handbook applies to all employees including senior management, CFO and CS. CEO performance is evaluated by the CM/MD based on business goals as determined annually.

CEO and the HR Head may approve incentive programs as may be required for managing routine business requirements like joining or retention. Any plan covering shares or Stock Option grants to the employees shall be approved by the NRC based on the recommendation of CEO and Head of HR.

All remunerations to directors or CEO will be in accordance to Companies Act 2013 or changes to the same as applicable from time to time, including restatement of accounts due to fraud or non-compliance.

Sitting fee for Independent directors: Sitting fees will be paid to the independent directors for the committee and board meetings, as approved by the board from time to time. This will be subject to the maximum limits, if any, prescribed by the Companies Act 2013.

Refundability of excess remuneration: Any excess remuneration paid will have to be refunded back by the director in case of restatements and no such waivers will be permitted.

Commission or remuneration from holding or subsidiary company: The total commission paid for the services to this Company will include any remuneration paid from either the holding company or the subsidiary company.

6. Policy on Awareness Training to the Independent Directors

The Independent directors at the time of their co-option shall be provided with an orientation by at least one of the senior leaders. They will also be provided with the material/literature regarding the Company's business and its operations, governing documents, information on key personnel and financial information to familiarize them with the Company. The Board will brief them on their roles and responsibilities in the various Committees. The Quarterly Board Meetings will contain an agenda item on 'Business Updates' which provides development in the business strategy of the Company among others. The CM depending on the business need may also nominate Independent Directors for relevant external training programs. Independent Directors may request for any additional information as deemed fit for the successful discharge of their role.

7. Process for Performance Evaluation of the Board as a whole

The process will be initiated each year by the Chairman of the NRC or any other person as authorized by the NRC.

- The Board will carry out annual evaluation of its own performance through its adopted self-evaluation criteria. Board evaluation process will be initiated each year by the chairman of NRC and will be coordinated by the Chairman of NRC or any other person authorized by the NRC. Each Board member will get an evaluation form as given in Annexure – I in the first week of April of each year.
- Board members have the option to disclose his/her name on the evaluation form.
- Board members shall complete the form and return it to the authorized person within two weeks of receipt of the form.
- Only Chairman of the board and the authorized person appointed by the NRC to coordinate this activity will have access to individual evaluation form.
- Chairman of the Board, will arrange to tabulate the results and present summary report to the Board during the first Board Meeting of the financial year. The summary report will include score against each of the evaluation criteria & verbatim comments without any names. Sample template has been included in Annexure II. Report for each individual member will also be shared without names of those who gave the feedback.
- The Board will initiate discussion based on individual feedback, broad & common areas that are working well and those that need attention. The Board will then decide if changes in its governance practices and policies need to be made going forward.

7.1. Process for Performance Evaluation of the Committees:

The Board has adopted the evaluation criteria for Committees as mentioned in Annexure -III. Each Committee member will get an evaluation form as given in Annexure – III for the Committee(s) he/she is part of in the first week of April of each year.

- Committee Members have the option to disclose his/her name on the evaluation form.
- Committee Members shall complete the forms and return them to the authorized person within two weeks of receipt of the forms.
- Only Chairman of the board and the authorized person appointed by the NRC to coordinate this activity will have access to individual evaluation form

- The Chairman NRC, with the assistance of any person, will tabulate the results and share the summary report with the respective Committee in their first meeting of the financial year. The summary report will include score against each of the evaluation criteria & verbatim comments without any names. Sample summary report template has been included in Annexure – IV.
- Each Committee will initiate discussion basis individual feedback, broad & common areas that are working well and those that need attention.
- The Chairman of the respective Committee will also present the summary report to the Board during its first Board Meeting of each financial year.

7.2. Process for Performance Evaluation of individual directors including Independent Directors

- The NRC will carry out performance evaluation of individual directors through peer evaluation of each Board member.
- The Key areas of evaluation are Knowledge of business, Diligence and preparedness, Effective interaction with others, Constructive contribution to discussion and strategy, Concern for stakeholders, attentive to the internal controls mechanism, and ethical conduct issues as the evaluation criteria.
- In the first week of April of each year, each Board member will get evaluation form as given in Annexure – V for each of their colleagues on the Board. Each Board member will complete evaluation of each of their colleagues. Board member does not have to disclose his/her name on the evaluation form.
- During the first Board meeting of the financial year, separate envelopes indicating name of each Board Member will be circulated in which each Board member will place the completed evaluation sheet of the assessed member in their respective envelope. For example, there will be separate envelopes for Director A, Director B & so on and these envelopes will be circulated to all the Directors to place the evaluation form of the specific Director in the envelope indicating his/her name.
- Once all the evaluation forms are placed in designated envelopes, each Board member will be handed over their respective envelope and will have the opportunity to go through their own peer evaluation scores during the meeting itself.
- After going through their respective evaluation scores by their peers, the Board members will hand over their envelope to the Board chairperson during that meeting.
- Subsequently, the Board chairperson, will go through the contents of the envelope, and if necessary, will meet with each Director individually as part of the evaluation process to identify and discuss the outcome. The separate envelopes containing peer evaluation forms for each individual Director will remain with the Board chairperson and will be kept confidential.
- The NRC on the basis of evaluation scores of the concerned member shall recommend to the Board to extend or continue the term of appointment of the Board member. In case of the upcoming reappointment of any of the NRC member, the concerned member will not participate and others on the committee will be given access to all the available forms of the concerned member as detailed above to continue with the recommendation process.

8. Board's Diversity

A truly diverse Board will make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. The Board appointments should be based on merit that complements and expands the skills, experience, expertise of the Board as a whole, taking into account knowledge, professional experience, qualifications, gender, age, cultural, educational background, statutory / regulatory requirement and any other factors that might be relevant and applicable from time to time for it to function effectively.

NRC considers the functional diversities in determining the optimum composition of the Board.

9. Amendment

The Policies may be changed at any time by the Board on the recommendation of NRC. However, the NRC shall have the authority to change the Evaluation Form at any time during the year with the objective of seeking more inputs from the Individual Directors

In the event of any statement in the policy contradicting with law, the law will supersede as applicable from time to time.

Sunita Umesh
DIN: 06921083
Chairman

Annexure I

Performance Evaluation of the Board as a whole - Self Evaluation Form

Each Board Member is to rate the following statements in relation to overall performance of the Board during the last financial year. Please place √ in the appropriate box next to each statement using the indicated scale. Please use the space at the bottom to provide any specific comments you may have.

Your Name (Optional) ____

	Evaluate the following statements in relation to overall performance of the Board	**Rating Scale**				
		1	**2**	**3**	**4**	**5**
1	The Board is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
2	The Board has achieved what it set out to accomplish in the year under review.					
3	The Board engages in long-range strategic thinking and planning.					
4	The Board stays abreast of issues and trends affecting the plan, using this information to assess and guide the organization over the long term.					
5	The Board meetings are of reasonable length & agendas are well-balanced, allowing appropriate time for the most critical issues and there is a balance between presentations and discussions.					
6	The Board receives timely, accurate, and useful information upon which to make decisions.					
7	The Board anticipates issues and does not often find itself reacting to “crisis” situations.					
8	The Board speaks in “one voice” when directing or delegating to management and brings discussions to a conclusion with clear direction to management.					
9	The quality of Directors participation in meeting is satisfactory.					
10	The Board is well diversified in terms of skills, regional and industry experience, background, race and gender					

Rating Scale

5 = strongly agree; 4 = Agree; 3 = neither agree nor disagree; 2 = Disagree; 1 = Strongly Disagree

Please provide below any additional comments or suggestions about the work and effectiveness of the board as a whole.

Annexure II

Summary Report: Performance Evaluation of the Board as a whole

Statements in relation to overall performance of the Board		Director A	Director B	Director C	Director D	Director E	Director F	Director G	Avg. Score
		Scores of each Director will be mentioned on No name basis							
1	The Board is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.								
2	The Board has achieved what it set out to accomplish the past year.								
3	The Board engages in long-range strategic thinking and planning.								
4	The Board stays abreast of issues and trends affecting the plan, using this information to assess and guide the organization over the long term.								
5	The Board meetings are of reasonable length & agendas are well-balanced, allowing appropriate time for the most critical issues and there is a balance between presentations and discussions.								
6	The Board receives timely, accurate, and useful information upon which to make decisions.								
7	The Board anticipates issues and does not often find itself reacting to “crisis” situations.								
8	The Board speaks in “one voice” when directing or delegating to management and brings discussions to a conclusion with clear direction to management.								
9	The quality of Directors participation in meeting is satisfactory.								
10	The Board is well diversified in terms of skills, regional and industry experience, background, race and gender								

Rating Scale

5 = Strongly agree 4 = Agree 3 = Neither agree nor disagree 2 = Disagree 1 = Strongly Disagree

Comment 1:

Comment 2:

These comments will be taken verbatim without mentioning name of the Board Member)

Annexure III

Performance Evaluation of the Committees - Self Evaluation Form

(This Form is to be filled out separately for each committee of the Board in which you are member)

Each Committee member is to rate the following statements in relation to overall performance of the Committees during the last financial year. Please place √ in the appropriate box next to each statement using the indicated scale. Please use the space at the bottom to provide any specific comments you may have.

Your Name (Optional): ________________________________

Name of the Committee to be assessed: ____

	Evaluate the following statements in relation to overall performance of the Committee	**Rating Scale**				
		1	**2**	**3**	**4**	**5**
1	The Committee is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
2	The Committee is comprised of optimum number of members.					
3	The Committee is comprised of competent members					
4	The Committee gets into details, focuses on pertinent topics and allocates reasonable time and there is a balance between presentations and discussions.					
5	The Committee reports back to the Board as it should on all the relevant issues.					
6	The Committee is effective in carrying out its mandate and make collective judgments about important matters.					

Rating Scale

5 = Strongly agree 4 = Agree 3 = Neither agree nor disagree 2 = Disagree 1 = Strongly Disagree

Please provide below any additional comments or suggestions about the work and effectiveness of the committee as a whole.

Annexure IV

Summary Report: Performance Evaluation of the Committee

(This result template will be shared with the respective Committee & presented in the Board Meeting)

Name of the Committee: ………………………………………………………

Statements in relation to overall performance of the Committee		Committee Member A	Committee Member B	Committee Member C	Committee Member D	Average Score
		Scores of each Committee Member will be mentioned on No name basis				
1	The Committee is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
2	The Committee is comprised of optimum number of members.					
3	The Committee is comprised of relevant members.					
4	The Committee gets into details, focuses on pertinent topics and allocates reasonable time and there is a balance between presentations and discussions.					
5	The Committee reports back to the Board as it should on all the relevant issues.					
6.	The Committee is effective in carrying out its mandate and make collective judgments about important matters.					

Rating Scale

5 = Strongly agree 4 = Agree 3 = Neither agree nor disagree 2 = Disagree 1 = Strongly Disagree

Comment 1:

Comment 2:

(These comments will be taken verbatim without mentioning name of the Committee Member)

Annexure V

Performance Evaluation of Board Member - Peer Evaluation Form

Each Board Member is to rate the following statements in relation to his/her assessment of their colleague as a Board member during the last financial year. Please place √ in the appropriate box next to each statement using the indicated scale. Please use the space at the bottom to provide any specific comments you may have. Please note, you do not mention your name on the form to keep the process confidential.

Name of Board Member to be assessed ___________________________________

	Evaluate the following statements in relation to your assessment of your colleague as a Board Member of the Company	**Rating Scale**				
		1	**2**	**3**	**4**	**5**
1	Knowledge of key areas					
2	Diligence and preparedness					
3	Effective interaction with others					
4	Constructive contribution to discussion and strategy					
5	Concern for stakeholders					
6	Concern for working of internal controls					

5 = Outstanding, exceptional contribution

4 = Above expectation

3 = Satisfactory

2 = Some improvement required

1 = Unsatisfactory contribution to the Board

Please provide below any additional comments or suggestions which you believe would help improve the Board’s function.

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021-22

1. Brief outline on CSR Policy of the Company:

Our CSR vision is to make concerted efforts towards promotion of education amongst the underprivileged while also promoting initiatives for employability and entrepreneurship. Employability & Entrepreneurship readiness covers all or relevant aspects of education, skills and capabilities development which is to be imparted to children, youth and adults of any age groups to attain these objectives.

The policy aims to:

a. Demonstrate commitment towards the common good

b. Engender a sense of empathy & responsibility amongst employees to motivate them to give back to the society

c. Partner with group companies to promote quality education for the under privileged sections of the society

The Company may also support causes related to sustainable development of green environment or topical events adversely impacting a large section of the society; provided they are covered as per the statutory requirements.

The Corporate Social Responsibility (CSR) policy can be viewed at: https://www.comviva.com/wp-content/uploads/2021/09/CSR-Policy_22nd-April-2021.pdf

2. Composition of CSR Committee:

Sl. No.	Name of Director of Directorship	Designation / Nature	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Jagdish Mitra	Non-Executive Director	3	2
2	Rajat Mukherjee	Independent Director	3	3
3.	Sunita Umesh	Independent Director	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

For CSR Committee & CSR Projects: https://www.comviva.com/wp-content/uploads/2021/07/Annual-Report.pdf

For CSR Policy: https://www.comviva.com/corporate/policies/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
Not Applicable as no amount is available/ required to be set-off			

6. Average net profit of the Company as per section 135(5): **Rs. 1,67,38,83,113**

7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 3,34,77,662**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: **NIL**

(c) Amount required to be set off for the financial year, if any: **NIL**

(d) Total CSR obligation for the financial year (7a+7b- 7c): **Rs. 3,34,77,662/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).*		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
3,34,77,662	NA	NA	NA	NA	NA

*the unspent amount was transferred before the expiry of 30 days.

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No).	Location of the project		Project duration	Amount allocated for the proj ect (in Rs.)	Amount spent in the current financial Year (in Rs.).	Amount transferred to UnspentCSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation-Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation -Direct (Yes/No).	Mode of implementation – Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	Mahindra Educational Institutions	Education	Yes	Hyderabad	Michel	5,400,000	Yes	Mahindra Educational Institutions	CSR00001815
2	Prime Minister National Relief Fund	Crisis Fund	Yes	Delhi	Delhi	57,76,565	Yes	No	NA
3	1.Bal Vikas Dharna, 2.Maxvision Social Welfare Society 3.Basic Foundation 4. BAL VIKAS DHARA. 5. Grey Sim Learnings Foundation. 6.Pratigya Educational Initiative Society 7.Sai Swayam Society For The Hearing Impaired	Vocational Center	Yes	Haryana	GGN	1,67,38,831	No	Tech Mahindra Foundation	CSR00001814
4	1.Bridge education 2 Transition Support 3 Coaching for X & XII 4 Employability & Entrepreneurship for Women 5.Green belt	Education vocational ,Food &Green Belt	Yes	Haryana/ Bangalore	GGN	55,62,266	No	Sanshil Foundation	CSR00000840
	TOTAL					**3,34,77,662**			

(d) Amount spent in Administrative Overheads: Rs. 2,98,000

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year(8b+8c+8d+8e): Rs. 3,34,77,662

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	3,34,77,662
(ii)	Total amount spent for the Financial Year	3,34,77,662
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2020-21	NA	5,50,122	Prime Minister National Relief Fund	5,50,122	March 30, 2022	NIL
	TOTAL	**NA**	**5,50,122**	**-**	**5,50,122**	**-**	**-**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed/ Ongoing.
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	TOTAL	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not applicable**

    (Asset-wise details).

    (a) Date of creation or acquisition of the capital asset(s). **Not Applicable**

    (b) Amount of CSR spent for creation or acquisition of capital asset. **Not Applicable**

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **Not Applicable**

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: **Not Applicable**

Manish Vyas
Director
DIN: 09042978
Place: Texas, USA

Rajat Mukherjee
Director & Chairman, CSR Committee
DIN: 03431635
Place: New Delhi

Date: May 03, 2022

CONTENTS OF CORPORATE SOCIAL RESPONSIBILITY POLICY

Our CSR vision is to make concerted efforts towards promotion of education amongst the underprivileged while also promotinginitiatives for employability and entrepreneurship.

Employability & Entrepreneurship readiness covers all or relevant aspetcs of education, skills and capabilties development which is to be imparted to children, youth and adults of any age groups to attain these objectives.

The policy aims to:

1. Demonstrate commitment towards the common good
2. Engender a sense of empathy & responsibility amongst employees to motivate them to give back to the society
3. Partner with group companies to promote quality education for the under privileged sections of the society

The Company may also support causes related to sustainable development of green environment or topical events adversely impacting a large section of the society; provided they are covered as per the statutory requirements.

Topical CSR support may be one time or time bound investment made under other possible areas. These spends would be pre-approaved by the CSR Committee; if the expected outlay is more than 20% of the approved annual CSR budget. If the fund is spent from the approved annual CSR budget and within 20% limit, the same may be shared in the quarterly CSR review meetings as a pre or post information report.

Scope and Applicability

This Policy is applicable to Comviva Technologies Limited India (hereby referred to as Company) and will apply to all the CSR projects/programmes undertaken by the Company.

Guidelines

1. The CSR program will be overseen under the aegis of the CSR Committee
2. The CSR Committee is formulated with reference to the Section 135 of the Companies Act 2013 (referred to as Act) on CSR and in accordance with the CSR rules (hereby referred to as Rules)
3. CSR Committee
    a. It will formulate & recommend to Board a CSR Policy which shall provide an indicative list of broad activities aligned to the CSR Policy which shall be undertaken. The CSR Policy will also include the recommendation for the budget/expenditure as may be needed for the full fiscal
    b. The CSR Committee will monitor the CSR policy of the Company from time to time and recommend modifications to the CSR Policy, as and when required
4. Board of Directors
    a. They will review recommendations made by the CSR Committee, approve the CSR Policy of the Company and ensure that every financial year, the funds committed by the Company for CSR activities are utilized effectively by regularly monitoring the implementation.
    b. They would disclose the content of the policy in Company's report & website as per the prescribed format. Should that be the case, they would disclose the reasons for underspending of the allocated CSR budget in the Board's report.
5. They would ensure annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India as per the prescribed format

Identification of CSR Actitives and Projects

1. CSR SPOCs (as appointed by the Head of HR) will work closely with internal management members or employees to implement specific CSR programs and activities
2. Management would evaluate various NGO's and projects from time to time which can be taken up as part of the CSR activity by the larger organization, looking at the following broad parameters:
    a. The project should be in line with the CSR Vision of the Company
    b. The NGO (if involved) should have established processes on governance like Audits, Annual Reports etc
    c. The NGO should have been a registered NGO and should have been undertaking similar programs or projects for at least 3 years
    d. Support or donations aligned with Company's CSR vision or as covered by the CSR guidelines under the statute would be also be considered as an exception, though they may not be covered under the sections a to b above
3. The program will ensure that there is involvement and contribution in the CSR initiatives driven by Group Companies

Reporting

To ensure funds spent on CSR programmes are creating the desired impact on the ground, a monitoring and reporting framework will be used. Status of the programs and their perceived impact would be shared on a periodic basis as per the roles defined.

Deviations

Any deviation to this Policy requires an approval from the Head of Human Resources. Management reserves the right to modify this policy without prior notice.

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Annexure 4

(FY 2021-2022)

(Amount in Rs. Million)

Sr. No	Name of the subsidiary	The date since when subsidiary was acquired**	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments*#	Turnover*	Profit/ (loss) before taxation*	Provision for taxation#	Profit/ (loss) after taxation*	Proposed dividend	% of shareholding
1	Comviva Technologies Nigeria Limited	March 23, 2011	-	NGN/0.182522576760987	125	(110)	289	274	-	268	53	22	31	-	100%
2	Comviva Technologies Singapore Pte. Ltd.^^	September 8, 2011	-	SGD/55.915	-	-	-	-	-	-	30	(1)	31	-	100%
3	Comviva Technologies FZ-LLC	February 19, 2012	-	AED/20.614	1	(71)	750	820	-	652	(115)	-	(115)	-	100%
4	Comviva Technologies B.V.	April 30, 2015	-	EUR/84.033	1,601	(197)	2,126	722	660	1,166	440	39	401	-	100%
5	Comviva Technologies (Argentina) S.A. (formerly, ATS Advanced Technology Solutions S.A.)	January 31, 2016	June 30	ARS/0.682893	103	(24)	236	157	-	308	(7)	(6)	(1)	-	100%

(FY 2021-2022)

(Amount in Rs. Million)

Sr. No	Name of the subsidiary	The date since when subsidiary was acquired**	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments*#	Turnover*	Profit/ (loss) before taxation*	Provision for taxation#	Profit/ (loss) after taxation*	Proposed dividend	% of shareholding
6	ATS Advanced Technology solutions do Brasil Industria, Comercio, importacao E exportacao LTDA	January 31, 2016	December 31	BRL/15.8827535624476	178	(180)	200	202	-	228	(29)	-	(29)	-	100%
7	Comviva Technologies Colombia S.A.S	June 17, 2016	December 31	COP/0.0202193132222851	8	32	114	74	-	137	4	7	(3)	-	100%
8	Comviva Technologies Madagascar Sarlu.	December 12, 2016	-	MGA/0.019072093608455	1	1	6	4	-	3	(4)	(0)	(4)	-	100%
9	Comviva Technologies (Australia) Pty. Ltd	August 31, 2017	-	AUD/56.658	1	(107)	522	628	553	167	15	6	9	-	100%
10	Comviva Technologies Mexico, S. de R.L. de C.V.^^^	February 09, 2018	-	NA	-	-	-	-	-	-	-	-	-	-	100%

(FY 2021-2022)

(Amount in Rs. Million)

Sr. No	Name of the subsidiary	The date since when subsidiary was acquired**	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments*#	Turnover*	Profit/ (loss) before taxation*	Provision for taxation#	Profit/ (loss) after taxation*	Proposed dividend	% of shareholding
11	Emagine International Pty. Ltd. ^	September 01,2017	-	AUD/56.658	108	198	307	1	-	45	(6)	4	(10)	-	100%
12	Comviva Technologies USA INC.	November 5, 2019	-	USD/75.7925	30	(61)	32	63	-	21	(70)	(18)	(52)	-	100%
13	Comviva Technologies Myanmar Limited.	December 6, 2019	September 30	MMK/0.0424	12	(26)	174	188	-	45	(37)	(1)	(36)	-	100%
14	YABX Technologies (Netherlands) BV	June 04,2018	-	USD/75.7925	-	(81)	64	145	-	22	(88)	(21)	(67)	-	100%
15	Comviva Technologies Cote D'Ivoire	February 18, 2020	December 31	NA	-	-	-	-	-	-	-	-	-	-	100%
16	YABX India Private Limited	July 15,2020	-	INR/1	70	2	111	39	-	97	13	(1)	14	-	100%
17	Comviva Technologies Americas Inc^^^^	November 4, 2021	-	USD/75.7925	-	1	1,638	1,637	-	124	1	0	1	-	100%

*Converted at the average exchange rate.

** It includes the date of incorporation in case of subsidiary which is incorporated.

The amount also includes impact of deferred taxes.

*# The amount does not includes impact of impairment.

^ The Company is in process of deregistration of this entity. The final de-registration application was filed with local authorities on 28th March 2022.

^^ Effective November 12, 2021 entire stake in Comviva Technologies Singapore Pte. Ltd. has been divested.

^^^ Liquidated with effect from March 03, 2021

^^^^On November 04 2021, Comviva Technologies Americas Inc was incorporated as wholly owned subsidiary.

Annexure 5

S.No.	Name(s) of the related party and nature of relationship		Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advances /Loan, if any
1	Comviva Technologies FZ-LLC	100 % Subsidiary	Revenue	01-Apr-2021 to 31-Mar-2022	55,932,106	NA	
2	Comviva Technologies BV	100 % Subsidiary	Revenue	01-Apr-2021 to 31-Mar-2022	197,356,316	NA	
3	Comviva Technologies Nigeria Limited	100 % Subsidiary	Revenue	01-Apr-2021 to 31-Mar-2022	92,564,678	NA	
4	COMVIVA TECHNOLOGIES (ARGENTINA) S.A.	100 % Subsidiary	Revenue	01-Apr-2021 to 31-Mar-2022	8,427,914	NA	
5	Comviva Technologies Colombia S.A.S	100 % Subsidiary	Revenue	01-Apr-2021 to 31-Mar-2022	24,845,446	NA	
6	Tech Mahindra Limited	Holding company	Revenue	01-Apr-2021 to 31-Mar-2022	109,510,260	NA	
7	PT Tech Mahindra Indonesia	Fellow subsidiary	Revenue	01-Apr-2021 to 31-Mar-2022	47,573,729	NA	
8	COMVIVA TECHNOLOGIES (ARGENTINA) S.A.	100 % Subsidiary	Support Services (Received)	01-Apr-2021 to 31-Mar-2022	5,613,950	NA	
9	Comviva Technologies Colombia S.A.S	100 % Subsidiary	Support Services (Received)	01-Apr-2021 to 31-Mar-2022	24,752,779	NA	
10	Tech Mahindra Limited	Holding company	Facility Charges (Received)	01-Apr-2021 to 31-Mar-2022	4,423,200	NA	
11	Tech Mahindra Limited	Holding company	Facility Charges (Provided)	01-Apr-2021 to 31-Mar-2022	12,817,560	NA	
12	Tech Mahindra Foundation	Fellow subsidiary	Corporate Social Responsibility	01-Apr-2021 to 31-Mar-2022	16,738,832	NA	
13	Mahindra Educational Institutions	Fellow subsidiary	Corporate Social Responsibility	01-Apr-2021 to 31-Mar-2022	5,400,000	NA	
14	YABX India Private Limited	100 % Subsidiary	Loan from Holding Company	01-Apr-2021 to 31-Mar-2022	37,500,000	NA	
15	YABX India Private Limited	100 % Subsidiary	Loan repaid to Holding Company	01-Apr-2021 to 31-Mar-2022	22,500,000	NA	
16	YABX India Private Limited	100 % Subsidiary	Interest on Loan repaid to Holding Company	01-Apr-2021 to 31-Mar-2022	13,281	NA	
17	YABX India Private Limited	100 % Subsidiary	Payments from Holding Company	01-Apr-2021 to 31-Mar-2022	4,878,330	NA	
18	Mr. Manoranjan Mahopatra*	Key Management Personnel	Managerial Remuneration	01-Apr-2021 to 31-Mar-2022	28,666,150	NA	
19	Mr. Neeraj Jain*	Key Management Personnel	Managerial Remuneration	01-Apr-2021 to 31-Mar-2022	11,000,000	NA	
20	Mr. Parminder Singh Bakshi*	Key Management Personnel	Managerial Remuneration	01-Apr-2021 to 31-Mar-2022	2,132,400	NA	

*Does not include ESOP and any other benefits extended above CTC

for Comviva Technologies Limited

Jagdish Mitra

(Director)

DIN: 06445179

INDEPENDENT AUDITOR'S REPORT

To the Members of Comviva Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Comviva Technologies Limited (the " Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone 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 standalone 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 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 SAs 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 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 standalone financial statements.

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 Director'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. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone 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 standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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, the Management and Board of Director 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 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 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 standalone 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 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 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone 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.
    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 standalone financial statements - Refer Note 28 to the standalone 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, 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, 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 dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(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 & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN: 22215165AIIPKI8261

Place: Pune
Date: 3 May 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

(Referred to in our report of even date)

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i) (a) (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(i) (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 once in a period of two 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 material discrepancies were noticed on such verification.

(i) (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(i) (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.

(i) (e) According to 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 benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(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 made investments and granted unsecured loans to companies, in respect of which the requisite information is as below. The Company has not provided any unsecured loans guarantee or security to companies, firms, limited liability partnerships or any other parties 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 unsecured loans to any other entity as below:

Particulars	**Loans (₹ Million)**
Aggregate amount during the year - Subsidiaries (As per the Companies Act, 2013)	37.50
Balance outstanding as at balance sheet date - Subsidiaries (As per the Companies Act, 2013)	15.00

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year 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, in our opinion 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 records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("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 the products manufactured by it (and/or services provided 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 has been subsumed into GST.

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 Goods and Services Tax ('GST'), Provident fund, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

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 Goods and Services Tax ('GST'), Provident fund, 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 Goods and Service Tax, Provident Fund, 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 the dues	Amount (₹ million)	Period to which the amount relates	Forum where dispute is pending	Amount paid under protest (₹ Million)
Income Tax Act, 1961	Income Tax	148	FY 2012-13 & FY 2013-14	Commissioner of Income Tax (Appeals)	-
Income Tax Act, 1961	Income Tax	1,524	FY 2014-15 to FY 2019-20	Commissioner of Income Tax (Appeals)	-
Burkina Faso authorities	Corporate tax, employer and apprenticeship tax, patent Tax, single tax on wages and salaries, VAT	4	Calendar year 2012 to 2020	Assessing Officer	-
Chad Tax Administration	Payroll and Corporate Tax/ VAT matters	216	Calendar year 2014 to 2019	Assessing Officer	31
Republique du Congo Authorities	VAT, Payroll & Income tax	46	Calendar year 2012 to 2014	Direction Départementale des Vérifications, Fiscale De Pointe- Noire	-

Name of the statute	Nature of the dues	Amount (₹ million)	Period to which the amount relates	Forum where dispute is pending	Amount paid under protest (₹ Million)
Malawi tax authorities	Corporate Tax	6	FY 2018-19 & FY 2019-20	Income Tax Officer	-
Niger Tax Authorities	Payroll & WHT matters	112	Calendar year 2016 & 2018	Assessing Officer	-
Tanzania Tax Authorities	Corporate tax, VAT, SDL, & Payroll matters	38	Calendar year 2012,2013,2016,2019 & 2020	Tax authority	-
Uganda Tax Authorities	Income Tax and VAT	80	FY 2016-17 & FY 2017-18	Tax authority	-
Finance Act, 1994	Service Tax	392	FY 2004-2005 to FY 2007-2008	Custom Excise & Service Tax Appellate Tribunal	-Net of ₹ 15 million being eligible Cenvat Credit set aside under protest
Gabon Tax Authorities	Indirect Tax	3	FY 2013-2014 to FY 2017-2018	General Secretariat, Provincial Department Of Estate Taxes , Ministry Of Sustainable Development, Economy, Investment Promotion And Planning	
Kenya Revenue Authority	VAT	1	Calendar year 2018 & 2019	Domestic Taxes Department Medium Tax Payers Office	

(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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(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 did not have any loans or borrowings during the year and accordingly, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(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 standalone 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 as defined under the Act.

(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 subsidiaries, as defined under the Act.

(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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) 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.

(b) 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.

(c) 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 standalone 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) of the Order is not applicable.

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

(c) 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.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.

(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 standalone 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.

(xx) 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. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN: 22215165AIIPKI8261

Place: Pune
Date: 3 May 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF COMVIVA TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2 (A) (f) 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 standalone financial statements of Comviva Technologies Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone 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 standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone 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 Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone 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").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements were established and maintained and whether 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 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 with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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 & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN: 22215165AIIPKI8261

Place: Pune
Date: 3 May 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

₹ in million

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A	**193**	210
(b) Capital work-in-progress	3D	**37**	3
(c) Right of use assets	3B	**205**	288
(d) Intangible assets	3C	**53**	85
(e) Financial assets			
(i) Investments	4(i)	**1,972**	527
(ii) Trade receivables			
- Unbilled	9(i)	**40**	46
(iii) Loans	5	**15**	17
(iv) Other financial assets	12(i)	**50**	48
(f) Income tax assets (net)		**603**	916
(g) Deferred tax assets (net)	6	**442**	434
(h) Other non-current assets	7(i)	**190**	302
Total non-current assets		**3,800**	2,876
Current assets			
(a) Inventories	8	**12**	22
(b) Financial assets			
(i) Investments	4(ii)	**954**	1,502
(ii) Trade receivables	9(ii)		
- Billed		**3,301**	3,911
- Unbilled		**1,057**	550
(iii) Cash and cash equivalents	10	**674**	722
(iv) Other balances with bank	11	**7**	39
(v) Other financial assets	12(ii)	**180**	874
(c) Other current assets	7(ii)	**931**	607
Total current assets		**7,116**	8,227
TOTAL ASSETS		**10,916**	11,103
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	**219**	219
(b) Other equity	14	**8,223**	8,253
		8,442	8,472

₹ in million

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Liabilities			
Non current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities		**143**	215
(ii) Other financial liabilities	18(i)	**-**	10
(b) Provisions	15(i)	**247**	180
(c) Other non-current liabilities	16(i)	**0**	-
Total non-current liabilities		**390**	405
Current Liabilities			
(a) Financial liabilities			
(i) Lease Liabilities		**79**	69
(ii) Trade payables	17		
-Dues of micro and small enterprises		**20**	14
-Dues of creditors other than micro and small enterprises		**1,084**	1,077
(iii) Other financial liabilities	18(ii)	**388**	531
(b) Other current liabilities	16(ii)	**236**	204
(c) Provisions	15(ii)	**85**	63
(d) Income tax liabilities (net)		**192**	268
Total current liabilities		**2,084**	2,226
TOTAL EQUITY AND LIABILITIES		**10,916**	11,103
See accompanying notes forming part of standalone financial statements	1-46		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

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

Ashish Gupta
Partner
Membership No.: 215165
Pune

Manish Vyas
Director
Texas, USA

Jagdish Mitra
Director
Noida

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: May 03, 2022

Date: May 03, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

₹ in million

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I.	Revenue from operations	19	**6,717**	6,570
II.	Other income	20	**315**	245
III.	**Total Income (I+II)**		**7,032**	6,815
IV.	**Expenses**			
	(a) Employee benefits expense	21	**2,720**	2,598
	(b) Subcontracting cost		**588**	525
	(c) Finance costs	22	**18**	27
	(d) Depreciation and amortization expense	3	**255**	269
	(e) Other expenses	23	**1,911**	2,172
	Total expenses		**5,492**	5,591
V.	**Profit before exceptional items and tax**		**1,540**	1,224
VI.	**Exceptional Items:-**			
	Exceptional item	24	**-**	730
VII.	**Profit before tax**		**1,540**	1,954
VIII.	**Tax expenses:**	38		
	(a) Current tax		**1,098**	614
	(b) Deferred tax		**3**	(93)
			1,101	521
IX.	**Profit after tax**		**439**	1,433
X.	**Other comprehensive (loss)/income**			
A)	(I) Items that will not be reclassified to profit or loss			
	(a) Re-measurement (loss)/gain on defined benefit plans		**(40)**	10
	(II) Income tax income/(expenses) relating to items that will not be reclassified to profit or loss		**10**	(3)
B)	(I) Items that will be reclassified to profit or loss			
	(a) Net movement of effective portion on cash flow hedge		**(3)**	20
	(II) Income tax income/(expenses)relating to items that will be reclassified to profit or loss		**1**	(5)
XI.	**Other comprehensive (loss)/income for the year**		**(32)**	22

₹ in million

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
XII.	**Total comprehensive income for the year**		**407**	1,455
XIII.	**Earnings per Equity share (Face value of ₹ 10/- each)**	32		
	(a) Basic (in ₹)		**20.08**	65.51
	(b) Diluted (in ₹)		**20.08**	65.51
	See accompanying notes forming part of standalone financial statements	1-46		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

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

Ashish Gupta
Partner
Membership No.: 215165
Pune

Manish Vyas
Director
Texas, USA

Jagdish Mitra
Director
Noida

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: May 03, 2022

Date: May 03, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

a. Equity share capital

Particulars	**Number of Shares**	**Equity Share Capital (₹ in Million)**
Balance As at April 1, 2020	21,869,000	219
Balance as at March 31, 2021	21,869,000	219
Balance as at April 1, 2021	21,869,000	219
Balance as at March 31, 2022	21,869,000	219

b. Other Equity

₹ in Million

Particulars	**Reserves & Surplus**			**Items of OCI**	**Total**
	Securities Premium	**Capital Reserve**	**Retained Earnings**	**Effective portion of Cash flow Hedge**	
Balance As at April 1, 2020	566	53	6,187	(8)	6,798
Profit for the year	-	-	1,433	-	1,433
Other comprehensive Income	-	-	7	15	22
Total comprehensive income	-	-	1,440	15	1,455
Balance as at March 31, 2021	566	53	7,627	7	8,253
Balance as at April 1, 2021	566	53	7,627	7	8,253
Profit for the year	-	-	439	-	439
Other comprehensive income	-	-	(30)	(2)	(32)
Total comprehensive income	-	-	409	(2)	407
Dividend (Refer note 14)	-	-	(437)	-	(437)
Balance as at March 31, 2022	**566**	**53**	**7,599**	**5**	**8,223**

Securities Premium

Securities premium reserve is used to record the premium on issue of shares

Capital Reserve

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

Retained Earnings:

Retained earnings represents the undistributed profits of the Company accumulated as on Balance Sheet date.

Cash Flow Hedging Reserve :

The cash flow hedging reservere presents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cashflow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

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

Ashish Gupta
Partner
Membership No.: 215165
Pune

Manish Vyas
Director
Texas, USA

Jagdish Mitra
Director
Noida

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: May 03, 2022

Date: May 03, 2022

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

				₹ in million
Particulars	**For the year ended March 31, 2022**		For the year ended March 31, 2021	
	₹ in million	**₹ in million**	₹ in million	₹ in million
A] Cash flows from operating activities				
Profit before tax		**1,540**		1,954
Adjustments for:				
Depreciation and amortization	**255**		269	
Profit on sale of property, plant and equipment (net)	**(1)**		(1)	
Loss/(gain) due to fair valuation changes on financial assets	**4**		(9)	
Profit on sale of investment	**(46)**		(4)	
Interest expense	**18**		27	
Interest income	**(13)**		(25)	
Dividend received from subsidiary	**(65)**		-	
Profit on sale of investment in subsidiary	**(2)**		-	
Additonal business consideration	**-**		(730)	
Reversal of impairment provision on intercompany loan	**(13)**		-	
Unrealised foreign exchange (net)	**(34)**		211	
Provision for doubtful debts (net)	**327**		324	
Reversal of provision no longer required	**(37)**		(30)	
		393		32
Operating Profit before working capital changes		**1,933**		1,986
Net change in:				
Trade payables	**43**		(140)	
Other liabilities and provisions	**(93)**		46	
Trade receivables	**(229)**		110	
Other assets, loans and advances	**(182)**		(50)	
		(461)		(34)
Cash generated from operations		**1,472**		1,952
Direct taxes (net of refund)		**(861)**		(545)
Net cash flows from operating activities (A)		**611**		1,407
B] Cash flows from investing activities				
Purchase of property, plant and equipment & intangible assets	**(128)**		(143)	
Interest received	**14**		16	
Purchase of mutual funds	**(4,080)**		(2,180)	
Proceeds from sale/ redemption of mutual funds	**4,670**		1,182	
Proceed from sale of subsidiary	**2**		-	
Investment in subsidiary	**(1,433)**		(287)	
Proceeds from additional business consideration	**725**		-	
Loan given to subsidiary	**(38)**			
Proceeds from repayment of loan to subsidiary	**53**		-	
Sale of property, plant and equipment	**6**		3	
Dividend received from subsidiary	**65**		-	
Net Cash flows (used) in investing activities (B)		**(144)**		(1,409)
C] Cash flows from financing activities				
Proceeds/repayment from short term borrowings (net)	**-**		(1)	
Payment of dividend	**(437)**		-	
Repayment of lease liabilities	**(67)**		(73)	
Interest Paid	**(18)**		(27)	
Net cash flows (used) in financing activities (C)		**(522)**		(101)
D] Exchange differences on translation of foreign currency cash and cash equivalents (D)		**7**		(7)

₹ in million

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹ in million	**₹ in million**	₹ in million	₹ in million
Net decrease in cash and cash equivalents (A + B+ C + D)		**(48)**		(110)
Cash & cash equivalents at the end of the year		**674**		722
Cash & cash equivalents at the beginning of the year		**722**		832
Net decrease in cash and cash equivalents		**(48)**		(110)

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Note 1:		
Cash and cash equivalents include:		
Cash on hand	**-**	0
Remittances in transit	**215**	66
Balance with banks		
- In current accounts	**242**	479
- In deposit accounts	**217**	177
Total Cash and cash equivalents - refer note 10	**674**	722

Note 2:

Figures in brackets represent outflow of cash and cash equivalents.

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements.

Note 4:

Previous period's figures have been rearranged/regrouped wherever necessary.

Note 5:

During the current and previous year, there were no non-cash changes in financial liabilities resulting from financing activities. Accordingly, the reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing acivities including both changes arising from cash flow and non-cash flow changes as required based on paragraph 44 of Ind AS 7 on "Statement of Cash Flows" has not been given.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Ashish Gupta
Partner
Membership No.: 215165
Pune

Date: May 03, 2022

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

Manish Vyas
Director
Texas, USA

Jagdish Mitra
Director
Noida

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: May 03, 2022

1. Company Overview

Comviva Technologies Limited ("the Company") is provider of mobility solutions and a part of Mahindra Group. The company's offerings are broadly divided into three categories: Financial Solutions, Digital Systems and Growth Marketing. Its extensive portfolio of solutions spans digital financial services, customer value management, messaging and broadband solution and digital lifestyle services. The company strives to enable service providers to enhance customer experience, resolve real, on-ground challenges and leverage technology to transform the lives of customers. Comviva's solutions are deployed at various service providers and financial institutions and enrich the lives of people to deliver a better future.

The Company is a subsidiary of Tech Mahindra Limited.

The standalone financial statements ('financial statement') for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 03, 2022.

2. Significant Accounting Policies

2.1 Statement of Compliance

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation of financial statements

These standalone financial statements are presented in Indian rupees ("INR") which is also the Company's functional currency. All amounts have been reported in Indian Rupees Million, except for share and earnings per share data, unless otherwise stated. These standalone financial statements have been prepared on the historical cost basis and on accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized 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:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The financials statements of Comviva ESOP trust has also been consolidated with Comviva Technologies Ltd. (India) financials.

2.3 Use of Estimates:

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. 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 and future periods are affected.

Critical accounting estimates

i) Revenue Recognition

The Company applies the proportionate method for measurement of performance obligation in accounting for its fixed price development contracts. Use of the proportionate method requires the Company to estimate the efforts to date as a proportion of the total budgeted efforts. Efforts have been used to measure progress towards completion as there is a direct relationship between input and productivity.

ii) Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under Note 2.12.

iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.4.

iv) Impairment of Investments

The Company reviews its carrying value of investments in subsidiaries and other entities at cost 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.

v) Provisions

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.14.

2.4 Property, Plant & Equipment and Other Intangible assets

Property, Plant & Equipment and Other Intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed based on technical advice, considering the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Type of Asset	Estimated useful life
Plant and Equipment (including Computers)	3 year
Plant and Equipment (Electrical Equipment)	5 year
Office Equipment	5 year
Furniture and Fixtures	5 year

The estimated useful lives and residual values of the Property, Plant & Equipment and Other Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Improvements to leased premises are amortized over their estimated useful life or period of the lease, whichever is shorter.

Assets costing up to ₹ 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

Computer Software and hardware acquired for specific projects are amortized over the initial contract life of the project.

The cost of Software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

Intellectual Property Right (IPR) is amortized over a period of 4 years.

2.5 Leases

At inception of the contract, the Company determines whether the contract is a lease or contains a lease arrangement. 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.

Company as a lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. 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 Revenue from Customer Contracts to allocate the consideration in the contract.

2.6 Impairment of Assets

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortized cost is measured at 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. In a subsequent period, if the amount of impairment loss decreases and the decrease can be related objectively to an event, the previously recognized impairment is reversed through Statement of profit and loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the Statement of profit and loss.

2.7 Inventories

Inventories are stated at lower of cost or net realizable value. In determining the cost of materials, the weighted average cost method is used.

2.8 Revenue recognition

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.

Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered, revenue against these services recognised over the period of time using proportionate method for measuring performance obligation.

Revenue on fixed price development contracts is recognised using the 'percentage of completion' method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on actual hours incurred to date as a percentage of total budgeted hours required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognised only to the extent of contract cost incurred for which recoverability is probable.

Revenue from the sale of distinct third party hardware is recognised at the point in time when risk and rewards is transferred to the customer.

The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. 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 and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues.

Use of significant judgments in revenue recognition.

The Company’s contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered

Dividend income is recognized when the Group’s right to receive dividend is established.

2.9 Foreign currency transactions

The functional currency of the company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the Statement of profit and loss.

2.10 Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and 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 measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized in Statement of profit and loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit and loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on re-measurement recognized in Statement of profit and loss.

Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment as per Ind AS 27 Consolidated and Separate Financial Statements.

Financial liabilities

Financial liabilities maturing after one year are subsequently carried at amortized cost using the effective interest method.

For trade payables and other financial liabilities maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments and hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The use of foreign currency forward contracts is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized in other comprehensive income and accumulated under hedging reserve and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Amounts previously recognized in other comprehensive income and accumulated in hedging reserve are reclassified to profit or loss in the same period in which gains/losses on the item hedged are recognized in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in hedging reserve are transferred from hedging reserve and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Any Profit or Loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which such cancellation or renewal occurs. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified in hedging reserve is retained there and is classified to Statement of Profit and Loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in hedging reserve is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

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.

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

2.11 Employee benefits

i) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for India location. Certain overseas branches of the company also provide for retirement benefit plans in accordance with local laws.

Actuarial gains and losses are recognized in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognized in profit or loss in the period of a plan amendment.

ii) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. Contribution is made to recognised provident fund with effect from September 1, 2020. Till August 31, 2020 a portion of the contribution was made to the approved provident fund trust managed by the Company while the remainder of the contribution is made to the government administered pension fund. The contributions to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return.

iii) Compensated absences:

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for India location and some branches of Company, whereas provision for encashment of unavailed leave on retirement is made on actual basis for other branches of Company.

Actuarial gains and losses are recognized in full in the Statement of Profit and Loss in the period in which they occur. 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 at the present value of the defined benefit obligation at the balance sheet date.

iv) Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognized during the period when the employee renders the service.

2.12 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

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

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

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Company will pay normal income tax in future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.13 Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.14 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. 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 and Contingent assets are not recognized in the financial statements.

2.15 Provision for Warranty

The Company has an obligation by way of warranty to maintain the software during the period of warranty, which may vary from contract to contract. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost of service delivery. The Company estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

2.17 Research and Development

Research costs are recognized in the statement of profit and loss in the period it is incurred. Development costs are recognized in the statement of profit and loss in the period it is incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use the asset and the costs can be measured reliably.

2.18 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the statement of profit and loss.

2.19 Recent accounting pronouncement

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 March 23, 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 recognised 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 April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

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 labour, 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 April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 3A - Property, Plant and Equipment

₹ in million

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at 1st April, 2021	During the year	On disposal during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Plant and equipments	900	114	32	**982**	746	102	31	**817**	**165**	154
(Previous year)	(813)	(105)	(18)	**(900)**	(677)	(86)	(17)	**(746)**	**(154)**	(136)
Furniture and fixtures	25	3	6	**22**	19	5	5	**19**	**3**	6
(Previous year)	(33)	(1)	(9)	**(25)**	(26)	(2)	(9)	**(19)**	**(6)**	(7)
Office equipments	94	3	3	**94**	64	11	3	**72**	**22**	30
(Previous year)	(98)	(2)	(6)	**(94)**	(57)	(12)	(5)	**(64)**	**(30)**	(41)
Improvement to leased premises	108	-	54	**54**	88	14	51	**51**	**3**	20
(Previous year)	(109)	-	(1)	**(108)**	(72)	(17)	(1)	**(88)**	**(20)**	(37)
Total	1,127	120	95	**1,152**	917	132	90	**959**	**193**	210
Previous year	(1,053)	(108)	(34)	**(1,127)**	(832)	(117)	(32)	**(917)**	**(210)**	(221)

Note 3B - Right to use assets

₹ in million

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at 1st April, 2021	During the year	On disposal during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Right to use of office premises	462	5	-	**467**	174	88	0	**262**	**205**	**288**
(Previous year)	(514)	(2)	(54)	**(462)**	(96)	(96)	(18)	**(174)**	**(288)**	**(418)**
Total	462	5	-	**467**	174	88	0	**262**	**205**	**288**
Previous year	(514)	(2)	(54)	**(462)**	(96)	(96)	(18)	**(174)**	**(288)**	**(418)**

Note 3C - Intangible Assets (Other than internally generated)

₹ in million

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at 1st April, 2021	During the year	On disposal during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computer software	587	3	(0)	**590**	587	3	(0)	**590**	**0**	**0**
(Previous year)	(564)	(23)	(0)	**(587)**	(564)	(23)	(0)	**(587)**	**(0)**	**(0)**
Intellectual property rights	163	-	-	**163**	78	32	(0)	**110**	**53**	**85**
(Previous year)	(163)	-	(0)	**(163)**	(45)	(33)	(0)	**(78)**	**(85)**	**(118)**
Total	750	3	(0)	**753**	665	35	(0)	**700**	**53**	**85**
Previous Year	(727)	(23)	(0)	**(750)**	(609)	(56)	(0)	**(665)**	**(85)**	**(118)**

Note 3D - Capital work-in-progress

Capital work-in-progress ageing schedule as on March 31, 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	37	-	-	-	37

Capital work-in-progress ageing schedule as on March 31, 2021

CWIP	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	3	0	-	-	3

The Company does not have any CWIP (including intangible assets under development) which is overdue or as exceeded its cost compared to its original plan and hence CWIP (including intangible assets under development) completion schedule is not applicable.

Note 4 (i)- Non-current investments :

₹ in million

Particulars	**As at**	
	March 31, 2022	March 31, 2021
a) In subsidiaries		
Comviva Technologies Nigeria Limited	**151**	151
683,916,187 (March 31, 2021: 683,916,187) common Stock of Naira 1 each, fully paid up		
Comviva Technologies FZ-LLC	**1**	1
55 (March 31, 2021: 55) Common Stock of AED 1,000 each, fully paid up		
Comviva Technologies Singapore PTE Limited	**-**	28
Nil (March 31, 2021 : 561,000) Common Stock of SGD 1 each, fully paid up		
Less: provision for impairment	**-**	(28)
Comviva Technologies B.V.	**1,677**	293
1,9055,090 (March 31, 2021: 3,479,180) Common Stock of EUR 1 each, fully paid up		
Comviva Technologies (Argentina) S.A.	**13**	14
790 (March 31, 2021: 790) common stock ARL 1 Each, fully paid)		
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA (Formerly known as ATS Advanced Technology Solutions Do Brasil Industria, Comercio, Importacao E Exportacao LTDA)	**2**	2
5,000 (March 31, 2021: 5,000) common stock BRL 1 Each, fully paid		
Comviva Technologies Madagascar Sarlu	**1**	1
3,200 shares (March 31, 2021: 3,200) for MGA 20,000 Each, fully paid		
Comviva Technologies USA Inc	**30**	30
400,000 shares (March 30, 2021: 400,000) for USD 1 per share		

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Comviva Technologies Myanmar Limited	**15**	15
200,000 shares (March 31, 2021: 200,000) for USD 1 Each, fully paid		
YABX India Private Limited	**70**	20
7,000,000 shares (March 31, 2021: 2,000,000) for INR 10 Each, fully paid		
Subtotal (a)	**1,960**	527
b) Investment in bonds-quoted (Carried at fair value through P&L)		
Corporate bonds	**12**	-
Subtotal (b)	**12**	-
Total (a)+(b)	**1,972**	527

Note 4 (ii) - Current investments :

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
a) Investment in mutual funds-unquoted (Carried at fair value through P&L)		
UTI Liquid Cash Plan - Direct Growth Plan: 164,031.66 units (Previous year: 445,749.31 units) @ NAV ₹ 3,488.04 (Previous year: NAV ₹ 3,370.48)	572	1,502
Mahindra Manulife Liquid Fund Direct Growth: 275,760.45 units (Previous year: Nil units) @ NAV ₹ 1384.18 (Previous year: NAV ₹ Nil)	382	-
Total	954	1,502

Note 5 - Loans : Non Current

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Loans to subsidiary:		
- Considered good – Unsecured	15	30
Provision for impairment	**-**	**(13)**
Total	**15**	**17**

Loans and advances to Directors/ KMP/ Related parties as at March 31, 2022

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	0%
Directors	-	0%
KMPs	-	0%
Related Parties	15	100%

Loans and advances to Directors/ KMP/ Related parties as at March 31, 2021

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	0%
Directors	-	0%
KMPs	-	0%
Related Parties	17	100%

Note 6 - Deferred tax assets (refer Note 39):

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Break up of deferred tax assets		
Provision for Employee benefits	**159**	171
Provision for doubtful Trade receivables and Inventory	**227**	212
Others	**60**	84
Break up of deferred tax liability		
Property, Plant & Equipment and Intangible assets	**(1)**	(31)
Changes in fair value of derivatives designated as hedges	**(2)**	(2)
Total	**443**	434

Note 7 - Other Assets :

(i) Other non current assets

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
- Balance with Government authorities	**180**	295
- Prepaid expenses	**8**	5
- Capital advances	**2**	2
Total	**190**	302

(ii) Other current assets

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
- Advance to suppliers		
-Considered good	**22**	14
-Considered doubtful	**1**	1
	23	15
Provision for doubtful advances	**1**	1
	22	14
-Other loan and advances		
-Considered good	**15**	8
-Considered doubtful	**8**	8
	23	16
-Provision for doubtful advances	**8**	8
	15	8
- Balance with Government authorities	**203**	146
- Prepaid expenses	**143**	94
- Contract Asset	**548**	345
Total	**931**	607

Note 8 - Inventories :

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
(Valued at lower of cost and net realizable value)		
- Others - Stock of IT equipments and purchased software (consumed in IT projects)	**12**	22
Total	**12**	22

Note 9 - Trade receivables :

(i) Non current Trade receivables :

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables - Unbilled	**40**	46
Total	**40**	46

(ii) Current Trade receivables :

₹ in million

Particulars	As at March 31, 2022	March 31, 2021
Trade Receivables - Billed		
- Considered good – Unsecured	**4,092**	4,507
Less: Allowance for doubtful trade receivables	**791**	596
	3,301	3,911
- Credit impaired – Unsecured	**112**	245
Less: Allowance for doubtful trade receivables	**112**	245
	-	-
Trade Receivables - Billed (A)	**3,301**	3,911
Trade Receivables - Unbilled (B)	**1,057**	550
Total (A+B)	**4,358**	4,461

Trade Receivables ageing schedule as at March 31, 2022

₹ in million

Particulars	Outstanding for following periods from due date of payments						
	Not Due	Less than 6 months	6 months - 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
Trade Receivables - Billed							
Undisputed trade receivables- considered good	606	1,671	529	650	358	278	4,092
Undisputed trade receivables- credit impaired	-	-	-	-	-	112	112
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
	606	1,671	529	650	358	391	4,204
Less: Allowance for doubtful trade receivables							903
							3,301
Trade receivable - Unbilled (Non current and current)							1,097
Total Trade Receivables							4,398

Trade Receivables ageing schedule as at March 31, 2021

₹ in million

Particulars	Outstanding for following periods from due date of payments						
	Not Due	Less than 6 months	6 months - 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
Trade Receivables - Billed							
Undisputed trade receivables- considered good	1,179	1,331	765	722	182	328	4,507
Undisputed trade receivables- credit impaired	-	-	-	32	35	178	245
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
	1,179	1,331	765	754	217	506	4,752
Less: Allowance for doubtful trade receivables							841
							3,911
Trade receivable - Unbilled (Non current and current)							596
Total Trade Receivables							4507

Note 10 - Cash and cash equivalents :

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	**-**	0
Remittances in transit	**215**	66
Balances with banks:		
- In current accounts	**242**	479
- In deposit accounts	**217**	177
Total	**674**	722

Note 11 - Other balances with bank :

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with bank		
- Balance held under margin money account	**7**	9
Balances held as margin money/security towards obtaining bank guarantees	**-**	30
Total	**7**	39

Note 12 - Other financial assets :

(i) - Other Financial assets : Non Current

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits		
- Considered good	**50**	48
- Considered doubtful	**-**	-
	50	48
- Provision for doubtful advances	**-**	-
	50	48
Total	**50**	48

(ii) - Other Financial assets : Current

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Dues from subsidiary companies		
- Considered good	**159**	102
- Considered doubtful	**89**	86
	248	188
- Provision for doubtful advances	**89**	86
	159	102
Derivative financial assets	**7**	40
Interest accrued	**12**	17
Security deposits		
- Considered good	**2**	9
- Considered doubtful	**4**	4
	6	13
- Provision for doubtful advances	**4**	4
	2	9
Additional business consideration receivable	**-**	706
Total	**180**	874

Note 13 - Share capital :

Particulars	As at			
	March 31, 2022		March 31, 2021	
	Number	**₹ in million**	Number	₹ in million
(a) Authorized :				
Equity shares of ₹ 10 each	**25,500,000**	**255**	25,500,000	255
Series A 0.001% fully convertible non-cumulative preference shares of ₹ 10 each	**8,000,000**	**80**	8,000,000	80
(b) Issued, subscribed and fully paid up :				
Equity shares of ₹ 10 each fully paid up	**21,869,000**	**219**	21,869,000	219
Total	**21,869,000**	**219**	21,869,000	219

Notes:

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

Particulars	As at			
	March 31, 2022		March 31, 2021	
	Number	**₹ in million**	Number	₹ in million
Equity Shares				
Opening Balance	**21,869,000**	**219**	21,869,000	219
Add: Shares issued during the year	**-**	**-**	-	-
Closing Balance	**21,869,000**	**219**	21,869,000	219

(ii) Terms, rights and restrictions attached to:

Equity Shares:

The Company has equity shares having par value of ₹ 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 amount. The distribution will be in proportion to the equity shares held by the shareholders.

Series A 0.001% fully convertible non-cumulative preference shares:

The Company has class of fully convertible non-cumulative redeemable preference shares having a par value of ₹ 10 per share.

(iii) Details of shares held by the holding Company

Particulars	Number of Shares	
	As at March 31, 2022	As at March 31, 2021
Tech Mahindra Limited	**21,866,913***	21,866,913*

*It includes 7 shares which are jointly held by Tech Mahindra Limited and Individual shareholders in Tech Mahindra Limited's kitty.

(iv) Details of equity shares held by shareholder holding more than 5%:

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No of Shares	**% of Holding#**	**No of Shares**	**% of Holding#**
Tech Mahindra Limited*	**21,866,913**	**99.99%**	21,866,913	99.99%

#This percentage of holding is presented with reference to Issued, Subscribed and Paid up.

*It is the sole promoter of the Company.

Note 14 - Other Equity :

₹ in million

Particulars	As at			
	March 31, 2022		March 31, 2021	
Securities premium account		**566**		566
Capital Reserves		**53**		53
Hedging reserve (refer note 29)				
Opening balance	**7**		(8)	
(Less)/Add: Other Comprehensive (loss)/income	**(2)**		15	
Closing balance		**5**		7
Surplus in the statement of profit and loss				
Opening balance	**7,627**		6,187	
Add : Profit for the year	**439**		1,433	
(Less)/Add: Other Comprehensive (loss)/income	**(30)**		7	
(Less): Dividend *	**(437)**		-	
Closing balance		**7,599**		7,627
Total		**8,223**		8,253

* Interim dividend of ₹ 20 per equity share was paid during the year ended 31st March, 2022.

Note 15 - Provisions :

(i) Long-term provisions

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Provision for employee benefits		
-Gratuity	**178**	142
-Compensated absences	**42**	38
-Other employee benefit obligation	**27**	-
Total	**247**	180

(ii) Short-term provisions

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Provision for employee benefits		
-Gratuity	**37**	35
-Compensated absences	**24**	20
-Other employee benefit obligation	**16**	-
	77	55
Provision for warranties	**8**	8
Total	**85**	63

Note 16 - Other liabilities :

(i) Non-current liabilities

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Unearned revenue	**0**	-
Total	**0**	-

(ii) Current liabilities

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Unearned revenue	**19**	21
Statutory remittances	**112**	93
Advance from customers	**105**	90
Total	**236**	204

Note 17 - Trade payables :

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Creditors for supplies / services	**1,084**	1,077
Creditors for supplies / services under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)	**20**	14
Total	**1,104**	1,091

* Refer note 36 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Trade Payables ageing schedule as on March 31, 2022

₹ in million

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years	Total
Undisputed MSME	4	16	-	-	-	20
Undisputed Others	81	59	-	3	1	144
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
	85	75	-	3	1	164
Add: Accrued expenses						940
Total Trade payables						1,104

Trade Payables ageing schedule as on March 31, 2021

₹ in million

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years	Total
Undisputed MSME	4	10	-	-	-	14
Undisputed Others	39	22	12	15	100	188
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
	43	32	12	15	100	202
Add: Accrued expenses						889
Total Trade payables						1,091

Note 18 - Other Financial liabilities:

(i) Other Financial liabilities: Non Current

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Liability for sub-lease refundable security	**-**	10
Total	**-**	10

(ii) Other Financial liabilities : Current

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Accrued salary and benefits	**307**	482
Payables on purchase of Property, plant and equipment	**57**	28
Contractual obligation	**10**	10
Due to subsidiary	**14**	11
Total	**388**	531

Note 19 - Revenue from operations :

₹ in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Licence Fee with Implementation and other services	**4,500**	3,639
Revenue sharing arrangements	**466**	540
Annual maintenance contract services	**1,500**	1,618
	6,466	5,797
Income from sale of equipments and software (third party)	**251**	773
Total	**6,717**	6,570

Note 20 - Other income :

₹ in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income	**13**	25
Profit on sale of current investments	**47**	4
Dividend received from subsidiaries	**65**	-
(Loss) / gain due to fair valuation changes on financial assets	**(4)**	9
Profit on sale of subsidiary	**2**	-
Profit on sale of property, plant and equipment (net)	**1**	1
Foreign Exchange gain (net)	**80**	-
Sundry Balances written back	**37**	30
Miscellaneous Income	**8**	35
Income from sub-lease	**12**	37
Reimbursement of expenses	**54**	104
Total	**315**	245

Note 21 - Employee benefits expense :

₹ in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	**2,508**	2,354
Defined Contribution/benefit plan cost	**169**	195
Staff welfare expenses	**43**	49
Total	**2,720**	2,598

Note 22 - Finance costs :

₹ in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on lease liability	**18**	27
Total	**18**	27

Note 23 - Other expenses :

₹ in million

Particulars		For the year ended March 31, 2022		For the year ended March 31, 2021
Cost of hardware equipments,softwares and other items		**851**		1,118
Royalty and software charges		**19**		19
Travelling and conveyance		**52**		14
Freight and forwarding charges		**8**		33
Recruitment Expenses		**20**		6
Power and fuel		**23**		20
Rent		**16**		20
Rates and taxes		**59**		14
Insurance		**49**		41
Repairs and maintenance		**224**		213
Advertising and sales promotion		**78**		54
Communication costs		**22**		39
Foreign exchange losses (net)		**-**		106
Corporate Social Responsibility		**34**		28
Legal and professional fees		**108**		82
Conference expenses		**9**		14
General office expenses		**11**		14
Provision for doubtful debts (net)				
- Bad debts	**281**		5	
- Provision for debts	**33**		319	
		314		324
Miscellaneous expenses		**14**		13
Total		**1,911**		2,172

Note 24 - Exceptional items :

₹ in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Additional consideration on sale of subsidiary*	**-**	730
Total	**-**	730

*The Company has accrued additional consideration pertaining to sale of TerraPay group (subsidiary) amounting to Nil (March 31, 2021: 730 million), which has been transferred w.e.f March 02, 2020. The Company has recognised this additional consideration on the completion of requisite milestone as mentioned in the Share purchase agreement entered into with the acquirer. This consideration has been realised on April 15, 2021.

25. Details of employee benefits as required by the IND AS-19 – Employee Benefits are as under:

a) Defined Contribution Plan

The Company makes contributions to Provident Fund which is defined contribution plan for qualifying employees. Under this Scheme, the Company contributes a specified percentage of the payroll costs to the fund. Amounts recognised as an expense in the Statement of Profit and Loss is ₹128 million (year ended March 31, 2021 : ₹ 162 million) for provident fund contributions.

b) Defined Benefit Plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan is partially funded.

I] Changes in Defined Benefit Obligation ('DBO') and Trust Fund plan assets recognized in the Balance Sheet are as under:

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Defined Benefit Obligation as at the beginning of the year	**177**	188
Current Service Cost	**32**	23
Interest cost	**9**	10
Benefits Paid	**(41)**	(30)
Acquisition (gain)/loss	**-**	(2)
Actuarial (gain)/loss - experience	**35**	(0)
Actuarial (gain)/loss - demographic assumptions	**-**	-
Actuarial (gain)/loss - financial assumptions	**5**	(12)
Defined Benefit Obligation as at the end of the year	**217**	177

II] Change in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning of the year	**2**	2
Interest income on plan assets	**0**	1
Contributions by employer	**-**	1
Benefits Paid	**-**	-
Remeasurement- Return on plan assets excluding amount included in interest income	**0**	(2)
Fair value of plan assets at end of the year	**2**	2

Net defined benefit Asset/(Liability)

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Defined benefit obligation	**217**	177
Fair value of plan assets	**(2)**	(2)
Net defined benefit obligation disclosed as:	**215**	175
- Current provisions	**37**	35
- Non current provisions	**178**	140

As at March 31, 2022 and March 31, 2021 plan assets were primarily invested in insurer managed funds

IV] Components of employer expenses recognised in the Statement of Profit and Loss:

₹ in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Service Cost	**32**	23
Interest cost on Defined Benefit Obligation	**9**	10
Expected return on plan assets	**(0)**	(0)
Total expense recognised in the Statement of Profit & Loss (Refer note 21)	**41**	33

V] Actuarial (Gain)/Loss recognized in Other Comprehensive Income

₹ in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (gain)/loss due to defined benefit obligation experience	**(35)**	0
Actuarial (gain)/loss - demographic assumptions	**-**	-
Actuarial (gain)/loss due to defined benefit obligation assumption changes	**(5)**	12
Remeasurement- Return on plan assets excluding amount included in interest income	**0**	(2)
Net (gain)/loss recognised in Other Comprehensive Income	**(40)**	10

VI] Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	**6.30%**	5.90%
Salary Escalation Rate	**7.00%**	6.00%
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ult.**	Indian Assured Lives Mortality (2006-08) Ult.
Employee Separation Rate	**17.00%**	17.00%

a) Discount rate : It is based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the liabilities.

b) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

c) Employee separation Rate: The assumption of Employee separation rate represents the Company's expected experience of employee turnover.

VII] Sensitivity analysis

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 and March 31, 2021 is as shown below:

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
A: Discount rate		
1. Effect on DBO due to 0.5% increase in discount rate	**(5)**	(4)
2. Effect on DBO due to 0.5% decrease in discount rate	**5**	4
B: Salary Escalation Rate		
1. Effect on DBO due to 0.5% increase in Salary escalation rate	**4**	4
2. Effect on DBO due to 0.5% decrease in Salary escalation rate	**(4)**	(3)
C: Withdrawal Rate		
1. Effect on DBO due to 5% increase in withdrawal rate	**(3)**	(1)
2. Effect on DBO due to 5% decrease in withdrawal rate	**3**	2

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

VIII] Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows: (₹ in million)

₹ in million

Payout in the next	As at March 31, 2022	As at March 31, 2021
1 year	40	38
1-2 years	32	27
2-3 years	34	27
3-4 years	33	29
4-5 years	35	29
5 years and beyond	165	127

XIII] Plan asset information:

Particulars	As at March 31, 2022	As at March 31, 2021
Schemes of insurance - conventional products	100%	100%

XIV] Description of Plan characteristics and associated risks:

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

1. Interest rate risk
2. Salary Inflation risk
3. Demographic risk

XV] Description of Funding arrangements and policies:

The gratuity scheme of the Company is funded by way of a separate irrevocable Trust and the Company is expected to make regular contributions to the Trust. The fund is managed by an insurane Company and the assets are invested in their conventional group gratuity product.

26. Disclosure as per IND AS 116-Leases

Amounts recognised in statements of cash flows:

₹ in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash outflow for leases	85	100
Total	85	100

27. Related Party Disclosure

a) Name of the related party and nature of relationship:-

Name of the Related Party	**Extent of holding / Relationship**
Mahindra and Mahindra Limited	Entity having significant influence
Tech Mahindra Limited	Holding Company
Where control exists:	
Comviva Technologies Nigeria Limited	100 % Subsidiary
Comviva Technologies Singapore PTE. Ltd.*	100 % Subsidiary
Comviva Technologies FZ-LLC	100 % Subsidiary
Comviva Technologies USA INC.	100 % Subsidiary
Comviva Technologies Myanmar Limited	100 % Subsidiary
Comviva Technologies Cote D'Ivoire **	100 % Subsidiary
Comviva Technologies Madagascar Sarlu.	100 % Subsidiary
YABX Technologies (Netherlands) BV	100 % Subsidiary
YABX India Private Limited***	100 % Subsidiary
Comviva Technologies B.V. and its subsidiaries	100 % Subsidiary
Comviva Technologies (Argentina) S.A.	99.96% subsidiary of Comviva Technologies B.V.
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA	99.96% subsidiary of Comviva Technologies B.V.
Comviva Technologies Colombia S.A.S.	100% subsidiary of Comviva Technologies B.V.
Comviva Technologies (Australia) Pty. Ltd	100% subsidiary of Comviva Technologies B.V.
Emagine International Pty. Ltd.#	100% subsidiary of Comviva Technologies (Australia) Pty. Ltd
Comviva Technologies Mexico, S. de R.L. de C.V.##	99.96% subsidiary of Comviva Technologies B.V.
Comviva Technologies Americas Inc.###	100% Subsidiary
Other related parties with whom transactions during the year/previous year:	
PT Tech Mahindra Indonesia	Fellow subsidiary
Tech Mahindra Foundation	Fellow subsidiary
Mahindra Educational Institutions	Fellow subsidiary
Tech Mahindra Healthcare LLC	Fellow subsidiary
Tech Mahindra Nigeria Limited	Fellow subsidiary
Tech Mahindra Guatemala, S.A.	Fellow subsidiary
The CJS Solutions Group, LLC (The HCI Group)	Fellow subsidiary
Key Management Personnel:	
Manoranjan Mohapatra	Chief Executive Officer
Neeraj Jain	Chief Financial Officer
Parminder Singh Bakshi	Company Secretary

* Effective November 12, 2021 entire stake in Comviva Technologies Singapore Pte. Ltd. has been divested.

** Incorporated on 18 February 2020, yet to commence operations

*** Incorporated on 15 July 2020.

#The Company is in process of deregistration of this entity. The final de-registration application was filed with local authorities on 28th March 2022.

Dissolved and liquidated with effect from March 03, 2021. However, the process of cancellation of registration before Mexican tax authorities is pending as on date of this Report.

Incorporated on 4 November 2021.

b) Transactions with Related Parties:

₹ in million

Particulars	Transactions For the year ended March 31, 2022 Revenue / (Expense)									Balance as at March 31, 2022 Assets / (Liabilities)										
	Sales	Interest Income	Dividend received/ (paid)	Cost of Goods/ Service (received)/ provided	Reimbursement of (Expenses)/ income	Donation Given	Investment made in subsidiaries ##	Loan given to subsidiaries	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Contract Asset	Other Current Assets	Trade Payables#	Loans & other financial assets / liabilities	Contractual obligation	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
Subsidiary Companies																				
Comviva Technologies Nigeria Limited	90	-	-	-	-	-	-	-	-	131	-	-	-	-	89	-	-	-	-	-
Comviva Technologies Singapore PTE. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comviva Technologies FZ-LLC	22	-	49	(111)	-	-	-	-	-	151	18	27	-	(35)	(0)	-	-	(0)	(1)	-
Comviva Technologies B.V.	362	-	-	(210)	-	-	1,383	-	-	114	206	20	-	(155)	(12)	(10)	-	(0)	(0)	-
Comviva Technologies (Argentina) S.A.	8	-	-	(28)	-	-	-	-	-	8	-	-	-	-	-	-	-	-	-	-
Comviva Technologies Madagascar Sarlu	-	-	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comviva Technologies Myanmar Limited	-	-	-	-	54	-	-	-	-	-	-	-	-	-	152	-	-	-	-	-
YABX India Private Limited	-	0	-	-	2	-	-	38	-	-	2	-	-	-	13	-	0	-	-	-
YABX Technologies (Netherlands) BV	-	-	-	(9)	-	-	50	-	-	-	-	-	-	(9)	7	-	-	-	-	-
Comviva Technologies Colombia S.A.S.	32	-	-	(83)	-	-	-	-	-	8	-	9	-	(59)	-	-	-	-	(0)	-
Holding Company																				
Tech Mahindra Limited	125	-	(437)	-	(23)	-	-	-	-	104	11	15	3	(50)	-	-	-	(9)	(3)	-
Fellow Subsidiaries																				
PT Tech Mahindra Indonesia	54	-	-	-	-	-	-	-	-	11	2	-	-	-	-	-	-	(3)	(2)	-
Tech Mahindra Foundation	-	-	-	-	-	(17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mahindra Educational Institutions	-	-	-	-	-	(5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Nigeria Limited	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-
Tech Mahindra Guatemala, S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The CJS Solutions Group, LLC (The HCI Group)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key Management Personnel*																				
Manoranjan Mohapatra	-	-	-	-	-	-	-	-	(36)	-	-	-	-	-	-	-	-	-	-	(25)
Neeraj Jain	-	-	-	-	-	-	-	-	(11)	-	-	-	-	-	-	-	-	-	-	(3)
Parminder Singh Bakshi	-	-	-	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-	-	(0)

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.

₹ in million

Particulars	Transactions For the year ended March 31, 2021 Revenue / (Expense)									Balance as at March 31, 2021 Assets / (Liabilities)										
	Sales	Interest Income	Dividend received/ (paid)	Cost of Goods/ Service (received)/ provided	Reimbursement of (Expenses)/ income	Donation Given	Investment made in subsidiaries ##	Loan given to subsidiaries	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Contract Asset	Other Current Assets	Trade Payables#	Loans & other financial assets / liabilities	Contractual obligation	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
Subsidiary Companies																				
Comviva Technologies Nigeria Limited	-	-	-	-	-	-	-	-	-	38	-	-	-	-	86	-	-	-	-	-
Comviva Technologies Singapore PTE. Ltd.	-	0	-	-	-	-	-	-	-	-	-	-	-	(20)	30	-	11	-	(3)	-
Comviva Technologies FZ-LLC	198	-	-	-	-	-	-	-	-	231	44	19	-	(69)	(3)	-	-	(1)	(2)	-
Comviva Technologies B.V.	190	-	-	-	-	-	221	-	-	350	39	18	-	-	(6)	(10)	-	-	-	-
Comviva Technologies (Argentina) S.A.	-	-	-	(50)	-	-	-	-	-	-	-	-	-	(17)	-	-	-	-	-	-
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA (Formerly known as ATS Advanced Technology Solutions Do Brasil Industria, Comercio, Importacao E Exportacao LTDA)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comviva Technologies Madagascar Sarlu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comviva Technologies USA Inc	-	-	-	-	-	-	30	-	-	-	-	-	-	-	-	-	-	-	-	-
Comviva Technologies Myanmar Limited	-	-	-	-	98	-	15	-	-	-	-	-	-	-	96	-	-	-	-	-
YABX India Private Limited	-	-	-	-	-	-	20	-	-	-	-	-	-	-	(2)	-	-	-	-	-
YABX Technologies (Netherlands) BV	-	-	-	-	6	-	-	-	-	-	-	-	-	-	7	-	-	-	-	-
Comviva Technologies Colombia S.A.S.	16	-	-	(80)	-	-	-	-	-	-	1	-	-	(24)	-	-	-	-	-	-
Holding Company																				
Tech Mahindra Limited	220	-	-	(34)	(36)	-	-	-	-	210	29	17	-	(38)	-	-	-	-	(4)	-
Fellow Subsidiaries																				
PT Tech Mahindra Indonesia	51	-	-	-	-	-	-	-	-	8	4	4	-	-	-	-	-	-	(8)	-
Tech Mahindra Foundation	-	-	-	-	-	(14)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Nigeria Limited	-	-	-	-	-	-	-	-	-	31	0	-	-	-	-	-	-	-	-	-
Tech Mahindra Guatemala, S.A.	-	-	-	-	-	-	-	-	-	31	-	-	-	-	-	-	-	-	-	-
The CJS Solutions Group, LLC (The HCI Group)	-	-	-	-	(29)	-	-	-	-	-	-	-	-	(29)	-	-	-	-	-	-
Key Management Personnel*																				
Manoranjan Mohapatra	-	-	-	-	-	-	-	-	(30)	-	-	-	-	-	-	-	-	-	-	(17)
Neeraj Jain	-	-	-	-	-	-	-	-	(11)	-	-	-	-	-	-	-	-	-	-	(3)
Parminder Singh Bakshi	-	-	-	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-	-	(0)

*The breakup of compensation of Key management personnel is as follows:

Key Management Personnel	Short-term employee benefits	Post-employment benefits***	Other long-term benefits***	Termination benefits	Total
Manoranjan Mohapatra	36	-	-	-	36
	[30]	[-]	[-]	[-]	[30]
Neeraj Jain	11	-	-	-	11
	[11]	[-]	[-]	[-]	[11]
Parminder Singh Bakshi	2	-	-	-	2
	[2]	-	-	-	[2]

***Employment benefits comprising gratuity, and compensated absences are not disclosed as these are determined for the Company as a whole.

Figures in brackets "[ ]" are for the year ended March 31, 2021

Trade payables includes creditors for capital goods.

28 Contingent Liabilities and Commitments:

(i) Contingent Liabilities:

₹ in million

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Corporate Guarantee (refer note I)	**-**	2,011
2	Income tax matters (refer note II)	**1,592**	907
3	Indirect tax matters (refer note III)	**408**	427
4	Other claims against the Company not acknowledged as debts (refer note IV)	**48**	48

Note:

I Corporate Guarantee

The Company had given a letter of comfort to bank for credit facilities availed by its subsidiary amounting to Nil and INR 2011 million as at March 31, 2022 and March 31, 2021. The Company had provided guarantees to third parties on behalf of its subsidiaries. The Company does not expect any outflow of resources in respect of the above.

II Income Tax Matter:

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. The disputes relate to tax treatment of certain expenses claimed as deductions, computation and eligibility of tax incentives or allowances. The Company has contingent liability in respect of demands from direct tax authorities in India and other jurisdictions, which are being contested by the Company on appeal amounting 1,592 million and 907 million as at March 31, 2022 and March 31, 2021 respectively. The Company periodically receives notices and inquiries from income tax authorities related to the Company's operations in the jurisdictions it operates in. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution. The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Comviva Technologies Limited include India and African countries. In India, tax filings from fiscal 2017 are generally subject to examination by the tax authorities. In African counties, the statute of limitation vary by state.

III Indirect Tax Matter:

The Company has ongoing disputes with tax authorities mainly relating to availment of input tax credit and indirect tax matters. The Company has demands amounting to 408 million and 427 million as at March 31, 2022 and March 31, 2021, respectively from various indirect tax authorities which are being contested by the Company based on the management evaluation and on the advice of tax consultants.

IV Other Claims:

Other claims aggregating INR 48 million and INR 48 million as at March 31, 2022 and March 31, 2021, respectively, against the Company have not been acknowledged as debt. The amounts assessed as contingent liability do not include interest that could be claimed by counter parties.

(ii) Commitments :

₹ in million

Sr. No.	Particulars	**As at March 31, 2022**	As at March 31, 2021
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	**151**	62

29. Financial Instruments

The Company's Board of Directors have an 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.

I] Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2022 were as follows:

₹ in million

Particulars	Amortised cost*	Financial assets/ liabilities at fair value through profit or loss	Derivative instruments in hedging relationship	Total carrying value	Total fair value*
Assets:					
Investment in bonds-quoted (Refer note 4 (i) (b))	-	12	-	12	12
Investment in mutual fund (Refer note 4 (ii))	-	954	-	954	954
Cash and cash equivalents (refer note 10)	674	-	-	674	674
Other balances with banks (refer note 11)	7	-	-	7	7
Trade receivables (refer note 9)	4,398	-	-	4,398	4,398
Loans (refer note 5)	15	-	-	15	15
Other financial assets (refer note 12(i) & 12(ii))	222	1	7	230	230
Total	5,317	967	7	6,290	6,290
Liabilities:					
Trade payables (refer note 18)	1,104	-	-	1,104	1,104
Lease Liability	222	-	-	222	222
Other financial liabilities (refer note 19(i) & 19(ii))	388	-	-	388	388
Total	1,714	-	-	1,714	1,714

*Fair value of amortised assets is same as carrying value

The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows:

₹ in million

Particulars	Amortised cost*	Financial assets/ liabilities at fair value through profit or loss	Derivative instruments in hedging relationship	Total carrying value	Total fair value*
Assets:					
Investment in bonds-quoted (Refer note 4 (i) (b))	-	-	-	-	-
Investment in mutual fund (Refer note 4 (ii))	-	1,502	-	1,502	1,502
Cash and cash equivalents (refer note 10)	722	-	-	722	722
Other balances with banks (refer note 11)	39	-	-	39	39
Trade receivables (refer note 9)	3,911	-	-	3,911	3,911
Loans (refer note 5)	17	-	-	17	17
Other financial assets (refer note 12(i) & 12(ii))	1,478	31	9	1,518	1,518
Total	6,167	1,533	9	7,709	7,709
Liabilities:					
Trade payables (refer note 18)	1,091	-	-	1,091	1,091
Lease liability	284	-	-	284	284
Other financial liabilities (refer note 19(i) & 19(ii))	541	-	-	541	541
Total	1,916	-	-	1,916	1,916

*The fair value of cash and cash equivalents, other balances with bank, trade receivables, trade payables and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

II] Fair Value Hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

₹ in million

Particulars	As at March 31, 2022	Fair value measurement as at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investment in bonds-quoted	**12**	12	-	-
Investments in mutual fund	**954**	954	-	-
Derivative financial instruments - foreign currency forward contracts	**7**	-	7	-
Liabilities				
Derivative financial instruments - foreign currency forward contracts	**-**	-	-	-

₹ in million

Particulars	As at March 31, 2021	Fair value measurement as at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investment in bonds-quoted	**-**	-		
Investments in mutual fund	**1,502**	1,502	-	-
Derivative financial instruments - foreign currency forward contracts	**40**	-	40	-
Liabilities				
Derivative financial instruments - foreign currency forward contracts	**-**	-	-	-

III] Financial Risk Management

Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. 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.

(i) Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro against the respective functional currency of the Company. The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange currency risk. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currency of the Company. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in note below.

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

₹ in million

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Financial assets	EUR	**946**	1,021
	USD	**2,297**	2,293
	Others	**875**	219
Financial liabilities	EUR	**49**	64
	USD	**526**	593
	Others	**221**	53

Forex sensitivity analysis:

A reasonably possible strengthening by 10% of EUR, USD and XAF against the Indian Rupee as at March 31, 2022 and March 31, 2021 will affect the statement of profit and loss by the amounts shown below:

₹ in million

Currency	As at March 31, 2022	As at March 31, 2021
EUR	**90**	96
USD	**177**	170

(b) Foreign Exchange Contracts

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential effects on the financial performance of the Company.

The Company enters into foreign Exchange Forward Contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian Rupee. The counter party to the Company's foreign currency Forward Contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of certain forecasted transactions. These contracts are for a period lies between 1 day to 1 year.

The following are the principal amounts of outstanding foreign currency exchange forward entered into by the Company which have been designated as Cash Flow Hedges:

Currency	Amount outstanding as at March 31, 2022 in foreign currency	Fair value Gain/ (loss) in ₹
In USD	20.50 million	6 million
	(March 31, 2021: 17.72 mn)	(March 31, 2021: 36 mn)
In Euro	1.45 million	2 million
	(March 31, 2021: 1.24 mn)	(March 31, 2021: 4 mn)

The movement in hedging reserve for derivatives designated as Cash Flow Hedges is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Balance at the beginning of the year	**9**	11
(b) Changes in the fair value of effective portion of derivatives - (loss)/gain	**(32)**	61
(c) Net loss/(gain) reclassified to statement of profit and loss on occurance of hedged forcasted transactions	**30**	(63)
(d) (Loss)/gain on cash flow hedging derivatives, net (b+c)	**(3)**	(2)
(e) Balance at the end of the year	**7**	9
(f) Tax impact on effective portion of outstanding derivatives	**(2)**	(2)
(g) Balance at the end of the year, net of deferred tax (e+f)	**5**	7

(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. 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.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted bonds issued by government and quasi government organizations with high credit ratings.

Credit Risk Exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 4,629 million and ₹ 5,428 million as at March 31, 2022 and March 31, 2021 respectively, being the total of the carrying amount of trade receivables, unbilled revenue (excluding contract assets) and other various financial assets.

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses financial position at each reporting date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2022 and March 31, 2021. The concentration of credit risk is limited due to the fact that the customer base is large.

The expected credit loss allowance is based on the ageing of receivables and the rates in the provision matrix. Movement in the expected credit loss allowance is as follows:

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	**841**	613
Provided during the year	**489**	458
Reversed/utilised during the year	**(432)**	(229)
Reinstatement impact	**5**	(1)
Balance at the end of the year	**903**	841

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022

₹ in million

Particulars	Less Than 1 Year	More Than 1 Year	Total
Borrowings	-	-	-
Lease Liabilities	79	143	222
Trade Payables	1,104	-	1,104
Other financial liabilities	388	-	388

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021

₹ in million

Particulars	Less Than 1 Year	More Than 1 Year	Total
Borrowings	-	-	-
Lease Liabilities	69	215	284
Trade Payables	1,091	-	1,091
Other financial liabilities	531	10	541

30 Auditor Remuneration(net of indirect taxes)

₹ in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory Audit	**5**	4
Tax Audit	**0**	1
For other services (certifications, etc.)	**1**	2
For reimbursement of expenses	**0**	0
Total	**6**	7

31 Corporate Social Responsibilty

a) Gross Amount required to be spent by the Company during the year is ₹ 34 million (previous year ₹ 28 Million) (calculated at 2% of the average net profits of the Company during the three immediately preceding financial years)

b) Amount spent during the year on:

₹ in million

Particulars	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset*	5	-	5
	[-]	[-]	[-]
On purposes other than construction/acquisition of any asset*	29	-	29
	[28]	[-]	[28]

* Numbers in brackets "[ ]" pertains to previous year March 31, 2021.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent by the Company during the year	**34**	28
Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	**5**	-
(ii) On purposes other than (i) above	**29**	28
Shortfall at the end of the year	**-**	-
Total of previous years shortfall	**-**	-
Reason for shortfall	**NA**	NA
Nature of CSR activities	**Education and vocational activities, women empowerment and food supply**	Education and vocational activities, women empowerment and food supply
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard		
(i) Tech Mahindra Foundation	**17**	14
(ii) Mahindra Educational Institutions	**5**	-

32 Basic and Diluted Earning per share

₹ in million except earning per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Nominal value per equity share	**10**	10
Profit for the year	**439**	1,433
Profit attributable to equity shareholders	**439**	1,433
	No. of Shares	No. of Shares
Weighted average number of equity shares	**21,869,000**	21,869,000
Weighted average number of diluted equity shares	**21,869,000**	21,869,000
Earning Per Share- Basic	**20.08**	65.51
Earning Per Share- Diluted	**20.08**	65.51

33 Provision for warranty:

The movement in the said provision is summarized below:

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	**8**	10
Add: Additional provision made during the year	**-**	-
Less: Provision reversed during the year	**(0)**	(2)
Closing balance	**8**	8

Note: Provision for warranty is estimated and made based on technical estimates of the management and is expected to be settled over the period of next year.

34 Segment Information has been presented in the Consolidated Financial Statements in accordance with Indian Accounting Standard Ind AS 108, Operating Segments as notified under the Companies (Indian Accounting Standard) Rules, 2015.

35 The Company has accounted as an expense of ₹ 10 million (year ended March 31, 2021: ₹ 16 million) pertaining to amortised cost of stock options granted to certain employees of the Company granted by Tech Mahindra Limited, its holding Company. This cost is being accounted as an employee benefits expense.

36 Based on the information available with the Company, following creditors have been identified as "Supplier" within the meaning of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Dues to micro and small suppliers	**As at March 31, 2022**	As at March 31, 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
Principal	**20**	16
Interest	**-**	-
The amounts of the payments made to micro, small and medium suppliers beyond the appointed day during each accounting year.	**-**	-
The amount of interest paid under the act beyond the appointed day during the year	**-**	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED	**-**	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**-**	2
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 the MSMED	**-**	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 and March 31, 2021 has been made in the financial statements based on information received and available with the Company.

37 Disclosures for revenue from contracts with customers

a) Disaggregation of revenue

Revenue disaggregation by nature of services is as follows:

₹ in million

Nature of Services	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Licence fee with implementation and other services	**4,500**	3,639
Revenue sharing arrangements	**466**	540
Annual maintenance contract services	**1,500**	1,618
Income from sale of equipments and software (third party)	**251**	772
Total	**6,717**	6,570

Revenue disaggregation by geography is as follows:

₹ in million

Geography	**For the year ended March 31, 2022**	For the year ended March 31, 2021
India	**673**	1,042
Rest of world	**6,044**	5,528
Total	**6,717**	6,570

b) Significant changes in the contract assets balances is as follows:

₹ in million

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Opening balance	**346**	364
Add: Revenue recognised during the period	**435**	215
Less: Invoiced during the period	**(215)**	(182)
Add/less: Others	**(18)**	(51)
Closing balance	**548**	346

c) Remaining performance obligations

The remaining performance obligations disclosure provides the aggregate amount of the transaction price yet to be recognised as of the end of the reporting period 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 remaining performance obligation for contracts where the performance obligation is a part of a contract that has an original expected duration of one year or less or the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in scope of contracts, periodic revalidations, adjustments for revenue that has not materialized and adjustments for currency.

d) Significant changes in the contract liabilities balances is as follows:

₹ in million

Unearned Revenue	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Opening balance	**21**	50
Less: Revenue recognised during the period that was included in the unearned revenue at the beginning of the year	**(21)**	(38)
Add: Invoiced during the period (excluding revenue recognized during the year)	**19**	9
Closing balance	**19**	21

e) The following table provides information in respect of amount of revenue recognised in the statement of profit and loss with the contracted price showing separately each of the adjustments made to the contract price:

₹ in million

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Contracted transaction for the year	**6,733**	6,570
Less: Adjustment for penalties / liquidated damages	**(16)**	-
Revenue recognized in the statement of profit and loss for the year	**6,717**	6,570

3 customers represents 10% or more of the Company's total revenue during the years ended.

38 Income Tax Expense

Tax expense in the statement of profit and loss comprises:

₹ in million

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Current tax:		
-Tax expense related to current year	**1,098**	614
-Tax expense related to earlier year	**-**	-
Total Current tax	**1,098**	614

The tax expense for the period can be reconciled to the accounting profit as follows:

₹ in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before Tax	**1,539**	1,954
Enacted/effective tax rate	**25.17%**	25.17%
Income tax expense calculated at enacted/effective tax rate	**387**	492
Effect of expenses/income that are not admissible in determining taxable profit^	**131**	101
Effect of income taxes related to prior years^	**519**	-
Effect of tax on income at different rates	**33**	12
Others	**28**	9
Income tax expense recognised in profit or loss	**1,098**	614

^ Includes ineligible foreign tax credits

Note:

The tax rate used for the above reconciliations are the rates as applicable for the respective periods payable by corporate entities in India on taxable profits under the India tax laws.

39 Deferred Tax:

The following is the analysis of deferred tax assets presented in the balance sheet:

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	**446**	467
Deferred tax liabilities	**(3)**	(33)
Deferred tax assets (net)	**443**	434

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

₹ in million

Particulars	For the year ended March 31,2022			
	Opening balance	Recognized in Profit and loss	Recognized in OCI	Closing balance
Provision for Employee benefits	**171**	**(22)**	**10**	**159**
Provision for doubtful Trade receivables and Inventory	**212**	**15**	**-**	**227**
Property, Plant & Equipment and Intangibles assets	**(31)**	**30**	**-**	**(1)**
Changes in fair value of derivatives designated as hedges	**(2)**	**(1)**	**1**	**(2)**
Others	**84**	**(24)**	**-**	**60**
Net Deferred Tax Assets	**434**	**(2)**	**11**	**443**

₹ in million

Particulars	For the year ended March 31, 2021			
	Opening balance	Recognized in Profit and loss	Recognized in OCI	Closing balance
Provision for Employee benefits	**137**	**37**	**(3)**	**171**
Provision for doubtful Trade receivables and Inventory	**155**	**57**	**-**	**212**
Property, Plant & Equipment and Intangibles assets	**(67)**	**36**	**-**	**(31)**
Changes in fair value of derivatives designated as hedges	**3**	**-**	**(5)**	**(2)**
Others	**122**	**(38)**	**-**	**84**
Net Deferred Tax Assets	**350**	**92**	**(8)**	**434**

40 Foreign Exchange Management Act, 1999 disclosure :

The Company is required to collect outstanding dues from customers outside India within 9 months of supply of goods or service made. (March 31, 2021: 15 months) . If any Company is unable to collect the due amount within the stipulated timeline, it has to apply to RBI for extension. The Company has trade receivable amounting to ₹ 1,635 mn (March 31, 2021: 1,537 mn) outside India which has not been collected within the stipulated deadline. For these trade receivables, the Company has filed an extension request (ETX filing) with RBI through its authorised dealers.

Further, a Company is also required to pay the outstanding dues to vendors outside India within 9 months of receipt of goods or service. The trade payables outside India outstanding for more than 9 months are ₹ Nil (March 31, 2021: 126 mn).

41 Sale of investment in subsidiary

The Board of Directors of Company in its meeting held on 21 October 2021, concluded and accordingly divested its investment in Comviva Technologies Singapore PTE. Ltd. for a consideration of INR 1.92 million. The Company signed definite SPA with shareholders and subsequently the shareholding was divested on 12 November, 2021. Accordingly, Company has recognised net gain of INR 1.92 million pertaining to sale of such subsidiary.

42 Code of Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on November 13, 2020 and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Company will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

43 Analytical ratios

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021	Variance	Variance reasons
1	Current Ratio (in times)	**3.42**	3.70	-7.62%	
2	Debt-Equity Ratio (in times)	**0.03**	0.03	0.00%	
3	Debt Service Coverage Ratio (in times)	**9.89**	14.84	-33.35%	Variance due to decrease in Profit after Tax mainly of account of exceptional income in previous year
4	Return on Equity Ratio (in %)	**0.05**	0.19	-71.94%	Variance due to decrease in Profit after Tax mainly of account of exceptional income in previous year
5	Trade Receivables turnover ratio (in times)	**1.86**	1.61	15.99%	
6	Trade payables turnover ratio (in times)	**1.96**	2.00	-1.92%	
7	Net capital turnover ratio (in times)	**1.33**	1.07	25.01%	Variance due to increase in revenue and decrease in working capital
8	Net profit ratio (in %)	**0.07**	0.22	-70.03%	Variance due to decrease in Profit after Tax mainly of account of exceptional income in previous year
9	Return on Capital employed (in %)	**0.18**	0.23	-20.50%	
10	Return on investment (in %)	**0.03**	0.00	748.70%	Variance due to investments in bonds and mutual funds

The basis of computation of above parameters is provided in the table below:

1	Current Ratio	Current assets / current liabilities
2	Debt-Equity Ratio	(Non-current borrowings (+) current borrowings) / Equity * including lease liabilities
3	Debt Service Coverage Ratio	Profit before depreciation, amortisation, finance costs, exceptional items and tax / (interest expenses (+) principal repayments of long-term debt (+) payment of lease liabilities)
4	Return on Equity Ratio	Net Profits after taxes / Average Shareholder’s Equity
5	Trade Receivables turnover ratio	(Gross credit sales (-) sales return) / (Opening Trade receivables (+) Closing Trade receivables) / 2
6	Trade payables turnover ratio	(Gross credit purchases (-) purchase return) / (Opening Trade payables (+) Closing Trade payables) / 2
7	Net capital turnover ratio	(Total sales (-) sales returns) / (current assets (-) current liabilities.)
8	Net profit ratio	Net Profits after taxes / (Total sales (-) sales returns)
9	Return on Capital employed	Earning before interest and taxes / (Tangible Net Worth (+) Total Debt (+) Deferred Tax Liability)
10	Return on investment	Income generated from invested funds / Average invested funds in treasury investments

44 The Company does not hold any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

45 The Company does not have transactions with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956.

46 Previous year's figures have been re-classified to confirm to this year's classification.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

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

Ashish Gupta
Partner
Membership No.: 215165
Pune

Manish Vyas
Director
Texas, USA

Jagdish Mitra
Director
Noida

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: May 03, 2022

Date: May 03, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Comviva Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Comviva Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Director's report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's 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 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 consolidated 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 consolidated 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 consolidated 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 appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements / financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements / financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

(a) We did not audit the financial statements/financial information of 3 subsidiaries, whose financial statements/financial information reflect total assets (before consolidation adjustments) of ₹ 3,096 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 2,186 million and net cash flows (before consolidation adjustments) amounting to ₹ 68 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/ financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The financial statements/financial information of 10 subsidiaries, whose financial statements/financial information reflect total assets (before consolidation adjustments) of ₹ 852 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 937 million and net cash flows (before consolidation adjustments) amounting to ₹ (29) million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and other auditors and the financial statements/financial information certified by the Management.

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, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the "Other Matters" paragraph, 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 purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India 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

Holding Company and its subsidiary company incorporated in India 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.

d) (i) 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 Holding Company or its subsidiary companies, incorporated in India 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 Holding Company or its subsidiary companies incorporated in India 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, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India 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 Parties 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 misstatement.

e) The dividend declared or paid during the year by the Holding Company and its subsidiary companies incorporated in India is in compliance with Section 123 of the Act.

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 during the current year by the Holding Company and its subsidiary company, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company 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 & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN: 22215165AIIPQU8105

Place: Pune
Date: 3 May 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF COMVIVA TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN: 22215165AIIPQU8105

Place: Pune
Date: 3 May 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF COMVIVA TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2 (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Comviva Technologies Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective 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").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements were 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 consolidated 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 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 consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN: 22215165AIIPQU8105

Place: Pune
Date: 3 May 2022

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

₹ in million

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non current assets			
(a) Property, plant and equipment	3A	**333**	264
(b) Capital work-in-progress	3D	**71**	47
(c) Right of use assets	3B	**231**	319
(d) Other intangible assets	3C	**979**	62
(e) Goodwill	36	**748**	224
(f) Financial assets			
(i) Investments	7B	**12**	-
(ii) Trade receivables			
Unbilled	8(i)	**49**	46
(iii) Other financial assets	11(i)	**52**	52
(g) Income tax Asset (net)		**811**	1,058
(h) Deferred tax assets (net)	4A	**538**	539
(i) Other non-current assets	5(i)	**191**	303
Total non-current assets		**4,015**	2,914
Current assets			
(a) Inventories	6	**17**	33
(b) Financial assets			
(i) Investments	7A	**954**	1,502
(ii) Trade receivables			
Billed	8(ii)	**3,834**	4,117
Unbilled	8(ii)	**1,306**	769
(iii) Cash and cash equivalents	9	**1,300**	1,304
(iv) Other balances with bank	10	**72**	100
(v) Other financial assets	11(ii)	**21**	761
(vi) Loans	12	**-**	154
(c) Other current assets	5(ii)	**1,015**	653
Total current assets		**8,519**	9,393
TOTAL ASSETS		**12,534**	12,307
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	**219**	219
(b) Other equity	14	**7,205**	7,120
Equity attributable to owners of the company		**7,424**	7,339
Non-controlling interest		**0**	-
Total Equity		**7,424**	7,339
Non current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities		**171**	245
(ii) Other financial liabilities	19(i)	**-**	10
(b) Provisions	16(i)	**300**	214
(c) Other non-current liabilities	17(i)	**0**	0
(d) Deferred tax liabilities (net)	4B	**-**	4
Total non-current liabilities		**471**	473

₹ in million

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities		**94**	82
(ii) Borrowings	15	**1,528**	1,425
(iii) Trade payables	18		
-Dues of micro and small enterprises		**20**	14
-Dues of creditors other than micro and small enterprises		**1,762**	1,623
(iv) Other financial liabilities	19(ii)	**500**	624
(b) Other current liabilities	17(ii)	**343**	291
(c) Provisions	16(ii)	**139**	109
(d) Income tax liabilities (net)		**253**	327
Total current liabilities		**4,639**	4,495
TOTAL EQUITY AND LIABILITIES		**12,534**	12,307
See accompanying notes forming part of the consolidated financial statements	1-47		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

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

Ashish Gupta
Partner
Membership No.: 215165
Pune

Manish Vyas
Director
Texas, USA

Jagdish Mitra
Director
Noida

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: May 03, 2022

Date: May 03, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

₹ in million except earning per share

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I.	Revenue from operations	20	**8,761**	8,451
II.	Other income	21	**253**	148
III.	**Total Income (I+II)**		**9,014**	8,599
IV.	**Expenses**			
	(a) Employee benefits expense	22	**3,630**	3,375
	(b) Subcontracting cost		**588**	636
	(c) Finance costs	23	**30**	59
	(d) Depreciation and amortization expense	3	**320**	318
	(e) Other expenses	24	**2,739**	2,860
	Total expenses		**7,307**	7,248
V.	**Profit before exceptional items and tax**		**1,707**	1,351
VI.	**Exceptional Item**			
	Exceptional Item	25	**-**	918
	Net Exceptional Item		**-**	918
VII.	**Profit before tax**		**1,707**	2,269
VIII.	**Tax expenses:**	38		
	(a) Current tax		**1,128**	658
	(b) Deferred tax		**7**	(111)
			1,135	547
IX.	**Profit after tax**		**572**	1,722
X.	**Other comprehensive income**			
A)	(I) Items that will not be reclassified to profit or loss			
	(a) Re-measurement (loss)/gain on defined benefit plans		**(40)**	10
	(II) Income tax income/(expenses) relating to items that will not be reclassified to profit or loss		**10**	(3)
B)	(I) Items that will be reclassified to profit or loss			
	(a) Net movement of effective portion on cash flow hedge		**(3)**	20
	(b) Exchange differences in translating the financial statements of foreign operations		**(55)**	(97)
	(c) Hyperinflation adjustment in Opening retained Earning		**28**	2
	(II) Income tax relating to items that will be reclassified to profit or loss		**1**	(5)

₹ in million except earning per share

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
XI.	**Other comprehensive loss for the year**		**(59)**	(73)
XII.	**Total comprehensive income for the year**		**513**	1,649
XIII.	**Proft for the year attributable to:**			
	Owners of the Company		**572**	1,722
	Non controlling interests		**0**	-
XIV.	**Other comprehensive loss for the year attributable to:**			
	Owners of the Company		**(59)**	(73)
	Non controlling interests		**0**	-
XV.	**Total comprehensive income for the year attributable to:**			
	Owners of the Company		**513**	1,649
	Non controlling interests		**-**	-
	Earnings per equity share (Face value of ₹ 10/- each)	32		
	(a) Basic (in ₹)		**26.17**	78.72
	(b) Diluted (in ₹)		**26.17**	78.72
	See accompanying notes forming part of consolidated financial statements	1-47		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

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

Ashish Gupta
Partner
Membership No.: 215165
Pune

Manish Vyas
Director
Texas, USA

Jagdish Mitra
Director
Noida

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: May 03, 2022

Date: May 03, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

a. Equity share capital

Particulars	Number of Shares	Equity Share Capital (₹ in million)
Balance at April 1, 2020	21,869,000	219
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	21,869,000	219
Balance at April 1, 2021	21,869,000	219
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	21,869,000	219

b. Other Equity

₹ in million

Particulars	Reserves & Surplus				Items of OCI				
	Securities Premium	Capital Reserve	Retained Earnings	Share Option Outstanding Account	Foreign Currency Translation Reserve	Effective portion of Cash flow Hedge	Owners Equity	Non-Controlling interest	Total
Balance at April 1, 2020	567	53	4,794	-	65	(8)	5,471	-	5,471
Profit during the year	-	-	1,722	-	-	-	1,722	-	1,722
Other comprehensive loss	-	-	9	-	(97)	15	(73)	-	(73)
Total comprehensive income	-	-	1,731	-	(97)	15	1,649	-	1,649
Balance as at March 31, 2021	567	53	6,525	-	(32)	7	7,120	-	7,120
Balance at April 1, 2021	567	53	6,525	-	(32)	7	7,120	-	7,120
Profit during the year	-	-	572	-	-	-	572	-	572
Other comprehensive loss	-	-	(2)	-	(55)	(2)	(59)	-	(59)
Total comprehensive income	-	-	570	-	(55)	(2)	513	-	513
Share based payments to employees	-	-	-	9	-	-	9	-	9
Shares issue to non-controlling interest on exercise of ESOP	-	-	-	-	-	-	-	0	0
Transfer from share option outstanding account on exercise of stock options	-	-	-	(0)	-	-	(0)	0	-
Dividend (refer note 14)	-	-	(437)	-	-	-	(437)	-	(437)
Balance as at March 31, 2022	**567**	**53**	**6,658**	**9**	**(87)**	**5**	**7,205**	**0**	**7,205**

Securities Premium:

The aggregate difference between the par value of shares and the subscription amount is recognised as share premium.

Capital Reserve

The company recognises profit and loss on purchase, sale, issue or cancellation of the company's own equity instruments to capital reserve.

Retained Earnings:

Retained earnings represents the undistributed profits of the Company accumulated as on Balance Sheet date.

Foreign currency translation reserve :

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

Cash Flow Hedging Reserve :

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

Share Option Outstanding Account :

It represents the fair value of services received against employees stock options.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Ashish Gupta
Partner
Membership No.: 215165
Pune

Date: May 03, 2022

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

Manish Vyas
Director
Texas, USA

Jagdish Mitra
Director
Noida

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: May 03, 2022

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

₹ in million

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹ in million	₹ in million	₹ in million	₹ in million
A] Cash flows from operating activities				
Profit before tax		**1,707**		2,269
Adjustments for:				
Depreciation and amortization	**320**		318	
Profit on sale of property, plant and equipment	**(1)**		(1)	
Profit on sale of investment	**(47)**		(4)	
Loss/(gain) due to fair valuation changes on financial assets	**4**		(9)	
Interest expense	**30**		59	
Interest income	**(16)**		(25)	
Share options expenses	**9**		-	
Profit on sale of subsidiary	**(2)**		-	
Unrealised foreign exchange difference (net)	**(110)**		96	
Additional business consideration	**-**		(730)	
Contractual obligation written back	**-**		(188)	
Reversal of provision no longer required	**(39)**		(31)	
Provision for doubtful debt	**386**		275	
		532		(240)
Operating Profit before working capital changes		**2,239**		2,029
Net change in:				
Trade payables	**157**		(147)	
Other financial liabilities, other liabilities and provisions	**6**		20	
Trade receivables	**(642)**		284	
Other financial assets and other assets	**(155)**		40	
		(634)		197
Cash generated from operations		**1,605**		2,226
Direct taxes (net of refund)		**(955)**		(593)
Net cash flows generated from operating activities (A)		**650**		1,633
B] Cash flows from investing activities				
Purchase of property, plant and equipment	**(202)**		(208)	
Interest Received	**5**		15	
Proceeds from sale/ redemption of Mutual Funds	**4,670**		1,195	
Purchase of Mutual Funds	**(4,080)**		(2,180)	
Proceeds from sale of subsidiary	**2**		-	
Payment towards acquisition of business	**(1,495)**		-	
Sale of property, plant and equipment	**6**		3	
Proceeds from additional business consideration	**724**		-	
Proceeds from inter-corporate loan	**154**		-	
Net cash flows used in investing activities (B)		**(216)**		(1,175)
C] Cash flows from financing activities				
Repayment of lease liability	**(82)**		(89)	
Proceeds from short term borrowings	**1,516**		-	
Repayment of Short term borrowings	**(1,406)**		(217)	
Payment of dividend	**(437)**		-	
Finance Cost	**(45)**		(56)	
Net cash flows used in financing activities (C)		**(454)**		(362)
D] Exchange differences on translation of foreign currency cash and cash equivalents (D)		**16**		(15)

₹ in million

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹ in million	**₹ in million**	₹ in million	₹ in million
Net decrease in cash and cash equivalents (A + B+ C + D)		**(4)**		81
Cash & cash equivalents at the end of the year		**1,300**		1,304
Cash & cash equivalents at the beginning of the year		**1,304**		1,223
Net decrease in cash and cash equivalents		**(4)**		81

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Note 1:		
Cash and cash equivalents include:		
Cash on hand	**0**	0
Remittances in transit	**219**	66
Balance with banks		
- In current accounts	**675**	1,060
- In deposit accounts	**406**	178
Total Cash and Cash equivalents - refer note - 9	**1,300**	1,304

Note 2:

Figures in brackets represent outflow of cash and cash equivalents.

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements.

Note 4:

Previous period's figures have been rearranged/regrouped wherever necessary.

Note 5:

During the current and previous period, there were no non-cash changes in financial liabilities resulting from financing activities. Accordingly, the reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing acivities including both changes arising from cash flow and non-cash flow changes as required based on paragraph 44 of Ind AS 7 on "Statement of Cash Flows" has not been given.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

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

Ashish Gupta
Partner
Membership No.: 215165
Pune

Manish Vyas
Director
Texas, USA

Jagdish Mitra
Director
Noida

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: May 03, 2022

Date: May 03, 2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Company Overview

Comviva Technologies Limited ("the Company") is provider of mobility solutions and a part of Mahindra Group. The company's offerings are broadly divided into three categories: Financial Solutions, Digital Systems and Growth Marketing. Its extensive portfolio of solutions spans digital financial services, customer value management, messaging and broadband solution and digital lifestyle services. The company strives to enable service providers to enhance customer experience, resolve real, on-ground challenges and leverage technology to transform the lives of customers. Comviva's solutions are deployed at various service providers and financial institutions and enrich the lives of people to deliver a better future.

The Company is a subsidiary of Tech Mahindra Limited.

The consolidated financial statements for the period ended March 31, 2022 were approved by the Board of Directors and authorized for issue on May 03, 2022.

2. Significant Accounting Policies

2.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation of consolidated financial statements

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee ("INR"). Further, amounts which are less than half a million are reported as '0'. The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values or amortised cost at the end of each reporting period. 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. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle.

In estimating the fair value of an asset or liability, the Group 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. Fair value for measurement and/or disclosure purpose in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized 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:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.3 Basis of Consolidation:

The consolidated financial statements comprise the financial statements of Comviva Technologies Limited and its subsidiaries (the Company and its subsidiaries constitute "the Group").

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expenses and cash flows are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

Particulars of Consolidation:

The consolidated financial statements present the consolidated accounts of the Group, which consists of accounts of the Company and its subsidiaries:

Investment in Subsidiaries:

Sr. No.	Name of the Subsidiary	Country of Incorporation	As at March 31, 2022	As at March 31, 2021
1	Comviva Technologies Nigeria Limited.	Nigeria	**100%**	100%
2	Comviva Technologies Singapore Pte. Ltd.	Singapore	**-**	100%
3	Comviva Technologies FZ-LLC	UAE, Dubai	**100%**	100%
4	Comviva Technologies B.V. and its subsidiaries:	Netherlands	**100%**	100%
	i. Comviva Technologies (Argentina) S.A. (0.04% held by Comviva Technologies limited)	Argentina	**100%**	100%
	ii. Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA (Formerly known as ATS Advanced Technology Solutions Do Brasil Industria, Comercio, Importacao E Exportacao LTDA) (0.04% held by Comviva Technologies limited)	Brazil	**100%**	100%
	iii. Comviva Technologies Colombia S.A.S.	Colombia	**100%**	100%
	iv. Comviva Technologies Mexico, S. de R.L. de C.V.** (0.04% held by Comviva Technologies FZ LLC)	Mexico	**100%**	100%
	v. Comviva Technologies (Australia) Pty. Ltd. And its subsidiary	Australia	**100%**	100%
	a. Emagine International Pty. Ltd.^	Australia	**100%**	100%
5	Comviva Technologies Madagascar Sarlu	Madagascar	**100%**	100%
6	YABX Technologies (Netherlands) BV***	Netherlands	**100%**	100%
7	Comviva Technologies USA Inc.	USA	**100%**	100%
8	Comviva Technologies Myanmar Ltd.	Myanmar	**100%**	100%
9	Comviva Technologies Cote D'ivorie****	Ivory Coast	**100%**	100%
10	Yabx India Private Limited	India	**100%**	100%
11	Comviva Technologies Americas Inc*****	USA	**100%**	-

*,Effective November 12, 2021 entire stake in Comviva Technologies Singapore Pte. Ltd. has been divested.

**,In February 2018, Comviva Technologies Mexico, S. de R.L. de C.V. was incorporated through Company's subsidiary Comviva Technologies B.V. whereas 0.04% is held by Comviva Technologies FZ-LLC and has not infused capital till December 31, 2020 and the company has not yet commenced operations. Comviva Technologies Mexico, S de R.L. de C.V. has been dissolved and liquidated with effect from March 3, 2021. However, the process of cancellation of registration before Mexican tax authorities is pending as on date of this Report.

***,In June 2018, YABX Technologies (Netherlands) BV was incorporated as wholly owned subsidiary, however, capital has not been infused till March 31, 2022.

The Company also maintains an ESOP named "Comviva ESOP Trust" which is also consolidated in company financial statements.

****, The Company incorporated another wholly owned subsidiary named Comviva Technologies Cote D'ivorie in February 2020, however capital is not infused till March 31, 2022 and no business in same was started.

*****On November 04 2021, Comviva Technologies Americas Inc was incorporated as wholly owned subsidiary, however, capital has not been infused till March 31, 2022.

^ The Company is in process of deregistration of this entity. The final de-registration application was filed with local authorities on 28th March 2022.

2.4 Use of Estimates:

The preparation of consolidated financial statements requires the management of the Group to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates

i) Revenue Recognition

The Group applies the proportionate method for measurement of performance obligation in accounting for its fixed price contracts. Use of the proportionate method requires the Group to estimate the efforts to date as a proportion of the total budgeted efforts. Efforts have been used to measure progress towards completion as there is a direct relationship between input and productivity.

ii) Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under Note 2.16.

iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.6.

iv) Provisions

Provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.18.

v) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103. Ind AS 103 requires the identifiable net assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquire. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets and their estimated useful life. These valuations are generally conducted by independent valuation experts.

vi) Impairment of Goodwill

The Group estimates the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted- average cost of capital based on the historical market returns of comparable companies.

2.5 Property, Plant & Equipment and Other Intangible assets

Property, Plant & Equipment and Other Intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciation / amortization of Property, Plant & Equipment and Other Intangible assets:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortization on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life except in respect of the following categories of assets, where the life of the assets has been assessed as under based on technical advice, considering the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Type of Asset	Estimated useful life
Plant and Equipment (including Computers)	3 year
Plant and Equipment (Electrical Equipment)	5 year
Office Equipment	5 year
Furniture and Fixtures	5 year

The estimated useful lives and residual values of the Property, Plant & Equipment and Other Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Improvements to leased premises are amortized over their estimated useful life or period of the lease, whichever is shorter.

Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

Computer Software and Hardware acquired for specific projects are amortized over the initial contract life of the project.

The cost of software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

Intellectual Property Right (IPR) is amortized over a period of upto 6 years.

Customer relationships & contracts are amortized over a period of 3 years and commercial contracts are amortised over a period of 7 years.

Licenses are amortized over a period of 2 years.

2.6 Business Combination

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business acquisition are expenses as incurred.

2.7 Goodwill and intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount. Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

2.8 Leases

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.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group 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 Group 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 Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

2.9 Impairment of Assets

i) Financial assets

Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortized cost is measured at 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. In a subsequent period, if the amount of impairment loss decreases and the decrease can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.

Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

2.10 Inventories

Inventories are stated at lower of cost or net realizable value. In determining the cost of materials, the weighted average cost method is used.

2.11 Non – current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet. If the criteria stated by IND AS 105 "Non-current Assets Held for Sale and Discontinued Operations" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of:

i. It's carrying amount before the asset was classified as held for sale, and

ii. It's recoverable amount at the date when the disposal group ceases to be classified as held for sale.

2.12 Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

Revenue from time and material and job contracts is recognized 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 Group is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognized upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customization services rendered, revenue against these services recognized over the period of time using proportionate method for measuring performance obligation.

Revenue from the sale of distinct third party hardware is recognized at the point in time when risk and rewards is transferred to the customer.

The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. 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 recognized 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 and deferred revenue ("contract liability") is recognized when there are billings in excess of revenues.

Use of significant judgments in revenue recognition.

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalization. The assessment of this criterion requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered

Dividend income is recognized when the Group’s right to receive dividend is established.

2.13 Foreign currency transactions

(a) Presentation and functional currencies

The functional currency of Comviva Technologies Limited is Indian Rupees (INR) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

(b) Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency (INR) using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the profit or loss.

(c) Adjustment due to hyperinflation

After July 1, 2018, the Argentine economy was considered, for purposes of IND AS 29 as hyperinflationary. The financial statements of the subsidiaries whose functional currency is the Argentine Peso have been restated.

The non-monetary items of the statement of financial position as well as the income statement, comprehensive incomes and cash flows of the group's entities, whose functional currency corresponds to a hyperinflationary economy, are adjusted for inflation and re-expressed in accordance with the variation of the consumer price index ("CPI"), at each presentation date of its financial statements. The re-expression of non-monetary items is made from the date of initial recognition in the statements of financial position and considering that the financial statements are prepared under the historical cost criterion.

Net losses or gains arising from the re-expression of non-monetary items and income and costs are recognized in the consolidated income statement under "Hyperinflation Adjustment on net monetary position".

Net gains and losses on the re-expression of opening balances due to the initial application of IND AS 29 are recognized in the consolidated retained earnings.

Re-expression due to hyperinflation will be recorded until the period in which the economy of the entity ceases to be considered as a hyperinflationary economy, at that time, the adjustments made by hyperinflation will be part of the cost of non-monetary assets and liabilities.

The comparative amounts in the consolidated financial statements of the Company are presented in a stable currency and are not adjusted for subsequent changes in the price level or exchange rates.

2.14 Foreign Operations:

For the purpose of these financial statements, the assets and liabilities of the Group’s foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognized in other comprehensive income and accumulated in equity.

2.15 Financial Instruments:

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments. Financial assets and 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 measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Group, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on re-measurement recognized in Statement of profit and loss.

Financial liabilities

Financial liabilities maturing after one year are subsequently carried at amortized cost using the effective interest method.

For trade payables and other financial liabilities maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments and hedge accounting

The Group uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Group designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The use of foreign currency forward contracts / options is governed by the Group policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy. The counter party to the Group's foreign currency forward contracts is generally a bank. The Group does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized in other comprehensive income and accumulated under Hedging Reserve and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Amounts previously recognized in other comprehensive income and accumulated in Hedging Reserve are reclassified to profit or loss in the same period in which gains/losses on the item hedged are recognized in the Statement of Profit or Loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in Hedging Reserve are transferred from Hedging Reserve and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Any Profit or Loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which such cancellation or renewal occurs. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified in Hedging Reserve is retained there and is classified to Statement of Profit and Loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in Hedging Reserve is transferred to the Statement of Profit and Loss for the period.

iii) De-recognition of financial instruments

The group derecognizes 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.

The group derecognizes financial liabilities when, and only when, the group's obligation is discharged, cancelled or have expired.

2.16 Employee benefits

i) Gratuity:

The group accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for India location. Certain overseas subsidiaries/ branches of the group also provide for retirement benefit plans in accordance with the local laws.

Actuarial gains and losses are recognized in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognized in profit or loss in the period of a plan amendment.

ii) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company and its Indian subsidiaries make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. Full contribution is made to recognised provident fund with effect from September 1, 2020. Till August 31, 2020 a portion of the contribution was made to the approved provident fund trust managed by the Company while the remainder of the contribution is made to the government administered pension fund. The contributions to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return.

iii) Compensated absences:

The group provides for the compensated absences subject to group's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for India location and some branches of Company, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries and other branches of Company.

Actuarial gains and losses are recognized in full in the Statement of Profit and Loss in the period in which they occur.

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 at the present value of the defined benefit obligation at the balance sheet date.

iv) Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognized during the period when the employee renders the service.

2.17 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

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

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

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, 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.

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

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Group will pay normal income tax in future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.18 Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.19 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. 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 and Contingent assets are not recognized in the financial statements.

2.20 Provision for Warranty

The Group has an obligation by way of warranty to maintain the software during the period of warranty, which may vary from contract to contract. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost-of-service delivery. The Group estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

2.21 Research and Development

Research costs are recognized in the statement of profit and loss in the period it is incurred. Development costs are recognized in the statement of profit and loss in the period it is 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 the asset and the costs can be measured reliably.

2.22 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the statement of profit and loss.

2.23 Recent 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 March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy 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 – 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 Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that 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 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 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 Group does not expect the amendment to have any significant impact in its financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3A - Property, Plant and Equipment

₹ in million

Particulars	Gross Block						Accumulated Depreciation / Amortization					Net Block	
	As at 1st April, 2021	Additions on Acquisition (refer note 42)	Additions	Disposals	Translation exchange difference	As at March 31, 2022	As at April 1, 2021	For during the year	Disposal	Translation exchange difference	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Plant and equipment	1,075	26	170	35	(17)	1,219	899	133	35	(16)	**981**	**238**	176
(Previous year)	989	-	113	21	(6)	1,075	819	106	19	(7)	**899**	**176**	170
Furniture and fixtures	36	7	3	8	3	41	26	7	7	1	**27**	**14**	10
(Previous year)	71	-	5	33	(7)	36	62	3	33	(6)	**26**	**10**	9
Office equipment	102	30	3	3	2	134	67	12	3	2	**78**	**56**	35
(Previous year)	104	-	7	9	0	102	63	13	9	0	**67**	**35**	41
Improvement to leased premises	144	-	0	55	9	98	101	22	51	1	**73**	**25**	43
(Previous year)	119	-	23	7	9	144	82	18	6	7	**101**	**43**	37
Total	1,357	63	176	101	(3)	1,492	1,093	174	96	(12)	**1,159**	**333**	264
Previous Year	1,283	(0)	148	70	(4)	1,357	1,026	140	67	(6)	**1,093**	**264**	257

Note 3B - Right of use asset

₹ in million

Particulars	Gross Block						Accumulated Depreciation / Amortization					Net Block	
	As at 1st April, 2021	Additions on Acquisition (refer note 42)	Additions	Disposals	Translation exchange difference	As at March 31, 2022	As at April 1, 2021	For during the year	Disposal	Translation exchange difference	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Right of Use for Office Premises	519	-	18	-	(3)	534	200	103	-	0	**303**	**231**	319
(Previous year)	598	-	4	62	(21)	519	113	114	25	(2)	**200**	**319**	485
Total	519	-	18	-	(3)	534	200	103	-	0	**303**	**231**	319
Previous Year	598	-	4	62	(21)	519	113	114	25	(2)	**200**	**319**	485

Note 3C - Intangible Assets (Other than internally generated)

₹ in million

Particulars	Gross Block						Accumulated Depreciation / Amortization					Net Block	
	As at 1st April, 2021	Additions on Acquisition (refer note 42)	Additions	Disposals	Translation exchange difference	As at March 31, 2022	As at April 1, 2021	For during the year	Disposal	Translation exchange difference	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computer software	620	2	10	-	(4)	628	619	6	-	3	**628**	**0**	1
(Previous year)	589	-	32	-	(1)	620	587	33	-	(1)	**619**	**1**	2
Intellectual property rights	226	543	-	-	4	773	165	32	-	1	**198**	**575**	61
(Previous year)	226	-	0	-	(0)	226	140	26	-	(1)	**165**	**61**	86
Intangible Assets-Customer rights	188	-	0	181	(7)	-	188	-	181	(7)	**0**	**-**	0
(Previous year)	176	-	0	-	12	188	171	5	-	12	**188**	**0**	5
Intangible Assets-Commercial agreements	-	407	-	-	2	409	-	5	-	0	**5**	**404**	-
(Previous year)	-	-	-	-	-	-	-	-	-	-	**-**	**-**	-
Total	1,034	952	10	181	(5)	1,810	972	43	181	(3)	**831**	**979**	62
Previous Year	991	-	32	-	11	1,034	898	64	-	10	**972**	**62**	93

Note 3D - Capital work-in-progress

Capital work-in-progress ageing schedule as on March 31, 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	71	-	-	-	71

Capital work-in-progress ageing schedule as on March 31, 2021

CWIP	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	29	19		-	47

The group does not have any CWIP (including intangible assets under development) which is overdue or as exceeded its cost compared to its original plan and hence CWIP (including intangible assets under development) completion schedule is not applicable.

Note 4A - Deferred tax assets (net) :

₹ in million

Particulars	As at	
	March 31-Mar-22	March 31, 2021
Break up of deferred tax assets		
Provision for Employee benefits	**159**	191
Provision for doubtful trade receivables and inventory	**227**	212
Brought forward business losses	**92**	67
Others	**63**	89
Break up of deferred tax liability		
Changes in fair value of derivatives designated as hedges	**(2)**	(2)
Property, Plant & Equipment and Intangible assets	**(1)**	(18)
Total	**538**	539

Note 4B - Deferred tax liabilities (net) :

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Others	-	4
Total	-	4

Note 5 - Other Assets :

(i) Other non current assets

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances		
Considered good	**2**	2
Considered doubtful	**-**	0
	2	2
Provision for doubtful advances	**-**	0
	2	2
Prepaid expenses	**9**	5
Balance with Government authorities		
Considered good	**180**	296
Considered doubtful	**-**	-
	180	296
Provision for doubtful balances	**-**	-
	180	296
Total	**191**	303

(ii) Other current assets

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to suppliers		
Considered good	**25**	23
Considered doubtful	**1**	1
	26	24
Provision for doubtful advances	**1**	1
	25	23
Other loans and advances		
Considered good	**19**	10
Considered doubtful	**8**	8
	27	18
Provision for doubtful advances	**8**	8
	19	10
Balance with Government authorities	**216**	160
Prepaid expenses	**144**	103
Contract Assets	**611**	357
Total	**1,015**	653

Note 6 - Inventories :

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
(Valued at lower of cost and net realizable value)		
Others - Stock of IT equipments, purchased software (Consumed in IT projects) and others	**17**	33
Total	**17**	33

Note 7 - Investments

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
A) Investment in Mutual Funds - unquoted (Carried at fair value through P&L)		
Mahindra Manulife Liquid Fund Direct Growth: 275,760.45 units (Previous year: Nil units) @ NAV ₹ 1384.18 (Previous year: NAV ₹ Nil)	**382**	-
UTI Liquid Cash Plan - Direct Growth Plan: 164,031.66 units (Previous year: 445,749.31 units) @ NAV ₹ 3,488.04 (Previous year: NAV ₹ 3,370.48)	**572**	1,502
	954	1,502
B) Investment in bonds-quoted (Carried at fair value through P&L)		
Corporate bonds	**12**	-
	12	-
Total	**966**	1,502
Aggregate value of quoted investment	**12**	-
Aggregate value of unquoted investment	**954**	1,502
Aggregate market value of quoted investment	**12**	-

Note 8 - Trade receivables :

(i) Non Current Trade receivables :

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Trade receivables -Unbilled	**49**	46
Total	**49**	46

(ii) Current Trade receivables :

₹ in million

Particulars	As at March 31, 2022	As at March 31, 2021
-Considered good – Unsecured	**4,682**	4,747
Less: Allowance for doubtful trade receivables	**848**	630
	3,834	4,117
- Credit impaired – Unsecured	**73**	245
Less: Allowance for doubtful trade receivables	**73**	245
	-	-
Trade receivables -Billed (A)	**3,834**	4,117
Trade receivables -Unbilled (B)	**1,306**	769
Total (A+B)	**5,140**	4,886

Trade Receivables ageing schedule as at March 31, 2022

₹ in million

Particulars	Outstanding for following periods from due date of payments: Not Due	Less than 6 months	6 months - 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
Trade Receivables - Billed							
Undisputed trade receivables- considered good	858	1,954	572	690	359	249	4,682
Undisputed trade receivables- credit impaired	-	-	-	-	-	73	73
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
	858	1,954	572	690	359	322	4,755
Less: Allowance for doubtful trade receivables							921
							3,834
Add : Trade receivable - Unbilled (Non current and current)							1,306
Total Trade Receivables							5,140

Trade Receivables ageing schedule as at March 31, 2021

₹ in million

Particulars	Outstanding for following periods from due date of payments						
	Not Due	Less than 6 months	6 months - 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
Trade Receivables - Billed							
Undisputed trade receivables- considered good	1,373	1,643	713	585	194	239	4,747
Undisputed trade receivables- credit impaired	-	-	-	32	35	178	245
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- considered doubtfull	-	-	-	-	-	-	-
Total	1,373	1,643	713	617	229	417	4,992
Less: Allowance for doubtful trade receivables							875
							4,117
Add : Trade receivable - Unbilled (Non current and current)							769
Total Trade Receivables							4,886

Note 9 - Cash and cash equivalents :

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Cash on hand	**0**	0
Remittances in transit	**219**	66
Balances with banks:		
- In current accounts	**675**	1,060
- In deposit accounts	**406**	178
Total	**1,300**	1,304

Note 10 - Other balances with bank :

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Earmarked balances with bank		
-Balance held under escrow/margin account	**10**	70
-Balances held as margin money/security towards obtaining Bank Guarantees	**62**	30
Total	**72**	100

Note 11 - Other financial assets :

(i) Other non current financial assets

₹ in million

Particulars	**As at**	
	March 31, 2022	March 31, 2021
Security deposits		
- Considered good	**52**	52
- Considered doubtful	**-**	-
	52	52
Provision for doubtful security deposit	**-**	-
Total	**52**	52

(ii) Other current financial assets

₹ in million

Particulars	**As at**	
	March 31, 2022	March 31, 2021
Derivative financial assets	**8**	40
Security deposits (net of provision)	**2**	9
Interest accrued	**11**	4
Additional business consideration receivable (refer note 25)	**-**	706
Other receivables	**-**	2
Total	**21**	761

Note 12 - Loans

Particulars	**As at**	
	March 31, 2022	March 31, 2021
Other loans:		
- Considered good – Unsecured	**-**	154
Total	**-**	154

Note 13 -Equity Share capital :

Name of shareholder	**As at**			
	March 31, 2022		March 31, 2021	
	Number	**₹ in million**	**Number**	**₹ in million**
(a) Authorised :				
Equity shares of ₹ 10 each	**25,500,000**	**255**	25,500,000	255
Series A 0.001% fully convertible non-cumulative preference shares of ₹ 10 each	**8,000,000**	**80**	8,000,000	80
(b) Issued, subscribed and fully paid up :				
Equity shares of ₹ 10 each fully paid up	**21,869,000**	**219**	21,869,000	219
Total	**21,869,000**	**219**	21,869,000	219

Notes:

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	**₹ in million**	**Number**	**₹ in million**
Equity Shares				
Opening Balance	**21,869,000**	**219**	21,869,000	219
Add: Additions during the period	**-**	**-**	-	-
Closing Balance	**21,869,000**	**219**	21,869,000	219

(ii) Terms, rights and restrictions attached to:

Equity Shares:

The Company has equity shares having par value of ₹ 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 amount. The distribution will be in proportion to the equity shares held by the shareholders.

Series A 0.001% fully convertible non-cumulative preference shares:

The Company has fully convertible non-cumulative redeemable preference shares having a par value of ₹ 10 per share.

(iii) Details of shares held by the holding Company

Particulars	Number of Shares	
	As at March 31, 2022	As at March 31, 2021
Tech Mahindra Limited	**21,866,913***	21,866,913

*It includes 7 shares which are jointly held by Tech Mahindra Limited and Individual shareholders in Tech Mahindra Limited's kitty.

(iv) Details of equity shares held by shareholder holding more than 5%:

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No of Shares	**% of Holding#**	**No of Shares**	**% of Holding#**
Tech Mahindra Limited*	**21,866,913**	**99.99%**	21,866,913	99.99%

This percentage of holding is presented with reference to Issued, Subscribed and Paid up.

*It is the sole promoter of the company

Note 14 - Other Equity :

₹ in million

Particulars	As at			
	March 31, 2022		March 31, 2021	
Securities premium account		**567**		567
Capital Reserves		**53**		53
Hedging Reserve (refer note 31)				
Opening balance	**7**		(8)	
(Less)/add: change in fair value of forward contracts (net)	**(2)**		15	
Closing balance		**5**		7
Foreign Currency Translation Reserve				
Opening balance	**(32)**		65	
(Less): Foreign currency translation for the year	**(55)**		(97)	
Closing balance		**(87)**		(32)
Share options outstanding account				
Opening balance	**-**		-	
Add: amortised amount of stock compensation cost (net)	**9**		-	
Less: Transfer to non- controlling interest	**(0)**			
Closing balance		**9**		-
Surplus in the statement of profit and loss				
Opening balance	**6,525**		4,794	
Add: Profit for the year	**572**		1,722	
(Less)/add: Other comprehensive income for the year	**(2)**		9	
Less: Dividend *	**(437)**		-	
Closing balance		**6,658**		6,525
Statutory Reserve#		**0**		0
Total		**7,205**		7,120

#In accordance with the Memorandum and Articles of Association, Comviva Technologies FZ LLC, has established a statutory reserve by appropriation of 10% of net profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution, except in the circumstances stipulated by the Memorandum and Articles of Association. No further transfer is required as the reserve is equal to 50% of share capital as at March 31, 2022.

*Interim dividend of ₹ 20 per equity share was paid during the year ended 31st March, 2022.

Note 15 -Borrowings :

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Secured:		
From bank (Secured by corporate guarantee)*	**-**	1,389
From bank**	**12**	16
From Other (refer note 31)	**1,516**	20
Total	**1,528**	1,425

"* Loan from Bank of America was secured against corporate guarantee and carrying an interest rate of LIBOR+ 125BP was repaid during the year ended 31 March, 2022

** Includes working capital loans carrying an interest rate of 34.88% and 38.30% (Previous Year : 13.08% and 15%). These loans are repayable on demand."

Note 16 -Provisions :

(i) Long-term provisions

₹ in million

Particulars	**As at**	
	March 31, 2022	March 31, 2021
Provision for employee benefits		
-Gratuity	**201**	161
-Compensated absences	**64**	53
-Other employee benefit obligation	**35**	-
Total	**300**	214

(ii) Short-term provisions

₹ in million

Particulars	**As at**	
	March 31, 2022	March 31, 2021
Provision for employee benefits		
-Gratuity	**37**	35
-Compensated absences	**74**	65
-Other employee benefit obligation	**20**	-
	131	100
Provision for warranties	**8**	9
Total	**139**	109

Note 17 - Other liabilities :

(i) Non-current liabilities

₹ in million

Particulars	**As at**	
	March 31, 2022	March 31, 2021
Unearned revenue	**0**	0
Total	**0**	0

(ii) Current liabilities

₹ in million

Particulars	**As at**	
	March 31, 2022	March 31, 2021
Unearned revenue	**36**	44
Statutory remittances	**146**	126
Advance from customers	**161**	121
Total	**343**	291

Note 18 - Trade payables :

₹ in million

Particulars	**As at**	
	March 31, 2022	March 31, 2021
Creditors for supplies / services	**1,782**	1,637
Total	**1,782**	1,637

Trade Payables ageing schedule as on March 31, 2022

₹ in million

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years	Total
Undisputed MSME	4	16	-	-	-	20
Undisputed Others	48	97	-	3	1	149
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
	52	113	-	3	1	169
Add: Accrued expenses						1,613
Total Trade payables						1,782

Trade Payables ageing schedule as on March 31, 2021

₹ in million

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years	Total
Undisputed MSME	4	10	-	-	-	14
Undisputed Others	66	26	12	2	16	122
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
	70	36	12	2	16	136
Add: Accrued expenses						1,501
Total Trade payables						1,637

Note 19 - Other Financials liabilities:

(i) Other Financial Liabilities : Non Current

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Sublease Refundable Security Deposit	**-**	10
Total	**-**	10

(ii) Other Financial Liabilities : Current

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Payables on purchase of property, plant and equipment	**58**	49
Interest accrued	**-**	14
Accrued salary and benefits	**442**	561
Total	**500**	624

Note 20 - Revenue from operations :

₹ in million

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Licence Fee with Implementation and other services	**4,997**	4,129
Revenue sharing arrangements	**1,587**	1,562
Annual maintenance contract services	**1,781**	1,896
	8,365	7,587
Income from sale of equipments and software (third party)	**396**	864
Total	**8,761**	8,451

Note 21 - Other income :

₹ in million

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Interest income	**16**	25
Profit on sale of investment in mutual funds	**47**	4
(Loss)/ gain due to fair valuation changes on financial assets	**(4)**	9
Profit on sale of subsidiary	**2**	-
Foreign Exchange gain (net)	**127**	3
Profit on sale of property, plant and equipment	**1**	1
Sundry Balances written back	**39**	31
Miscellaneous Income	**15**	39
Income from Sublease	**10**	36
Total	**253**	148

Note 22 - Employee benefits expense :

₹ in million

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Salaries, wages and bonus	**3,282**	3,024
Defined contribution /benefits plan cost	**285**	293
Staff Welfare Expenses	**55**	58
Share based payment expense	**8**	-
Total	**3,630**	3,375

Note 23- Finance costs :

₹ in million

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Interest expense on bank overdraft and others	**10**	31
Interest expense on lease liability	**20**	28
Total	**30**	59

Note 24 - Operating and other expense:

₹ in million

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Cost of hardware equipment, softwares and other items		**996**		1,282
Royalty and software charges		**428**		506
Travelling and conveyance		**58**		21
Freight and forwarding charges		**9**		48
Recruitment Expenses		**26**		8
Power and fuel		**25**		22
Rent		**28**		43
Rates and taxes		**82**		44
Insurance		**56**		49
Repairs and maintenance:		**261**		242
Advertising and sales promotion		**102**		67
Communication costs		**32**		53
Corporate Social Responsibility		**34**		28
Legal and professional fees		**166**		119
Conference expenses		**16**		16
General office expenses		**11**		15
Provision for doubtful debts (net)				
- Bad debts	**347**		34	
- Provision for bad debts	**39**	**386**	241	275
Miscellaneous expenses		**23**		22
Total		**2,739**		2,860

Note 25 - Exceptional items

₹ in million

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Additional consideration on sale of subsidiary*	-	730
Contractual obligation written back**	-	188
Total	-	918

*The Company has accrued additional consideration pertaining to sale of TerraPay group (subsidiary) amounting to Nil (March 31, 2021: 730 million), which has been transferred w. e. f March 02, 2020. The Company has recognised this additional consideration on the completion of requisite milestone as mentioned in the Share purchase agreement entered into with the acquirer. This consideration has been realised on April 15, 2021.

** During the year ended March 31, 2021, the Company has derecognised contingent contractual obligation on acquisition of Emagine Holding Pty. Ltd. This consideration was payable based on achievement of certain milestones/targets which has not been achieved within the earn out period specified in the Share Purchase Agreement. Accordingly, the aforesaid contingent consideration is no more payable.

26. Details of employee benefits as required by the IND AS-19 – Employee Benefits are as under:

a) Defined Contribution Plan

The Company makes contributions to Provident Fund which is defined contribution plan for qualifying employees. Under this Scheme, the Company contributes a specified percentage of the payroll costs to the fund. Amounts recognised as an expense in the Statement of Profit and Loss in respect of defined contribution plan is ₹ 239 million (year ended march 31, 2021: ₹ 256 million).

b) Defined Benefit Plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan is partially funded.

I] Changes in Defined Benefit Obligation ('DBO') and Trust Fund plan assets recognized in the Balance Sheet are as under:

₹ in million

Particulars	**As at**	
	March 31, 2022	March 31, 2021
Defined Benefit Obligation as at the beginning of the year	**195**	203
Current Service Cost	**37**	27
Interest cost	**9**	10
Benefits Paid	**(42)**	(33)
Acquisition (gain)/loss	**-**	-
Actuarial (gain)/loss - experience	**35**	(0)
Actuarial (gain)/loss - demographic assumptions	**-**	-
Actuarial (gain)/loss - financial assumptions	**5**	(12)
Defined Benefit Obligation as at the end of the year	**239**	195

II] Change in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :

₹ in million

Particulars	**As at**	
	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning of the year	**1**	2
Interest income on plan assets	**0**	0
Contributions by employer	**-**	1
Benefits Paid	**-**	-
Remeasurement- Return on plan assets excluding amount included in interest income	**0**	(2)
Fair value of plan assets at end of the year	**1**	1

III] Net defined benefit Asset/(Liability)

₹ in million

Particulars	**As at**	
	March 31, 2022	March 31, 2021
Defined benefit obligation	**239**	195
Fair value of plan assets	**(1)**	(1)
Net defined benefit obligation disclosed as:	**238**	194
- Current provisions	**37**	35
- Non current provisions	**201**	159

As at March 31, 2022 and March 31, 2021 plan assets were primarily invested in insurer managed funds

IV] Components of employer expenses recognised in the Statement of Profit and Loss:

₹ in million

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Current Service Cost	**37**	27
Interest cost on Defined Benefit Obligation	**9**	10
Expected return on plan assets	**(0)**	(0)
Total expense recognised in the Statement of Profit & Loss (Refer note 22)	**46**	37

V] Components of employer expenses recognised in the other comprehensive income:

₹ in million

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Actuarial (gain)/loss due to defined benefit obligation experience	**(35)**	0
Actuarial (gain)/loss - demographic assumptions	**-**	-
Actuarial (gain)/loss due to defined benefit obligation assumption changes	**(5)**	12
Remeasurement- Return on plan assets excluding amount included in interest income	**0**	(2)
Net (gain)/loss recognised in Other Comprehensive Income	**(40)**	10

VI] Assumptions

Particulars	As at	
	March 31, 2022	March 31, 2021
Discount Rate	**6.30%**	5.90%
Salary Escalation Rate	**7.00%**	6.00%
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ult.**	Indian Assured Lives Mortality (2006-08) Ult.
Employee separation Rate	**17.00%**	17.00%

a) Discount rate : It is based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the obligation.

b) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

c) Employee separation Rate: The assumption of Employee separation rate represents the company's expectation of employee turnover.

VII] Sensitivity analysis

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
A: Discount rate		
1. Effect on DBO due to 0.5% increase in discount rate	**(5)**	(4)
2. Effect on DBO due to 0.5% decrease in discount rate	**5**	4
B: Salary Escalation Rate		
1. Effect on DBO due to 0.5% increase in Salary escalation rate	**4**	4
2. Effect on DBO due to 0.5% decrease in Salary escalation rate	**(4)**	(3)
C: Withdrawal Rate		
1. Effect on DBO due to 5% increase in withdrawal rate	**(3)**	(2)
2. Effect on DBO due to 5% decrease in withdrawal rate	**3**	2

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

VIII] Expected benefit payments for the period ended

₹ in million

Payout in the next	As at	
	March 31, 2022	March 31, 2021
1 year	**41**	38
1-2 years	**32**	27
2-3 years	**35**	28
3-4 years	**33**	30
4-5 years	**36**	29
5 years and beyond	**168**	130

IX] Plan asset information:

Particulars	As at	
	March 31, 2022	March 31, 2021
Schemes of insurance - conventional products	**100%**	100%

X] Description of Plan characteristics and associated risks-

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

1. Interest rate risk
2. Salary Inflation risk
3. Demographic risk

XI] Description of Funding arrangements and policies-

The Gratuity scheme of the company is partially funded by way of a separate irrevocable Trust and the company is expected to make regular contributions to the Trust. The fund is managed internally by the company and assets are invested in insurance funded arrangements.

27. Disclosure as per IND AS 116-Leases

Amounts recognised in statements of cash flows:

₹ in million

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Cash outflow for leases	**103**	117
Total	**103**	117

28. Segment Information

a) Business segments:

The company is engaged in the business of mobility solutions and IT services. As defined in Ind AS 108, the 'Chief Operating Decision Maker' (CODM) considers entire business as single operating segment. The company's operating divisions are managed from India. There are three customers who account for more than 10% of the company's revenue individually.

b) Geographical segments:

The geographical information analyses the company's revenue by the company's country of domicile (i.e. India) and outside India (i.e. Rest of world) presenting geographical information. Segment revenue has been presented on the geographic location of customers.

₹ in million

Particulars	For the year ended March 31, 2022		
	India	**Rest of the world**	**Total**
Revenue from operations	**673**	**8,088**	**8,761**

₹ in million

Particulars	For the year ended March 31, 2021		
	India	**Rest of the world**	**Total**
Revenue from operations	1,041	7,410	8,451

Management believes it is currently not practicable to bifurcate the assets based on geographies. Hence, no disclosure is provided for the same.

29. Related Party Disclosure

a) Name of the related party and nature of relationship:

Name of the Related Party	Nature of Relationship
Mahindra and Mahindra Limited	Entity having significant influence
Tech Mahindra Limited	Holding company
Related parties with whom transactions during the year/previous year:	
PT Tech Mahindra Indonesia	Fellow subsidiary
Tech Mahindra Foundation	Fellow subsidiary
Mahindra Educational Institutions	Fellow subsidiary
Tech Mahindra Nigeria Limited	Fellow subsidiary
Tech Mahindra Guatemala, S.A.	Fellow subsidiary
Tech Mahindra South Africa (Pty) Limited	Fellow subsidiary
The CJS Solutions Group, LLC (The HCI Group)	Fellow subsidiary
Leadcom Integrated Solutions (L.I.S.) Ltd.	Fellow subsidiary
Tech Mahindra (Americas) Inc.	Fellow subsidiary
Key Management Personnel:	
Manoranjan Mohapatra	Chief Executive Officer
Neeraj Jain	Chief Financial Officer
Parminder Singh Bakshi	Company Secretary

b) Transactions with Related Parties:

																		₹ in million
Particulars	Transactions for the year ended March 31, 2022 Revenue/(Expense)							Balance as at March 31, 2022 Assets/(Liabilities)										
	Sales	Interest Expense	Cost of Goods/ Service received	Reimbursement of Expenses (Net)	Donation Given	Loan received	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Contract Asset	Trade Payables#	Loans	Other current assets	Prepaid Expenses	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
Holding Company																		
Tech Mahindra Limited	131	-	-	(27)	-	-	-	113	13	15	(52)	-	-	3	-	9	3	-
Fellow Subsidiaries																		
PT Tech Mahindra Indonesia	54	-	-	-	-	-	-	11	2	-	-	-	-	-	-	3	2	-
Tech Mahindra Foundation	-	-	-	-	(17)	-	-	-	-	-	-	-	-	-	-	-	-	-
Mahindra Educational Institutions	-	-	-	-	(5)	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Nigeria Limited	-	1	-	-	-	-	-	-	0	-	-	-	-	-	-	-	(21)	-
Tech Mahindra Guatemala, S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra South Africa (Pty) Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The CJS Solutions Group, LLC (The HCI Group)	-	-	-	-	-	-	-	-	-	-	(14)	-	-	-	-	-	-	-
Leadcom Integrated Solutions (L.I.S.) Ltd.	-	-	(55)	-	-	-	-	-	-	-	(55)	-	-	-	-	-	-	-
Tech Mahindra (Americas) Inc.	-	2	(13)	-	-	1,516	-	-	-	-	(13)	(1,516)	-	-	(2)	-	-	-
Key Management Personnel*																		
Manoranjan Mohapatra	-	-	-	-	-	-	(36)	-	-	-	-	-	-	-	-	-	-	(25)
Neeraj Jain	-	-	-	-	-	-	(11)	-	-	-	-	-	-	-	-	-	-	(3)
Parminder Singh	-	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-	-	(0)

Note:

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.

																		₹ in million
Particulars	**Transactions for the year ended March 31, 2021 Revenue/(Expense)**							**Balance as at March 31, 2021 Assets/(Liabilities)**										
	Sales	**Interest Expense**	**Cost of Goods/ Service received**	**Reimbursement of Expenses (Net)**	**Donation Given**	**Loan received**	**Managerial Remuneration**	**Trade Receivable**	**Unbilled Revenue**	**Contract Asset**	**Trade Payables#**	**Loans**	**Other current assets**	**Prepaid Expenses**	**Interest Accrued**	**Deferred Revenue**	**Advance from Customers**	**Accrued benefit payable**
Holding Company																		
Tech Mahindra Limited	220	-	(34)	(41)	-	-	-	217	29	17	(39)	-	-	2	-	(0)	(4)	-
Fellow Subsidiaries																		
PT Tech Mahindra Indonesia	51	-	-	-	-	-	-	8	4	4	-	-	-	-	-	-	(8)	-
Tech Mahindra Foundation	-	-	-	-	(14)	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Nigeria Limited	-	(3)	-	-	-	-	-	31	0	-	-	(20)	-	-	(12)	-	(22)	-
Tech Mahindra Guatemala, S.A.	-	-	-	-	-	-	-	31	-	-	-	-	-	-	-	-	-	-
Tech Mahindra South Africa (Pty) Limited	(6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The CJS Solutions Group, LLC (The HCI Group)	-	-	-	(29)	-	-	-	-	-	-	(29)	-	-	-	-	-	-	-
Key Management Personnel*																		
Manoranjan Mohapatra	-	-	-	-	-	-	(30)	-	-	-	-	-	-	-	-	-	-	(17)
Neeraj Jain	-	-	-	-	-	-	(11)	-	-	-	-	-	-	-	-	-	-	(3)
Parminder Singh Bakshi	-	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-	-	(0)
Parminder Singh	-	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-	-	(0)

*The breakup of compensation of Key management personnel is as follows:

₹ in million

Key Management Personnel	**Short-term employee benefits**	**Post-employment benefits****	**Other long-term benefits****	**Termination benefits**	**Total**
Manoranjan Mohapatra	36	-	-	-	36
	[30]	[-]	[-]	[-]	[30]
Neeraj Jain	11	-	-	-	11
	[11]	[-]	[-]	[-]	[11]
Parminder Singh Bakshi	2	-	-	-	2
	[2]	[-]	[-]	[-]	[2]

** Employment benefits comprising gratuity and compensated absences are not disclosed as these are determined for the company as a whole.

Figures in brackets "[ ]" are for year ended March 31, 2021.

Trade payables includes creditors for capital goods.

30. Contingent Liabilities and Commitments:

(i) Contingent Liabilities:

₹ in million

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Bank Guarantees	**61**	-
2	Income tax matters (refer note I)	**1,613**	920
3	Indirect tax matters (refer note II)	**408**	427
4	Other claims against the company not acknowledged as debts (refer note III)	**48**	48

Note:

I Income Tax Matter:

The Group has ongoing disputes with income tax authorities relating to tax treatment of certain items. The disputes relate to tax treatment of certain expenses claimed as deductions, computation and eligibility of tax incentives or allowances. The Group has contingent liability in respect of demands from direct tax authorities in India and other jurisdictions, which are being contested by the Group on appeal amounting INR 1,613 million and INR 920 million as at March 31, 2022 and March 31, 2021 respectively. The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions it operates in. The Group has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution. The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Comviva Technologies Limited include India and African countries. In India, tax filings from fiscal 2017 are generally subject to examination by the tax authorities. In African counties, the statute of limitation vary by state.

II Indirect Tax Matter:

The Group has ongoing disputes with tax authorities mainly relating to availment of input tax credit and indirect tax matters. The Group has demands amounting to INR 408 million and INR 427 million as at March 31, 2022 and March 31, 2021, respectively from various indirect tax authorities which are being contested by the Group based on the management evaluation and on the advice of tax consultants.

III Other Claims:

Other claims aggregating INR 48 million and INR 48 million as at March 31, 2022 and March 31, 2021, respectively, against the Group have not been acknowledged as debt. The amounts assessed as contingent liability do not include interest that could be claimed by counter parties.

(ii) Commitments :

₹ in million

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	**187**	102

31. Financial Instruments

The Group's Board of Directors have an overall responsibility for the establishment and oversight of the group's risk management framework. The group's risk management policies are established to identify and analyze the risks faced by the group, 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.

I] Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2022 were as follows:

₹ in million

Particulars	Amortised cost*	Financial assets/ liabilities at fair value through profit or loss	Derivative instruments in hedging relationship	Total carrying value	Total fair value*
Assets:					
Cash and cash equivalents (refer note 9)	1,300	-	-	1,300	1,300
Other balances with banks (refer note 10)	72	-	-	72	72
Investment in mutual fund (Refer Note 7A)	-	954	-	954	954
Investment in bonds-quoted (Refer Note 7B)	-	12	-	12	12
Trade receivables (refer note 8(i) and 8(ii))	5,190	-	-	5,190	5,190
Other financial assets (refer note 11(i) and 11(ii))	65	1	7	73	73
Total	6,627	967	7	7,601	7,601
Liabilities:					
Trade payables (refer note 18)	1,782	-	-	1,782	1,782
Borrowings (refer note 15)	1,528	-	-	1,528	1,528
Lease liabilities	265	-	-	265	265
Other financial liabilities (refer note 19(i) and 19(ii))	500	-	-	500	500
Total	4,075	-	-	4,075	4,075

*Fair value of amortised assets is same as carrying value

The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows:

₹ in million

Particulars	Amortised cost*	Financial assets/ liabilities at fair value through profit or loss	Derivative instruments in hedging relationship	Total carrying value	Total fair value*
Assets:					
Cash and cash equivalents (refer note 9)	1,304	-	-	1,304	1,304
Other balances with banks (refer note 10)	100	-	-	100	100
Investment in mutual fund (Refer Note 7A)	-	1,502	-	1,502	1,502
Investment in bonds-quoted (Refer Note 7B)	-	-	-	-	-
Trade receivables (refer note 8(i) and 8(ii))	4,932	-	-	4,932	4,932
Other financial assets (refer note 11(i) and 11(ii))	812	31	10	852	852
Loan (refer note 12)	154	-	-	154	154
Total	7,302	1,533	10	8,845	8,845
Liabilities:					
Trade payables (refer note 18)	1,637	-	-	1,637	1,637
Borrowings (refer note 15)	1,425	-	-	1,425	1,425
Lease liabilities	327	-	-	327	327
Other financial liabilities (refer note 19(i) and 19(ii))	634	-	-	634	634
Total	4,023	-	-	4,023	4,023

*Fair value of amortised assets is same as carrying value

II] Fair Value Hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required): The different levels have been defined as follows:"

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). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

₹ in million

Particulars	As at March 31, 2022	Fair value measurement As at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in mutual fund	**954**	954	-	-
Investment in bonds-quoted	**12**	12		
Derivative financial assets	**8**	-	8	-

₹ in million

Particulars	As at March 31, 2021	Fair value measurement As at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in mutual fund	**1,502**	1,502	-	-
Investment in bonds-quoted	**-**	-	-	-
Derivative financial assets	**40**	-	40	-

III] Financial Risk Management

Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group'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.

(i) Market Risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro against the respective functional currency of the Group. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange currency risk.

The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currency of the Group. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Group as disclosed in note below.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

₹ in million

Particulars	**Currency**	**As at March 31, 2022**	As at March 31, 2021
Financial assets	EUR	**1,024**	1,069
	USD	**2,391**	2,890
	Others	**1,576**	499
Financial liabilities	EUR	**41**	68
	USD	**1,283**	2,741
	Others	**200**	332

Forex sensitivity analysis:

A reasonably possible strengthening by 10% of EUR, USD against the Indian Rupee as at March 31, 2022 and March 31, 2021 will affect the statement of profit and loss by the amounts shown below:

₹ in million

Currency	**As at March 31, 2022**	As at March 31, 2021
EUR	**98**	100
USD	**111**	15

(b) Foreign Exchange Contracts

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential effects on the financial performance of the Company.

The Company enters into foreign Exchange Forward Contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian Rupee. The counter party to the Company's foreign currency Forward Contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of certain forecasted transactions. These contracts are for a period lies between 1 day to 1 year.

The following are the principal amounts of outstanding foreign currency exchange forward entered into by the Company which have been designated as Cash Flow Hedges:

Currency	**Amount outstanding as at March 31, 2022 in foreign currency**	**Fair value Gain/ (loss) in ₹**
In USD	20.50 million	6 million
	(March 31, 2021: 17.72 mn)	(March 31, 2021: 36 mn)
In Euro	1.45 million	2 million
	(March 31, 2021: 1.24 mn)	(March 31, 2021: 4 mn)

The movement in hedging reserve for derivatives designated as Cash Flow Hedges is as follows:

Particulars		As at	
		March 31, 2022	March 31, 2021
(a)	Balance at the beginning of the year	**9**	11
(b)	Changes in the fair value of effective portion of derivatives - (loss)/gain	**(32)**	61
(c)	Net loss/(gain) reclassified to statement of profit and loss on occurance of hedged forcasted transactions	**30**	(63)
(d)	(Loss)/gain on cash flow hedging derivatives, net (b+c)	**(3)**	(2)
(e)	Balance at the end of the year	**7**	9
(f)	Tax impact on effective portion of outstanding derivatives	**(2)**	(2)
(g)	Balance at the end of the period, net of deferred tax (e+f)	**5**	7

(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. 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.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted bonds issued by government and quasi government organizations with high credit ratings.

Credit Risk Exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 5,262 million, ₹ 5,744 million as at March 31, 2022, March 31, 2021 respectively, being the total of the carrying amount of trade receivables, unbilled revenue and other financial assets. In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks provided by the Group. The Group's maximum exposure in this respect is the maximum amount the Group would have to pay if the guarantee is called on. Refer Note 30(i).

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Group recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Group's exposure to customers is diversified. The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2022 and March 31, 2021. The concentration of credit risk is limited due to the fact that the customer base is large.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Movement in the Expected credit loss allowance:

₹ in Million

Particulars	As at	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	**875**	638
Provided during the year	**490**	470
Reversed/utilised during the year	**(449)**	(231)
Reinstatement impact	**5**	(2)
Balance at the end of the year	**921**	875

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022:

₹ in million

Particulars	Less Than 1 Year	More than 1 year	Total
Borrowings	1,528	-	1,528
Lease Liabilities	94	171	265
Trade Payables	1,782	-	1,782
Other financial liabilities	500	-	500

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021:

₹ in million

Particulars	Less Than 1 Year	More than 1 year	Total
Borrowings	1,425	-	1,425
Lease Liabilities	82	245	327
Trade Payables	1,637	-	1,637
Other financial liabilities	624	10	634

Capital management

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, creditor and customer confidence, and ensure future development of its business activities and appropriate return to shareholders in terms of dividend payout. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

32 Basic and Diluted Earning per share

₹ in million except earning per share

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Nominal value per equity share	**10**	10
Profit for the year	**572**	1,722
Profit attributable to equity shareholders	**572**	1,722
	No. of Shares	No. of Shares
Weighted average number of equity shares	**21,869,000**	21,869,000
Weighted average number of diluted equity shares	**21,869,000**	21,869,000
Earning Per Share- Basic	**26.17**	78.72
Earning Per Share- Diluted	**26.17**	78.72

33 Provision for warranty:

The movement in the said provision is summarized below:

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Opening Balance	**9**	10
Add: Additional provision made during the year	**-**	-
Add: Addition on Acquisition	**-**	-
Less: Provision reversed during the year	**(1)**	(1)
Closing balance	**8**	9

Note: Provision for warranty is estimated and made based on technical estimates of the management and is expected to be settled over the period of next year.

34 The Group has accounted as an expense of ₹ 10 million for the year ended March 31, 2022 (year ended March 31, 2021: ₹ 16 million) pertaining to amortised cost of stock options granted to certain employees of the group granted by Tech Mahindra Limited, its holding company. This cost is being accounted as an employee benefits expense.

35 There are no non-wholly owned subsidiaries that have material non-controlling interests.

36 Allocation of goodwill by segments as at March 31, 2022 and March 31, 2021 is as follows:

Following is the summary of changes in carrying amount of goodwill:

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Balance at the beginning of year	**224**	210
Addition on acquisition (refer note 42)	**492**	-
Effect of foreign currency exchange differences*	**32**	14
Balance at the end of the year	**748**	224

* Includes impact of hyperinflation

Allocation of goodwill by segments as at March 31, 2022 and March 31, 2021 is as follows:

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
India	**-**	-
Rest of World	**748**	224
Total	**748**	224

Allocation of goodwill to cash-generating units:

In accordance with IND AS 36 "Impairment of Assets" the Group performed impairment testing of Goodwill assigned to each Cash Generating Unit (CGU) as at 31st March, 2022. The recoverable amount of CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a year and over and an applicable discount rate. Goodwill has been allocated for impairment testing purposes to their underlying geographical / segmental classification.

Based on the results of the Goodwill impairment test, the estimated value in use in all CGUs were higher than their respective carrying amount, hence impairment provision recorded during the current year is Nil (31st March, 2021 - Nil). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

Key assumptions used are as follows:

Budgeted Projections: The values assigned to the assumption reflect past experience and are consistent with the management's plans for focusing operations in these markets. The management believes that the planned market share growth is reasonably achievable.

Price inflation: The values assigned to the key assumption are consistent with external sources of information.

37 Disclosures for Revenue from Contracts with Customers

a) Disaggregation of revenue

Revenue disaggregation by nature of services is as follows:

₹ in million

Nature of Services	For the year ended	
	March 31, 2022	March 31, 2021
Licence Fee with Implementation and other services	**4,997**	4,129
Revenue sharing arrangements	**1,587**	1,562
Annual maintenance contract services	**1,781**	1,896
Income from sale of equipments and software (third party)	**396**	864
Total	**8,761**	8,451

Revenue disaggregation by geography is as follows:

₹ in million

Geography	For the year ended	
	March 31, 2022	March 31, 2021
India	**673**	1,041
Rest of world	**8,088**	7,410
Total	**8,761**	8,451

b) The remaining performance obligations disclosure provides the aggregate amount of the transaction price yet to be recognised as of the end of the reporting period 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 remaining performance obligation for contracts where the performance obligation is a part of a contract that has an original expected duration of one year or less or the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in scope of contracts, periodic revalidations, adjustments for revenue that has not materialized and adjustments for currency.

c) Significant changes in the contract assets balances is as follows:

₹ in million

Particulars	**For the year ended**	
	March 31, 2022	March 31, 2021
Opening balance	**357**	371
Add: Revenue recognised during year	**519**	237
Less: Invoiced during year	**(248)**	(198)
Add/Less: Translation loss/(gain)	**(0)**	(0)
Add/Less: Others	**(17)**	(53)
Closing balance	**611**	357

d) Significant changes in the contract liabilities balances is as follows:

₹ in million

Unearned Revenue	**For the year ended**	
	March 31, 2022	March 31, 2021
Opening balance	**45**	109
Less: Revenue recognised during the period that was included in the unearned revenue at the beginning of the year	**(45)**	(84)
Add: Invoiced during the period (excluding revenue recognized during the year)	**36**	16
Add/Less: Translation loss/(gain)	**-**	4
Closing balance	**36**	45

e) The following table provides information in respect of amount of revenue recognised in the statement of profit and loss with the contracted price showing separately each of the adjustments made to the contract price:

₹ in million

Particulars	**For the year ended**	
	March 31, 2022	March 31, 2021
Contracted transaction	**8,777**	8,451
Less: Adjustment for penalties / liquidated damages	**(16)**	-
Revenue recognized in the statement of profit and loss	**8,761**	8,451

38 Income Tax Expense

Income tax expense in the statement of profit and loss comprises:

₹ in million

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Current tax:		
-Tax expense related to current year	**1,128**	658
Total Current tax	**1,128**	658

The tax expense for the year can be reconciled to the accounting profit as follows:

₹ in million

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Profit before tax	**1,707**	2,269
Enacted tax rate	**25.17%**	25.17%
Income tax expense calculated at enacted tax rate	**430**	571
Effect of expenses/income that are not admissible in determining taxable profit^	**131**	-
Effect of differential overseas tax rates	**33**	87
Effect of income taxes related to prior years^	**519**	-
Others	**15**	-
Income tax expense recognised in profit or loss	**1,128**	658

^ - Includes ineligible foreign tax credits

39 Deferred Tax:

The following is the analysis of Deferred tax assets presented in the Balance Sheet:

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Deferred tax assets	**541**	560
Deferred tax liabilities	**(3)**	(21)
Deferred tax assets	**538**	539

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

₹ in million

Particulars	For the year ended March 31, 2022				
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Exchange rate difference	Closing balance
Provision for Employee benefits	191	(42)	10	-	159
Provision for doubtful trade receivables and inventory	212	18	-	(3)	227
Brought forward business losses	67	28	-	(3)	92
Property, Plant & Equipment and Intangible assets	(18)	16	-	2	(1)
Others	89	(26)	-	-	63
Changes in fair value of derivatives designated as hedges	(2)	(1)	1	-	(2)
Deferred Tax Assets	539	(7)	11	(2)	538

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

₹ in million

Particulars	For the year ended March 31, 2021				
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Exchange rate difference	Closing balance
Provision for Employee benefits	149	44	(2)	-	191
Provision for doubtful trade receivables and inventory	155	55	-	2	212
Brought forward business losses	59	7	-	1	67
Property, Plant & Equipment and Intangible assets	(54)	36	-	-	(18)
Others	121	(32)	-	-	89
Changes in fair value of derivatives designated as hedges	3	-	(5)	-	(2)
Deferred Tax Assets	433	110	(7)	3	539

The following is the analysis of Deferred tax liabilities presented in the Balance Sheet:

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Deferred tax assets	**-**	-
Deferred tax liabilities	**-**	4
Deferred tax liabilities	**-**	4

The tax effect of significant timing differences that has resulted in deferred tax liabilities are given below:

₹ in million

Particulars	For the year ended March 31, 2022				
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Exchange rate difference	Closing balance
Others	4	(4)	-	-	-
Deferred Tax Liabilities	4	(4)	-	-	-

40 Disclosure for Hyperinflation adjustments as per Ind AS 29:

For the calculation of the hyperinflation adjustment of Subsidiary Company with functional Argentine Peso, the company uses the index calculated by the Argentine Federation of Professional Councils of Economic Sciences resulting from combining the National Consumer Price Index ("CPI") published by the National Institute of Statistics and Censuses of the Argentine Republic ("INDEC") with the IPIM.

Month	Index	Coefficient
Apr-21	453.650	1.454
May-21	468.725	1.407
Jun-21	483.605	1.364
Jul-21	498.099	1.324
Aug-21	510.394	1.292
Sep-21	528.497	1.248
Oct-21	547.080	1.205
Nov-21	560.918	1.176
Dec-21	582.458	1.132
Jan-22	605.032	1.090
Feb-22	633.434	1.041
Mar-22	659.405	1.000

The effect of inflation on the Company's net monetary position in the consolidated income statements for the year ended March 31, 2022 were as follows:

₹ in million

Particulars	As at	
	March 31, 2022	March 31, 2021
Increase in Assets	**4**	4
(Increase)/Decrease in Liabilities	**-**	-
(Increase)/decrease in components of Equity	**24**	(29)
Net monetary position impact income	**28**	25

41 Employee Stock Option Scheme

I. ESOP 2021 scheme

The company has a two different share based employee benefit program i.e. 2020 Employee stock options plan – ESOP scheme 1 and ESOP scheme 2 in its subsidiary 'YABX India Private Limited' that allows employees to acquire shares of the Company subject to vesting and performance conditions. A share option scheme for employees was approved on 15th September 2020 by the shareholders of the Company under which the employees of the Company were granted stock options that vest in a granted manner over a period of 3 years. An exercise price of INR 10 was fixed for this purpose.

These schemes have been awarded during the period ended 31 March 2022, whose details are given as under:-

Particulars	ESOP scheme 1	ESOP scheme 2
Maximum number of options granted under the plan	4,279,765	1,775,000
Method of settlement	Equity settled plans	Equity settled plans
Vesting period	3 years	1 years
Vesting conditions	Service period and performance based conditions	Service period

The vesting percentage basis period, of above schemes are as follows:-

Particulars	ESOP scheme 1	ESOP scheme 2
With in 1 year	20%	100%
1 to 2 years	40%	-
2 to 3 years	40%	-

Movement in respect of stock options granted to employees of the Company during the year and outstanding as at the year end is set out below:

ESOP scheme 1:-

Particulars	**As at March 31, 2022**		As at March 31, 2021	
	No. of options	**Weighted average exercise price**	No. of options	Weighted average exercise price
Outstanding at beginning of the year	**3,301,925**	**-**	-	-
Options granted during the year	**977,840**	**10**	3,301,925	10
Exercised during the year	**13,831**	**-**	-	-
Forfeited/lapsed during the year	**534,397**	**-**	-	-
Outstanding at the end of the year	**3,731,537**	**10**	3,301,925	10
Vested options at the end of the year	**246,773**		-	10
Unvested options at the end of the year	**3,484,764**		3,301,925	10

ESOP scheme 2:-

Particulars	**As at March 31, 2022**		As at March 31, 2021	
	No. of options	**Weighted average exercise price**	No. of options	Weighted average exercise price
Outstanding at beginning of the year	**1,775,000**	**-**	-	-
Options granted during the year	**-**	**10**	1,775,000	10
Exercised during the year	**-**	**-**	-	-
Surrendered during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**-**	-	-
Outstanding at the end of the year	**1,775,000**	**10**	1,775,000	10
Vested options at the end of the year	**1,775,000**	**10**	-	10
Unvested options at the end of the year	**-**	**10**	1,775,000	10

The employee stock compensation cost for the Employee stock options plan – ESOP scheme 1 and ESOP scheme 2 has been computed by reference to the fair value of share options granted and amortized over each vesting period. For the period ended March 31, 2021, the Company has accounted for employee stock compensation cost (equity settled) amounting to ₹ 3,923,707.

Particulars	**For the year ended March 31, 2022**		For the year ended March 31, 2021	
	ESOP scheme 1	**ESOP scheme 2**	ESOP scheme 1	ESOP scheme 2
Fair value of options	**2.17 to 3.24**	**1.64**	2.17 to 3.24	1.64
Exercised price	**10**	**10**	10	10
Expected Volatility (%)	**32.39%**	**32.39%**	32.39%	32.39%
Expected Life (in years)	**2.00 to 3.71**	**1.04 to 2.04**	2.00 to 3.71	1.04 to 2.04
Expected Dividend (%)	**-**	**-**	-	-
Risk free interest rate (%)	**4.44 to 5.14**	**3.83 to 4.44**	4.44 to 5.14	3.83 to 4.44

2. ESOP 2021 scheme

The company has a two different share based employee benefit program i.e. 2021 Equity Incentive Plan – ESOP scheme 1 and ESOP scheme 2 in its subsidiary 'Comviva Technologies USA Inc.' that allows employees to acquire shares of the Company subject to vesting and performance conditions. A share option scheme for employees was approved on 1st April 2021 by the shareholders of the Company under which the employees of the Company were granted stock options that vest in a granted manner over a period of 3 years. An exercise price of USD 0.75 for ESOP scheme 1 and USD 1 for ESOP scheme 2 was fixed for this purpose.

These schemes have been awarded during the period ended 31 March 2022, whose details are given as under:-

Particulars	**ESOP scheme 1**	**ESOP scheme 2**
Maximum number of options granted under the plan	441,000	306,250
Method of settlement	Equity settled plans	Equity settled plans
Vesting period	Upto 4 years	1 day
Vesting conditions	Service period and performance based conditions	Service period

The vesting percentage basis period, of above schemes are as follows:-

Particulars	**ESOP scheme 1**	**ESOP scheme 2**
On same day	-	100%
With in 2 year	20%	-
2 to 3 years	40%	-
3 to 4 years	40%	-

Movement in respect of stock options granted to employees of the Company during the year and outstanding as at the year end is set out below:

2021 Factoreal ESOP scheme 1

Particulars	**As at March 31, 2022**	
	No. of options	**Weighted average exercise price**
Outstanding at beginning of the year	**-**	**-**
Options granted during the year	**441,000**	**0.75**
Exercised during the year	**-**	**-**
Forfeited/lapsed during the year	**-**	**-**
Outstanding at the end of the year	**441,000**	**0.75**
Unvested options at the end of the year	**441,000**	**0.75**

2021 Factoreal ESOP scheme 2

Particulars	**As at March 31, 2022**	
	No. of options	**Weighted average exercise price**
Outstanding at beginning of the year	**-**	**-**
Options granted during the year	**306,250**	**1**
Exercised during the year	**-**	**-**
Forfeited/lapsed during the year	**-**	**-**
Outstanding at the end of the year	**306,250**	**1**
Vested options at the end of the year	**306,250**	**1**

The employee stock compensation cost for the Employee stock options plan – ESOP scheme 1 and ESOP scheme 2 has been computed by reference to the fair value of share options granted and amortized over each vesting period. For the period ended March 31, 2021, the Company has accounted for employee stock compensation cost (equity settled) amounting to ₹ 3,923,707.

Particulars	**As at March 31, 2022**	
	ESOP scheme 1	**ESOP scheme 2**
Fair value of options (USD)	**0 to 0.63**	**0.30**
Exercised price (USD)	**0.75**	**1.00**
Expected Volatility (%)	**61.28%**	**61.28%**
Expected Life (in years)	**3 to 5**	**0.05 to 2.00**
Expected Dividend (%)	**-**	**-**
Risk free interest rate (%)	**5.04 to 5.80**	**3.83 to 4.52**

42 Business Combinations:

Details of acquisitions during the year ended March 31, 2022:

The Company through its wholly owned subsidiary , Comviva Technologies Americas, Inc acquired Video Processing Platform and all related Intellectual Property from MK System USA Inc. for a transaction value is USD 20 million (₹ 1507 million) in March 2022, out of which USD 19.8 million (₹ 1504 million) has been paid upfront. The initial accounting for the business combination has been determined provisionally. Media Kind (MK) is an end to end portfolio of media solutions such as D2C video service distribution, advertising and content personalization solutions and TV and video delivery platform.

Particulars	**USD in Million**	**INR in Million**
Fair value of net assets as on the date of acquisition	1	65
Commerical Agreement	5	407
Technology IP	7	542
Goodwill	7	492
Purchase Consideration	20	1,506

43 Corporate Social Responsibilty

a) Gross Amount required to be spent by the Company during the year is ₹ 34 million (previous year ₹ 28 Million) (calculated at 2% of the average net profits of the Company during the three immediately preceding financial years)

b) Amount spent during the year on:

₹ in million

Particulars	**In cash**	**Yet to be paid in cash**	**Total**
Construction/acquisition of any asset*	5	-	5
	[-]	[-]	[-]
On purposes other than construction/acquisition of any asset*	29	-	29
	[28]	[-]	[28]

* Numbers in brackets "[ ]" pertains to previous year March 31, 2021.

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Amount required to be spent by the Company during the year	**34**	28
Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**34**	28
Shortfall at the end of the year	**-**	-
Total of previous years shortfall	**-**	-
Reason for shortfall	**NA**	NA
Nature of CSR activities	**Education and vocational activities, women empowerment and food supply**	Education and vocational activities, women empowerment and food supply
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard		
(i) Tech Mahindra Foundation	**17**	14
(ii) Mahindra Educational Institutions	**5**	-

44. Additional Information as required by Schedule III of the Companies Act, 2013 of enterprises consolidated as subsidiaries

Annexure I

Name of the entity	Net Assets, i.e., total assets minus total liabilities				Share in profit or loss				Share in other comprehensive income				Share in total comprehensive income			
	F.Y. 2021-2022		F.Y. 2020-2021		F.Y. 2021-2022		F.Y. 2020-2021		F.Y. 2021-2022		F.Y. 2020-2021		F.Y. 2021-2022		F.Y. 2020-2021	
	As % of consolidated Net Assets	INR Amount (In Million)	As % of consolidated Net Assets	INR Amount (In Million)	As % of consolidated Profit or Loss	INR Amount (In Million)	As % of consolidated Profit or Loss	INR Amount (In Million)	As % of consolidated other comprehensive income	INR Amount (In Million)	As % of consolidated other comprehensive income	INR Amount (In Million)	As % of consolidated total comprehensive income	INR Amount (In Million)	As % of consolidated total comprehensive income	INR Amount (In Million)
Parent Company																
Comviva Technologies Limited	**114%**	**8,442**	115%	8,472	**77%**	**439**	83%	1,433	**55%**	**(32)**	-31%	22	**79%**	**407**	88%	1,455
Subsidiaries:																
Foreign																
Comviva Technologies Nigeria Limited	**0%**	**15**	0%	(16)	**5%**	**31**	6%	102	**0%**	**-**	0%	-	**6%**	**31**	6%	102
Comviva Technologies Singapore PTE. Limited^^	**0%**	**-**	0%	(0)	**5%**	**31**	-1%	(9)	**0%**	**-**	0%	-	**6%**	**31**	-1%	(9)
Comviva Technologies FZ-LLC	**-1%**	**(70)**	1%	94	**-20%**	**(115)**	-5%	(91)	**0%**	**-**	0%	-	**-22%**	**(115)**	-5%	(91)
Comviva Technologies Netherland BV	**19%**	**1,404**	-4%	(300)	**70%**	**401**	-2%	(33)	**0%**	**-**	0%	-	**78%**	**401**	-2%	(33)
Comviva Technologies (Argentina) S.A. (formerly, ATS Advanced Technology Solutions S.A.)	**2%**	**113**	1%	83	**1%**	**5**	2%	34	**0%**	**-**	0%	-	**1%**	**5**	2%	34
ATS Advanced Technology solutions do Brasil Industria,Comercio, importacao E Exportacao Ltda	**0%**	**24**	0%	11	**-2%**	**(9)**	-1%	(23)	**0%**	**-**	0%	-	**-2%**	**(9)**	-1%	(23)
Comviva Technologies (Australia) Pty. Ltd	**-1%**	**(106)**	-2%	(113)	**2%**	**9**	16%	273	**0%**	**-**	0%	-	**2%**	**9**	17%	273
Emagine International Pty. Ltd.^	**4%**	**306**	4%	311	**-2%**	**(10)**	2%	41	**0%**	**-**	0%	-	**-2%**	**(10)**	2%	41
Comviva Technologies Mexico, S. de R.L. de C.V.^^^	**0%**	**-**	0%	-	**0%**	**-**	0%	-	**0%**	**-**	0%	-	**0%**	**-**	0%	-
Comviva Technologies Colombia S.A.S	**1%**	**43**	1%	42	**0%**	**(0)**	1%	22	**0%**	**-**	0%	-	**0%**	**(0)**	1%	22
Comviva Technologies Madagascar Sarlu.	**0%**	**3**	0%	23	**-1%**	**(4)**	0%	4	**0%**	**-**	0%	-	**-1%**	**(4)**	0%	4
YABX Technologies (Netherlands) BV	**-1%**	**(81)**	0%	(12)	**-12%**	**(67)**	0%	4	**0%**	**-**	0%	-	**-13%**	**(67)**	0%	4
YABX India Private Limited	**1%**	**72**	0%	5	**2%**	**14**	-1%	(15)	**1%**	**(0)**	0%	-	**3%**	**14**	-1%	(15)
Comviva Technologies USA INC.	**0%**	**(31)**	0%	21	**-9%**	**(52)**	0%	(6)	**0%**	**-**	0%	-	**-10%**	**(52)**	0%	(6)
Comviva Technologies Myanmar Limited	**0%**	**3**	1%	53	**-7%**	**(42)**	0%	4	**0%**	**-**	0%	-	**-8%**	**(42)**	0%	4
Comviva Technologies COTE D'IVOIRE	**0%**	**-**	0%	-	**0%**	**-**	0%	-	**0%**	**-**	0%	-	**0%**	**-**	0%	-
Comviva Technologies Americas Inc^^^^	**0%**	**1**	0%	-	**0%**	**1**	0%	-	**0%**	**-**	0%	-	**0%**	**1**	0%	-
Adjustments on consolidation	**-37%**	**(2,714)**	-18%	(1,335)	**-11%**	**(60)**	-1%	(18)	**45%**	**(27)**	130%	(95)	**-17%**	**(87)**	-7%	(113)
Total	**100%**	**7,424**	100%	7,339	**100%**	**572**	100%	1,722	**100%**	**(59)**	100%	(73)	**100%**	**513**	100%	1,649
Minority interest in all subsidiaries	**0%**	**0**	0%	-	**0%**	**-**	0%	-	**0%**	**-**	0%	-	**0%**	**-**	0%	-
Total	**100%**	**7,424**	100%	7,339	**100%**	**572**	100%	1,722	**100%**	**(59)**	100%	(73)	**100%**	**513**	100%	1,649

^ The Company is in process of de-registration of this entity. The final de-registration application was filed with local authorities on 28th March 2022.

^^ Effective November 12, 2021 entire stake in Comviva Technologies Singapore Pte. Ltd. has been divested.

^^^ Liquidated with effect from March 03, 2021

^^^^On November 04 2021, Comviva Technologies Americas Inc was incorporated as wholly owned subsidiary.

45 The Company does not have transactions with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956.

46 The Company does not hold any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

47 Previous year's figures have been re-classified to conform to this year's classification.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

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

Ashish Gupta
Partner
Membership No.: 215165
Pune

Manish Vyas
Director
Texas, USA

Jagdish Mitra
Director
Noida

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: May 03, 2022

Date: May 03, 2022

COMVIVA TECHNOLOGIES MADAGASCAR SARLU

Directors
Ganeshmurthy Patil
Anil Kumar Krishnan
Devendra Curpen

Registered No:
RCS Antananarivo 2016 B 01082

Registered Office
Immeuble ARO Ampefiloha Escalier A 4è étage
porte A 402 - Antananarivo 101
Analamanga 101, Antananarivo Renivohitra,
Madagascar

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022

The Directors submit their report together with the Management Accounts of Comviva Technologies Madagascar Sarlu. (the Company), for the year ended 31st March, 2022.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2022 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Ganeshmurthy Patil

Anil Kumar Krishnan

Devendra Curpen

On behalf of the Board of Directors,

Ganeshmurthy Patil **Director**	**Anil Kumar Krishnan** **Director**	**Devendra Curpen** **Director**

COMVIVA TECHNOLOGIES MADAGASCAR SARLU

BALANCE SHEET AS AT MARCH 31, 2022

Amount in MGA

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Assets			
Non current assets			
(a) Property, Plant and Equipment	1	610,000	1,830,000
(b) Income tax assets (net)		43,079,594	10,079,101
(c) Deferred tax assets		36,665,655	-
Total non-current assets		**80,355,249**	**11,909,101**
Current Assets			
(a) Financial Assets			
(i) Cash and cash equivalents	2	248,061,830	1,312,816,202
(ii) Others financial assets	3	-	135,581
(c) Other current assets	4	10,039,005	118,644
Total current assets		**258,100,835**	**1,313,070,427**
TOTAL ASSETS		**338,456,084**	**1,324,979,528**
Equity and Liabilities			
Equity			
(a) Equity Share capital	5	64,000,000	64,000,000
(b) Other Equity	6	74,669,835	1,104,675,984
		138,669,835	**1,168,675,984**
Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	7	184,221,784	140,507,724
(iii) Others financial liabilities	8	9,829,516	14,101,710
(b) Other current liabilities	9	4,286,674	952,687
(c) Provisions	10	1,448,275	741,423
Total current liabilities		**199,786,249**	**156,303,544**
TOTAL EQUITY AND LIABILITIES		**338,456,084**	**1,324,979,528**
See accompanying notes forming part of the financial statements	1-14		

For and on behalf of Comviva Technologies Madagascar Sarlu

Devendra Curpen
Director & CEO

Anil Kumar Krishnan
Director

Ganeshmurthy Patil
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Amount in MGA

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	11	159,499,632	687,709,369
Other income	12	-	8,231,422
Total income		**159,499,632**	**695,940,792**
Expenses			
(a) Employee benefits expense	13	158,906,840	272,077,639
(b) Depreciation and amortization expense		1,220,000	2,203,333
(c) Other expenses	14	202,221,241	187,901,614
Total expenses		**362,348,081**	**462,182,587**
Profit/(Loss) before tax		(202,848,450)	233,758,205
Tax expenses			
(a) Current tax		19,378,900	52,888,341
(b) Deferred tax		(36,665,654)	-
		(17,286,755)	52,888,341
Profit/(Loss) after tax		**(185,561,695)**	**180,869,865**
See accompanying notes forming part of the financial statements	1-14		

For and on behalf of Comviva Technologies Madagascar Sarlu

Devendra Curpen
Director & CEO

Anil Kumar Krishnan
Director

Ganeshmurthy Patil
Director

Note 1 - Property, Plant and Equipment

Amount in MGA

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 1st April, 2021	**Additions during the year**	**Disposals during the year**	**As at March 31, 2022**	**As at 1st April, 2021**	**For the year**	**On disposal for the year**	**As at March 31, 2022**	**As at March 31, 2022**	**As at March 31, 2021**
Computers	6,610,000	-	-	6,610,000	4,780,000	1,220,000	-	6,000,000	610,000	1,830,000
Total	**6,610,000**	**-**	**-**	**6,610,000**	**4,780,000**	**1,220,000**	**-**	**6,000,000**	**610,000**	**1,830,000**

Note 2 - Cash and cash equivalents :

Amount in MGA

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- In current accounts	248,061,830	1,312,816,202
Total	**248,061,830**	**1,312,816,202**

Note 3 - Other Financial assets :

Current financial assets

Amount in MGA

Particulars	As at March 31, 2022	As at March 31, 2021
Dues from related party (net)	-	135,581
Total	**-**	**135,581**

Note 4 - Other Current assets :

Amount in MGA

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory remittances	10,039,005	118,644
Total	**10,039,005**	**118,644**

Note 5 -Equity Share capital :

Amount in MGA

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	**Amount in MGA**	**Number**	**Amount in MGA**
Equity shares of MGA 20,000 each fully paid up	3,200	64,000,000	3,200	64,000,000
Total	**3,200**	**64,000,000**	**3,200**	**64,000,000**

Note 6 - Other Equity :

Amount in MGA

Particulars	As at March 31, 2022		As at March 31, 2021	
Surplus in the statement of profit and loss				
Opening balance	1,104,675,984		923,806,119	
Add: Profit/(loss) for the year	(185,561,695)		180,869,865	
Less: Dividend to holding company	(844,444,454)		-	
Closing balance		74,669,835		1,104,675,984
Total		**74,669,835**		**1,104,675,984**

Note 7 - Trade payables :

Amount in MGA

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payable	184,221,784	140,507,724
Total	**184,221,784**	**140,507,724**

Note 8 - Other financial liabilities :

Amount in MGA

Particulars	As at March 31, 2022	As at March 31, 2021
Accrued Salaries and Benefits	9,829,516	14,101,710
Total	**9,829,516**	**14,101,710**

Note 9 - Other Current liabilities :

Amount in MGA

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory remittances	4,286,674	952,687
Total	**4,286,674**	**952,687**

Note 10 -Provisions :

Amount in MGA

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
-Compensated absences	1,448,275	741,423
	1,448,275	741,423
Total	**1,448,275**	**741,423**

Note 11 - Revenue from operations :

Amount in MGA

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	159,499,632	687,709,369
Total	**159,499,632**	**687,709,369**

Note 12 - Other income :

Amount in MGA

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Exchange gain (net)	-	434,536
Sundry Balances written back	-	7,796,886
Total	**-**	**8,231,422**

Note 13 - Employee benefits expense :

Amount in MGA

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	155,068,256	265,453,691
Contribution to provident and other funds	3,838,584	6,623,948
Total	**158,906,840**	**272,077,639**

Note 14 - Operating and other expense:

Amount in MGA

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Exchange loss (net)	10,706,310	-
Rates and taxes	-	127,187
Insurance	23,745,596	30,026,034
Communication costs	-	160,000
Legal and professional fees	160,829,465	152,250,969
Miscellaneous expenses	6,939,871	5,337,425
Total	**202,221,241**	**187,901,614**

YABX TECHNOLOGIES (NETHERLANDS) BV

Managing Directors:
Sandeep Phadke
Gaurav Satish Godbole

Registered No:
71797882

Registered Office:
Maanplein 20, Building 8,
2516 CK The Hague,
The Netherlands

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022

The Directors submit their report together with the Management Statements of Yabx Technologies (Netherlands) BV ("The Company"), for the year ended 31st March, 2022.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2022 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Sandeep Phadke

Gaurav Satish Godbole

On behalf of the Board of Directors,

Gaurav Satish Godbole	**Sandeep Phadke**
Director	**Director**

YABX TECHNOLOGIES (NETHERLANDS) BV

BALANCE SHEET AS AT MARCH 31, 2022

Amount in USD

Particulars		Note No.	As at March 31, 2022	As at March 31, 2021
I	**Assets**			
A	**Non current assets**			
	(a) Intangible assets	1	**34,375**	71,875
	(b) Capital work-in-progress		**113,688**	-
	(c) Deferred tax assets		**306,783**	26,111
	Total non-current assets		**454,846**	97,986
B	**Current Assets**			
	(a) Financial Assets			
	(i) Trade receivables	2		
	Billed		**194,944**	108,886
	Unbilled		**78,284**	-
	(ii) Cash and cash equivalents	3	**104,037**	131,782
	(c) Other current assets	4	**10,720**	519
	Total current assets		**387,984**	241,187
	TOTAL ASSETS		**842,830**	339,173
II	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital		**-**	-
	(b) Other Equity	5	**(1,062,407)**	(160,398)
			(1,062,407)	(160,398)
III	**Liabilities**			
A	**Non Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	6	**405,684**	312,233
	Total non-current liabilities		**405,684**	312,233
B	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Trade Payables	7	**1,388,394**	80,435
	(ii) Others financial liabilities	8	**111,161**	106,265
	(b) Other current liabilities		**-**	638
	Total current liabilities		**1,499,553**	187,338
	TOTAL EQUITY AND LIABILITIES		**842,830**	339,173
IV	**See accompanying notes forming part of the financial statements**	1-11		

For and on behalf of YABX Technologies (Netherlands) BV

Sandeep Phadke
Director

Gaurav Satish Godbole
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Amount in USD

Particulars		Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I.	Revenue from operations	9	**291,015**	219,846
II.	Other income	10	**9,602**	-
III.	**Total income (I+II)**		**300,617**	219,846
IV.	**Expenses**			
	(a) Employee benefits expense		**-**	-
	(b) Subcontracting cost		**1,349,970**	17,961
	(c) Finance costs		**10,277**	10,386
	(d) Depreciation and Amortization expense	1	**37,500**	132,000
	(e) Other expenses	11	**85,551**	33,953
	Total expenses		**1,483,298**	194,300
V.	**(Loss)/Profit before tax**		**(1,182,681)**	25,546
VI.	**Tax expenses**			
	(a) Current tax		**-**	-
	(b) Deferred tax		**(280,672)**	(26,111)
			(280,672)	(26,111)
VII.	**Profit/(Loss) after tax**		**(902,009)**	51,657
VIII.	**See accompanying notes forming part of the financial statements**	1-11		

For and on behalf of YABX Technologies (Netherlands) BV

Sandeep Phadke
Director

Gaurav Satish Godbole
Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 - Intangible assets

Amount in USD

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at 1st April, 2021	For the year	On disposal for the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computer software	94,500	-	-	**94,500**	94,500	-	-	**94,500**	**-**	-
Intellectual Property Rights	150,000	-	-	**150,000**	78,125	37,500	-	**115,625**	**34,375**	71,875
Total	**244,500**	**-**	**-**	**244,500**	**172,625**	**37,500**	**-**	**210,125**	**34,375**	**71,875**

Note 2 - Trade receivables :

Amount in USD

Particulars	As at	
	March 31, 2022	March 31, 2021
Considered good – Unsecured	**194,944**	108,886
Less: Allowance for doubtful trade receivables	**-**	-
	194,944	108,886
Trade receivables -Billed (A)	**194,944**	108,886
Trade receivables -Unbilled (B)	**78,284**	-
Total	**273,227**	108,886

Note 3 - Cash and cash equivalents :

Amount in USD

Particulars	As at	
	March 31, 2022	March 31, 2021
Balances with banks:		
- In current accounts	**104,037**	131,782
Total	**104,037**	131,782

Note 4 - Other current assets

Amount in USD

Particulars	As at	
	March 31, 2022	March 31, 2021
Balance with Government authorities	**10,720**	519
Total	**10,720**	519

Note 5 - Other Equity :

Amount in USD

Particulars	As at			
	March 31, 2022		March 31, 2021	
Surplus in the statement of profit and loss				
Opening balance	**(160,398)**		(212,055)	
Add: (Loss)/profit for the year	**(902,009)**		51,657	
Closing balance		**(1,062,407)**		(160,398)
Total		**(1,062,407)**		(160,398)

Note 6 -Borrowings :

Amount in USD

Particulars	As at	
	March 31, 2022	March 31, 2021
Loan from related party	**405,684**	312,233
Total	**312,233**	319,421

Note 7 - Trade payables :

Amount in USD

Particulars	As at	
	March 31, 2022	March 31, 2021
Creditors for supplies / services	**1,388,394**	80,435
Total	**1,388,394**	80,435

Note 8 - Others financial liabilities

Amount in USD

Particulars	As at	
	March 31, 2022	March 31, 2021
Dues from Subsidiary	**111,161**	106,265
Total	**111,161**	106,265

Note 9 - Revenue from operations :

Amount in USD

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Revenue sharing arrangements	**291,015**	219,846
Total	**291,015**	219,846

Note 10 - Other income :

Amount in USD

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Exchange gain/(loss) (net)	**9,602**	-
Total	**9,602**	-

Note 11 - Operating and other expense:

Amount in USD

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Cost of hardware equipment and other items sold	**11,152**	6,176
Repairs and maintenance	**40,255**	-
Rates and taxes	**-**	3,132
Legal and professional fees	**32,086**	6,747
Exchange Loss	**-**	17,448
Miscellaneous expenses	**2,058**	450
Total	**85,551**	33,953

COMVIVA TECHNOLOGIES FZ-LLC

Directors:
Manoranjan Mohapatra
Deshbandhu Rameshkumar Bansal
Rishi Partab Ramphal

Registered No:
20773

Registered Office:
Premises: 1401 & 1408-1409 Floor: 14, PO Box 500583 Building: Al Shatha Tower Dubai, United Arab Emirates

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022

The Directors submit their report together with the audited financials of Comviva Technologies FZ-LLC ("The Company"), for the year ended 31st March, 2022.

Principal activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2022 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interests

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Manoranjan Mohapatra

Deshbandhu Rameshkumar Bansal

Rishi Partab Ramphal (appointed with effect from 2 November 2021)

Ramy Mohamed Abdelhalim Moselhy (ceased to be director with effect from 2 November, 2021)

Auditors

The financial statements have been audited by Kreston Menon Chartered Accountants, who retire and, being eligible, offer themselves for reappointment.

On behalf of the Board of Directors,

Manoranjan Mohapatra	**Deshbandhu Rameshkumar Bansal**
Director	**Director**
28 April 2022	

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF COMVIVA TECHNOLOGIES FZ-LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Comviva Technologies FZ-LLC, Dubai Internet City, Dubai – U.A.E. ('the Company'), which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity (deficit) and 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 accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 Company 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 in the United Arab Emirates, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 22 to the financial statements, which indicates that the Company incurred a loss of AED 5,671,275 for the year ended 31 March 2022 and as of that date, the Company has reported accumulated loss of AED 3,472,169 and its current liabilities exceeds its current assets by AED 8,180,874. As stated in Note 22, these events or conditions, along with other matters as set forth in Note 22, 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.

Responsibilities of Management and Those Charged with Governance 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 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 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. 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.

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.

Report on Other Legal and Regulatory Requirements

We further report that the financial statements comply with the provisions of the Dubai Creative Clusters Private Companies Regulations 2016.

	Safiya Haji Akbar Mohammad
Dubai	Reg. No : 4
28 April 2022	**Kreston Menon Chartered Accountants**

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

Assets	Note	**31.03.2022 AED**	31.03.2021 AED
Non-current assets			
Property and equipment	4	**23,636**	24,079
Right-of-use asset	5	**343,538**	116,448
Loan to related parties	6	**5,631,335**	5,441,297
Total non-current assets		**5,998,509**	5,581,824
Current assets			
Trade and other receivables	7	**22,800,016**	33,671,861
Due from related parties	6	**1,676,709**	1,750,530
Other current financial assets	8	**3,136,738**	3,047,119
Cash and cash equivalents	9	**2,772,802**	1,655,402
Total current assets		**30,386,265**	40,124,912
Total assets		**36,384,774**	45,706,736
Shareholder's equity (deficit) and liabilities			
Shareholder's equity (deficit)			
Share capital	10	**55,000**	55,000
Statutory reserve	11	**27,500**	27,500
(Accumulated loss)/retained earnings		**(3,472,169)**	4,659,106
Total shareholder's equity (deficit)		**(3,389,669)**	4,741,606
Non-current liabilities			
Provision for employees' end of service benefits	12	**995,974**	806,184
Lease liability	13	**211,330**	-
Total non-current liabilities		**1,207,304**	806,184
Current liabilities			
Trade and other payables	14	**38,387,411**	39,980,382
Due to a related party	6	**32,834**	-
Lease liability	13	**146,894**	178,564
Total current liabilities		**38,567,139**	40,158,946
Total liabilities		**39,774,443**	40,965,130
Total shareholder's equity (deficit) and liabilities		**36,384,774**	45,706,736

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

The report of the independent auditor is in previous pages

Authorised for issue by Directors on 28 April 2022.

For Comviva Technologies FZ-LLC

Manoranjan Mohapatra
Director

Deshbandhu Rameshkumar Bansal
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	**31.03.2022**	31.03.2021
		AED	AED
Revenue	15	**32,158,313**	46,671,703
Cost of revenue	16	**(25,816,062)**	(39,205,158)
Gross profit		**6,342,251**	7,466,545
Other income	17	**1,400,293**	242,909
Administrative and selling expenses	18	**(13,406,104)**	(12,188,352)
Loss from operating activities		**(5,663,560)**	(4,478,898)
Finance cost	19	**(7,715)**	(7,224)
Loss for the year		**(5,671,275)**	(4,486,122)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(5,671,275)**	(4,486,122)

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

The report of the independent auditor is in previous pages

STATEMENT OF CHANGES IN EQUITY (DEFICIT) FOR THE YEAR ENDED 31 MARCH 2022

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance as at 1 April 2020	55,000	27,500	9,145,228	9,227,728
Total comprehensive income for the year	-	-	(4,486,122)	(4,486,122)
Balance as at 31 March 2021	**55,000**	**27,500**	**4,659,106**	**4,741,606**
Dividend paid (Note 6 & 21)	-	-	(2,460,000)	(2,460,000)
Total comprehensive income for the year	-	-	(5,671,275)	(5,671,275)
Balance as at 31 March 2022	**55,000**	**27,500**	**(3,472,169)**	**(3,389,669)**

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

The report of the independent auditor is in previous pages

COMVIVA TECHNOLOGIES FZ-LLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	31.03.2022 AED	31.03.2021 AED
Cash flows from operating activities		
Loss for the year	**(5,671,275)**	(4,486,122)
Adjustments for :		
Provision for employees' end of service benefits	**242,831**	193,575
Depreciation on property and equipment	**11,628**	104,054
Depreciation on right-of-use asset	**184,855**	229,887
Interest on loan to related parties	**(163,369)**	(242,909)
Allowance for impairment of trade receivables	**1,164,912**	319,366
Finance cost	**7,715**	7,224
Write back of accrued expenses	**(1,219,265)**	-
Operating cash flows before changes in working capital	**(5,441,968)**	(3,874,925)
Decrease/(increase) in trade and other receivables	**9,706,933**	(7,320,906)
Decrease in due from related parties	**237,190**	129,560
(Decrease)/increase in trade and other payables	**(373,706)**	4,042,603
Increase in due to a related party	**32,834**	-
Cash generated from/(used in) operations	**4,161,283**	(7,023,668)
Employees' end of service benefits paid	**(53,041)**	(107,516)
Finance cost paid	**(7,715)**	(7,224)
Net cash generated from/(used in) operating activities	**4,100,527**	(7,138,408)
Cash flows from investing activities		
Purchase of property and equipment	**(11,185)**	(19,231)
Loan repaid by related parties	**2,752,937**	2,547,406
Loan given to related parties	**(2,942,975)**	-
Increase in other current financial assets	**(89,619)**	(568,568)
Net cash (used in)/generated from investing activities	**(290,842)**	1,959,607
Cash flows from financing activities		
Dividend paid	**(2,460,000)**	-
Payment of lease liability	**(232,285)**	(332,777)
Net cash used in financing activities	**(2,692,285)**	(332,777)
Net increase/(decrease) in cash and cash equivalents	**1,117,400**	(5,511,578)
Cash and cash equivalents at beginning of year	**1,655,402**	7,166,980
Cash and cash equivalents at end of year (Note 9)	**2,772,802**	1,655,402

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

The report of the independent auditor is in previous pages

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

Comviva Technologies FZ-LLC ('the Company'), Dubai Internet City, Dubai, United Arab Emirates is a 100% subsidiary of Comviva Technologies Limited, India registered on 19 February 2012 with the Dubai Technology and Media Free Zone Authority, United Arab Emirates as a Free Zone Limited Liability Company. The registered address of the Company is premises - 1401 & 1408-1409, Floor No. 14, Al Shatha Tower, P.O. Box : 500583, Dubai, United Arab Emirates.

Management considers the parent and ultimate controlling party to be Comviva Technologies Limited, India.

The principal activity of the Company is to provide solutions for telecommunication and network.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

2.1 Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are presented in Arab Emirates Dirhams (AED) and all values are rounded to the nearest Arab Emirates Dirham. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards.

2.3 Adoption of new and revised International Financial Reporting Standards

The following new and revised Standards including amendments thereto and Interpretations which became effective for the current reporting period have been adopted, wherever applicable. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform — Phase 2

Amendment to IFRS 16 - COVID-19-Related Rent Concessions – 1 April 2021

The following Standards, amendments thereto and interpretations have been issued prior to 31 March 2022 but have not been applied in these financial statements as their effective dates of adoption are for future periods. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the financial statements.

IFRS 17: Insurance Contracts - 1 January 2023

Amendments to IFRS 3 - Reference to the Conceptual Framework - 1 January 2022

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Date to be determined

Amendments to IAS 1- Classification of Liabilities as Current or Non-current - 1 January 2023

Amendments to IAS 16 - Proceeds before Intended Use - 1 January 2022

Amendments to IAS 37- Onerous Contracts - Cost of Fulfilling a Contract - 1 January 2022

Annual Improvements to IFRS Standards 2018–2020 - Amendments to IFRS 1, IFRS 9 and IAS 41 - 1 January 2022

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies - 1 January 2023

Amendments to IAS 8 - Definition of Accounting Estimates - 1 January 2023

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a single Transaction - 1 January 2023.

2.4 Foreign currencies

(a) Functional and presentation currency

The financial statements are prepared and the items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in U.A.E. Dirhams, 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 outstanding amounts of such transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies at each reporting date are recognised in the profit or loss. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. 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.

2.5 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs.

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. All other repairs and maintenance expenses are charged to the profit or loss during the reporting period in which they are incurred.

The depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

	Years
Computers	3
Furniture & fixtures	5
Network system	3
Office equipment	5

The assets' residual values and useful lives are reviewed at each reporting date, with the effect of any changes in estimates adjusted on a prospective basis. 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.

The gains or losses arising on the disposal or retirement of an item of property and equipment is determined by comparing the disposal proceeds with the carrying amount of the asset and is recognised in profit or loss.

2.6 Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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 by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- the payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement day and any initial direct costs.

It is subsequently measured at cost less accumulated depreciation, impairment losses and adjusted for any remeasurement of lease liability.

Right-of-use asset is depreciated over the shorter period of lease term and useful life of the underlying asset. The useful life of the assets are 3 years.

The right-of-use asset is presented as a separate line in the statement of financial position. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

2.7 Impairment of tangible assets

At the end of each reporting period, 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.

Recoverable amount is the higher of fair value less costs to sell and value in use.

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 (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or 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.

2.8 Financial instruments

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

Financial assets and financial liabilities (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) are initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets

A financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (“FVTOCI”) – debt investment; fair value through other comprehensive income (“FVTOCI”) – equity investment; or fair value through profit or loss (“FVTPL”). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are; solely; payments of principal and interest on the outstanding principal amount.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method and is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss.

The Company derecognises a financial asset only 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 entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

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

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

2.9 Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model which requires considerable judgement in selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. IFRS 9 requires the Company to record an allowance for ECLs for all financial assets at amortised cost, debt investments at FVTOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The Company has four types of financial assets that are subject to IFRS 9's expected credit loss model:

- Trade and other receivables (excluding contract assets, prepayments and advance to suppliers)
- Loan to related parties
- Due from related parties
- Other current financial assets, and
- Cash and cash equivalents

While the above financial assets are subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial, except for trade receivables.

Under IFRS 9, loss allowances are measured on either of the following bases:

12 month ECLs: these are ECLs that result from possible default within 12 months after the reporting date; and

Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instruments.

The Company has applied the standard's simplified approach for trade receivables and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the 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 ECL.

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. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company considers a financial asset in default when contractual payments are 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.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and other short-term highly liquid investments with a maturity date of three months or less from the date of investment, net of temporary bank overdrafts.

2.11 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 embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is recognised in the profit or loss, net of any reimbursement.

2.12 Provision for employees' end of service benefits

Provision for employees' end of service benefits is made in accordance with the U.A.E. Labour Law, and is based on current remuneration and periods of service at the end of the reporting period.

2.13 Value Added Tax (VAT) payable/receivable

Value added tax (VAT) payable/receivable represents net VAT amount payable to or receivable from the U.A.E. Federal Tax Authority against the value added tax charged to the customers by the Company on its sales and services and the value added tax charged by the suppliers to the Company on its purchases and expenses as per the regulations of Federal Decree Law No. 8 and Cabinet Decision No. 52 of 2017 of United Arab Emirates.

2.14 Revenue recognition

The details of accounting policy in relation to the Company's recognition of revenue from sale of goods and rendering of services are set out below:

Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement. The Company recognises revenue from sale of goods and rendering of services based on a five-step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.

Step 3. Determine the transaction price: The transaction price is 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 parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Revenue is recognised based on the following specific recognition criteria:

Sale of goods

Revenue (Net of discounts) from sale of goods (comprising of hardware and software) is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods or on final acceptance. Payment of the transaction price is due immediately when the customer purchases the goods and takes delivery.

Income from services

Revenue from fixed-price contracts are recognized as per the proportionate-completion method or completed contract method, as applicable provided that no further vendor obligations remain and collection is probable.

Revenue in respect of time-and-material contracts is recognized as and when the related services are rendered. Annual technical services revenue and revenue from fixed-price maintenance contracts are recognized proportionately over the period in which the services are rendered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as contract 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 and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Contracts with multiple performance obligations

Some contracts include multiple deliverables, such as the sale of equipment and related services. However, the installation is simple, could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Company uses input method for recognizing revenue for service revenue.

Significant judgements about:

Timing of satisfaction of performance obligation

In making their judgement, the management considered the detailed criteria for the recognition of revenue set out in IFRS 15. The revenue is recognized when the Company has transferred control of the goods or completed provision of service to the customer.

Transaction price and the amounts allocated to performance obligations

Management estimates the stand-alone selling price at contract inception based on observable prices of the type of equipment likely to be provided and the services rendered in similar circumstances to similar customers. If a discount is granted, it is allocated to both performance obligations based on their relative stand-alone selling prices.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements 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 asset or liability affected in future periods.

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. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Depreciation of property and equipment

Management assigns useful lives and residual values to property 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 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 non-financial assets

Assessments of net recoverable amounts of property and equipment and other non- financial assets are based on assumptions regarding future cash flows expected to be received from the related assets.

c) Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

d) Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

e) Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

f) Lease term and useful lives of right-of-use asset

The Company's management 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.

4. PROPERTY AND EQUIPMENT

	Computers AED	Furniture & fixtures AED	Network system AED	Office equipment AED	Total AED
Cost					
At 1 April 2020	3,934,888	7,794	57,100	52,038	4,051,820
Addition	19,231	-	-	-	19,231
At 31 March 2021	3,954,119	7,794	57,100	52,038	4,071,051
Additions	9,935	-	-	1,250	11,185
At 31 March 2022	3,964,054	7,794	57,100	53,288	4,082,236
Accumulated depreciation					
At 1 April 2020	3,835,300	5,586	57,100	44,932	3,942,918
Charge for the year (Note 18)	99,908	1,559	-	2,587	104,054
At 31 March 2021	3,935,208	7,145	57,100	47,519	4,046,972
Charge for the year (Note 18)	8,775	649	-	2,204	11,628
At 31 March 2022	3,943,983	7,794	57,100	49,723	4,058,600
Carrying amount					
At 31 March 2022	**20,071**	**-**	**-**	**3,565**	**23,636**
At 31 March 2021	18,911	649	-	4,519	24,079

5. RIGHT-OF-USE ASSETS

Building	**31.03.2022 AED**	31.03.2021 AED
Cost		
Balance at the beginning of the year	**578,070**	578,070
Addition (Note 13)	**411,945**	-
Balance at the end of the year	**990,015**	578,070
Accumulated depreciation		
Balance at the beginning of the year	**461,622**	231,735
Charge for the year (Note 18)	**184,855**	229,887
Balance at the end of the year	**646,477**	461,622
Carrying amount	**343,538**	116,448

6. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the shareholder, key management personnel/directors, fellow subsidiaries, associates, joint ventures and entities which are controlled directly or indirectly by the shareholder or directors or over which they exercise significant management influence. Balances and transactions between the Company and its related parties are described below. Transactions with related parties were entered into on terms as agreed by the management.

Management considers the parent and ultimate controlling party to be Comviva Technologies Limited, India.

During the year, the Company entered into the following transactions with related parties:

	31.03.2022 AED	31.03.2021 AED
Comviva Technologies Limited (Parent company)		
Purchases and direct expenses (Note 16)	**1,086,425**	9,855,170
Dividend paid (Note 21)	**2,460,000**	-
Fund transfer	**161,803**	-
Entities under common ownership and control		
Interest on loan to related parties (Note 17)	**163,369**	242,909
Loan given to a related party	**2,942,975**	-
Loan repaid by a related party	**2,752,937**	2,586,429
Lease payment to related party (Note 13)	**240,000**	340,001
Fund transferred (net)	**106,655**	-

Compensation of key managerial personnel

The key managerial remuneration represents the compensation paid or payable to key management for employee services. The key management includes directors and other members of senior management. The compensation of key management for the year is shown below:

	31.03.2022 AED	31.03.2021 AED
Salaries and allowances	**1,596,371**	1,944,213
End of service benefits	**101,716**	73,679
	1,698,087	2,017,892

The compensation to key managerial personnel is included in employee costs (Note 20).

The following balances were outstanding at the end of the reporting period :

Loan to related parties Entities under common ownership and control	**31.03.2022 AED**	31.03.2021 AED
Comviva Technologies USA INC.	**2,580,770**	-
Comviva Technologies Nigeria Limited	**1,548,462**	1,539,620
YABX Technologies (Netherlands) B.V.	**1,502,103**	1,148,740
Comviva Technologies B.V	**-**	920,056
Emagine International Pty Ltd	**-**	1,832,881
	5,631,335	5,441,297

The Company has given a loan of US$ 1,000,000 to Comviva Technologies USA INC. on 10 August 2021 which carries an interest rate of 3 months LIBOR + 200bps. .

The Company has given a loan of US$ 420,000 to Comviva Technologies Nigeria Limited on 12 April 2013 which carries an interest rate of LIBOR + 5.5%.

The Company has given a loan of US$ 400,000 to Comviva Technologies B.V on 30 September 2017 which carries an interest rate of LIBOR + 2%. A loan of US$ 2,000,000 was given on 5 February 2020.

The Company has given a loan of US$ 500,000 to Emagine International Pty Ltd on 27 August 2019 which carries an interest rate of LIBOR + 2%.

The Company has given a loan of EUR 266,000 to YABX Technologies (Netherlands) B.V. on 15 July 2019 which carries an interest rate of LIBOR + 2%.

Due from related parties	31.03.2022 AED	31.03.2021 AED
Parent company		
Comviva Technologies Limited, India	-	161,803
Entities under common ownership and control		
Comviva Technologies Nigeria Limited	**1,297,691**	1,204,383
Comviva Technologies B.V	**305,605**	384,344
YABX Technologies (Netherlands) B.V.	**54,779**	-
Comviva Technologies USA	**18,356**	-
Comviva Technologies Limited, Zambia	**278**	-
	1,676,709	1,750,530

Due to a related party	31.03.2022	31.03.2021
Entity under common ownership and control	**AED**	AED
Comviva Technologies (Australia) Pty. Ltd	**32,834**	-

Following are the balances due from/to related parties		
Included in trade and other receivables (Note 7)	**1,703,083**	3,419,300
Included in trade and other payables (Note 14)	**8,692,108**	11,866,677
Lease liability (Note 13)	**358,224**	178,564

7. TRADE AND OTHER RECEIVABLES

	31.03.2022 AED	31.03.2021 AED
Trade receivables	**16,746,032**	23,650,712
Less : Allowance for impairment of trade receivables	**(1,106,240)**	(1,147,643)
	15,639,792	22,503,069
Contract assets	**4,674,186**	9,941,712
Prepayments	**2,339,369**	989,193
Advance to employees	**72,246**	29,334
Advance to suppliers	**33,962**	70,644
Refundable deposits	**33,797**	33,604
VAT receivable	**-**	104,305
Other receivables	**6,664**	-
	22,800,016	33,671,861

As at 31 March 2022, trade receivables with a nominal value of AED 1,106,240 (2021 : AED 1,147,643) were provided for as per the requirement under IFRS 9 expected credit loss model.

Movements in the allowance for impairment of trade receivables are as follows:

	31.03.2022 AED	31.03.2021 AED
Balance at the beginning of the year	**1,147,643**	828,277
Provision made during the year (Note 18)	**1,164,912**	319,366
Written off during the year	**(1,206,315)**	-
Balance at the end of the year	**1,106,240**	1,147,643

Trade receivables are non-interest bearing and generally on 30 days credit terms

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer base.

As at 31 March, the ageing analysis of trade receivables is as follows :

	Current AED	31 to 90 days AED	91 to 180 days AED	181 to 365 days AED	Above 365 days AED	Total AED
2022						
Gross receivables	8,211,678	1,090,898	3,435,001	2,640,719	1,367,736	16,746,032
Provision %	0.13%	0.20%	0.27%	1.31%	76.76%	6.61%
Provision	(10,328)	(2,152)	(9,302)	(34,617)	(1,049,841)	(1,106,240)
Net receivables	8,201,350	1,088,746	3,425,699	2,606,102	317,895	15,639,792
2021						
Gross receivables	6,183,626	6,847,443	4,591,717	664,114	5,363,812	23,650,712
Provision %	0.01%	0.01%	0.02%	0.05%	21.36%	4.85%
Provision	(345)	(479)	(1,046)	(307)	(1,145,466)	(1,147,643)
Net receivables	6,183,281	6,846,964	4,590,671	663,807	4,218,346	22,503,069

Trade receivables include AED 1,703,083 (2021 : AED 3,419,300) receivable from related parties (Note 6).

8. OTHER CURRENT FINANCIAL ASSETS

	31.03.2022 AED	31.03.2021 AED
Term deposit	**3,005,921**	-
Margin deposit	**130,817**	3,047,119
	3,136,738	3,047,119

9. CASH AND CASH EQUIVALENTS

	31.03.2022 AED	31.03.2021 AED
Cash at bank : Current accounts	**2,772,802**	1,655,402

10. SHARE CAPITAL

	31.03.2022 AED	31.03.2021 AED
Authorised, issued and fully paid;		
55 ordinary shares of AED 1,000 each	**55,000**	55,000

11. STATUTORY RESERVE

	31.03.2022 AED	31.03.2021 AED
Balance at the end of the year	**27,500**	27,500

In accordance with the Memorandum and Article of Association, the Company has established a statutory reserve by transferring 10% of net profit for each year until the reserve equals 50% of the issued share capital. This is discontinued since the reserve has accumulated to 50% of the paid up capital. This reserve is not available for distribution except as stipulated by the provisions of Memorandum and Articles of Association.

12. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	31.03.2022 AED	31.03.2021 AED
Balance at the beginning of the year	**806,184**	720,125
Provided during the year (Note 20)	**242,831**	193,575
Paid during the year	**(53,041)**	(107,516)
Balance at the end of the year	**995,974**	806,184

13. LEASE LIABILITY

	31.03.2022 AED	31.03.2021 AED
Balance at the beginning of the year	**178,564**	511,341
Recognised during the year (Note 5)	**411,945**	-
Interest charged during the year (Note 19)	**7,715**	7,224
Lease payments during the year (Note 6)	**(240,000)**	(340,001)
Balance at the end of the year	**358,224**	178,564
Less: Non-current portion	**(211,330)**	-
Current portion	**146,894**	178,564

14. TRADE AND OTHER PAYABLES

	31.03.2022 AED	31.03.2021 AED
Trade payables	**8,927,023**	12,357,108
Accrued expenses	**26,339,340**	26,134,364
Employee benefits payable	**2,698,341**	1,152,250
Advance from customers	**254,200**	217,914
Contract liability	**119,923**	118,746
Value added tax payable	**48,584**	-
	38,387,411	39,980,382

Trade payables include AED 8,692,108 (2021 : AED 11,866,677) payable to a related party (Note 6).

15. REVENUE

	31.03.2022 AED	31.03.2021 AED
Revenue from :		
Sales of goods - At a point in time	**1,771,726**	4,594,971
Rendering of services - Over a period of time	**30,386,587**	42,076,732
	32,158,313	46,671,703

16. COST OF SALES

	31.03.2022 AED	31.03.2021 AED
Purchases	**4,852,628**	7,827,209
Royalty	**18,794,913**	22,043,149
Direct expenses	**2,168,521**	9,334,800
	25,816,062	39,205,158

The above purchases and direct expenses include AED 1,086,425 (2021 : AED 9,855,170) paid to a related party (Note 6).

17. OTHER INCOME

	31.03.2022 AED	31.03.2021 AED
Write back of accrued expenses	**1,219,265**	-
Interest on loan to related parties (Note 6)	**163,369**	242,909
Miscellaneous income	**17,659**	-
	1,400,293	242,909

18. ADMINISTRATIVE AND SELLING EXPENSES

	31.03.2022 AED	31.03.2021 AED
Employee costs (Note 20)	**10,132,612**	9,714,456
Allowance for impairment of trade receivables (Note 7)	**1,164,912**	319,366
Rates and taxes	**620,719**	695,912
Exchange loss	**397,474**	104,405
Legal and professional fees	**348,279**	90,232
Depreciation on right-of-use asset (Note 5)	**184,855**	229,887
Insurance	**151,695**	160,356
Bank charges	**96,691**	135,901
Communication	**39,723**	93,106
Freight and forwarding charges	**31,930**	127,991
Recruitment and visa charges	**31,444**	112,584
Repairs and maintenance	**58,292**	35,070
Travelling expenses	**28,573**	102,967
Advertisement and sale promotion	**14,276**	49,774
Depreciation on property and equipment (Note 4)	**11,628**	104,054
Expenses on short term lease	**-**	59,054
Other expenses	**93,001**	53,237
	13,406,104	12,188,352

19. FINANCE COSTS

	31.03.2022 AED	31.03.2021 AED
Interest on lease liability (Note 13)	**7,715**	7,224

20. EMPLOYEE COSTS

	31.03.2022 AED	31.03.2021 AED
Salaries and allowances	**9,805,155**	9,191,635
End of service benefits (Note 12)	**242,831**	193,575
Other benefits	**84,626**	329,246
	10,132,612	9,714,456

The above employee costs include AED 1,698,087 (2021 : AED 2,017,892) compensation paid to key managerial personnel (Note 6).

The entire employee costs have been allocated to administrative and selling expenses (Note 18).

21. DIVIDEND

During the year, a dividend of AED 2,460,000 (2021 : AED Nil) was paid to the shareholder (Note 6).

22. GOING CONCERN

The financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of all liabilities in the normal course of business. The Company has incurred a loss of AED 5,671,275 for the year ended 31 March 2022 and as of that date, the Company has reported accumulated loss of AED 3,472,169 and its current liabilities exceeds its current assets by AED 8,180,874. The shareholder has committed to provide such financial support as may be required to enable the Company to meet its debts and obligations as they fall due. The financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of all liabilities in the normal course of business.

23. FINANCIAL INSTRUMENTS

The net carrying amounts of the financial assets and financial liabilities at the end of the reporting period are classified below:

	At amortised cost	
	31.03.2022 AED	31.03.2021 AED
Financial assets		
Trade and other payables (excluding advance from customers and contract liability) (Note 14)	**15,752,499**	22,670,312
Loan to related parties (Note 6)	**5,631,335**	5,441,297
Due from related parties (Note 6)	**1,676,709**	1,750,530
Other current financial assets (Note 8)	**3,136,738**	3,047,119
Cash and cash equivalents (Note 9)	**2,772,802**	1,655,402
	28,970,083	34,564,660

	At amortised cost	
	31.03.2022 AED	31.03.2021 AED
Financial liabilities		
Trade and other payables (excluding advance from customers and contract liability) (Note 14)	**38,013,288**	39,643,722
Lease liability (Note 13)	**358,224**	178,564
Due to a related party (Note 6)	**32,834**	-
	38,404,346	39,822,286

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.9 to the financial statements.

24. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while providing maximum return to stakeholders through the optimisation of the debt and equity balance and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy on capital risk management remains unchanged from the previous year.

The capital structure of the Company consists of equity funds as presented in the statement of financial position. Debt comprises total amounts owing to third parties and due to a related party, net of cash and cash equivalents.

25. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's management. The management identifies and evaluates financial risks on regular basis to minimise the adverse impact over the Company's operation.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk : interest rate risk, currency risk and other price risk, such as equity risk and commodity price risk. The Company's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, when revenue or expense are denominated in a different currency from the Company's functional currency which is United Arab Emirates Dirham (AED). The Company manages the risks through regular monitoring of the currency markets to determine appropriate action to minimise the exposure to the foreign currency risk..

(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 exposure to the risk of changes in market interest rates relates primarily to the loan to related parties.

(b) Credit risk

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

The Company deals only with highly reputed local and international banks. In respect of major customers, credit risk is managed by assessing the credit quality of these major customers, taking into account their financial position, past experience and other factors including regular follow up.

(c) Liquidity risks

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 framework for the Company's short, medium and long-term funding and liquidity management 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.

The table below analyses the Company's remaining contractual maturity for its financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at 31 March 2022	**Less than 1 year AED**	**Between 1 to 5 years AED**	**Total AED**
Trade and other payables (excluding advance from customers and contract liability) (Note 14)	38,013,288	-	38,013,288
Lease liability (Note 13)	146,894	211,330	358,224
Due to a related party (Note 6)	32,834	-	32,834
	38,193,016	211,330	38,404,346

As at 31 March 2021	**Less than 1 year AED**	**Between 1 to 5 years AED**	**Total AED**
Trade and other payables (excluding advance from customers and contract liability) (Note 14)	39,643,722	-	39,643,722
Lease liability (Note 13)	178,564	-	178,564
	39,822,286	-	39,822,286

26. IMPACT OF COVID-19

The outbreak of COVID-19 continues to evolve and therefore, it is challenging to predict the extent and duration of its business and economic impact at this stage. These conditions are continuing as at the reporting date. Considering the unprecedented nature of the crisis, a reliable estimate of its impact on economy in general and business in particular, cannot be made at the date of the authorization of these financial statements. The management is closely monitoring the situation and has prepared action plans to ensure continuity of its business operations. Following the analysis of different possible scenarios, the management has concluded that sufficient reserves are available in respect of the liquidity and also the equity base of the Company to guarantee continuity of its operations at the date of the authorization of these financial statements.

27. FAIR VALUE

The fair value of a particular asset or liability 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 values of the financial assets and liabilities approximate their carrying amounts as reflected in these financial statements.

28. CONTINGENT LIABILITIES

As at the end of the reporting period the following contingent liabilities were outstanding :

	31.03.2022 AED	31.03.2021 AED
Letters of guarantee	**2,963,296**	2,876,603

29. COMPARATIVE FIGURES

The previous year figures have been reclassified and regrouped, wherever necessary, to conform with the current year presentation.

COMVIVA TECHNOLOGIES B.V.

Directors:
Sandeep Phadke
Gaurav Satish Godbole

Registered No:
63223767

Registered Office:
Maanplein 20, Building 8, 2516 CK The Hague
The Netherlands

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022

The Directors submit their report together with the Audited Financials of Comviva Technologies B.V. ("The Company"), for the year ended 31st March, 2022.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2022 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Sandeep Phadke

Gaurav Satish Godbole

On behalf of the Board of Directors,

Gaurav Satish Godbole	**Sandeep Phadke**
Director	**Director**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Comviva Technologies B.V.

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the special purpose financial statements of Comviva Technologies B.V. (the Company), which comprise the balance sheet as at March 31, 2022, and the income statement, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements of the Company for the year ended March 31, 2022, are prepared in all material respects, in accordance with the International Financial Reporting Standard (IFRS) as adopted by European Union (EU) and relevant articles of Part 9 of Book 2 of the Dutch Civil Code.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose 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 special purpose financial statements as prescribed by International Federation of Accountants, and we have fulfilled our other ethical 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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the special purpose financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Company in complying with the financial reporting provisions of Part 9 of Book 2 of the Dutch Civil Code. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the use of Board of Directors and the current investors of the company and should not be distributed to or used by any other parties. BDO India LLP shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our opinion is not modified in respect of this matter.

Other Matter

We have relied on the scanned copies of the supporting documents for the purpose of issuing our opinion.

Our opinion is not modified in respect of above matter.

Responsibilities of Management and Those charged with Governance for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special purpose financial statements that give a true and fair view in accordance with the International Financial Reporting Standard (IFRS) as adopted by European Union (EU) and relevant articles of Part 9 of Book 2 of the Dutch Civil Code and for such internal control as management determines is necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 International Standards on Auditing (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 special purpose financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special purpose financial statements.

For BDO India LLP

Authorised Signatory

Place: Gurugram
Date: May 02, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS OF COMVIVA TECHNOLOGIES B.V.

Auditor's Responsibilities for the Audit of the Special Purpose 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 special purpose 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 special purpose 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.
- 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.

For BDO India LLP

Authorised Signatory

Place: Gurugram
Date: May 02, 2022

COMVIVA TECHNOLOGIES B.V.

BALANCE SHEET AS AT MARCH 31, 2022

(All amounts in Euro, unless otherwise stated)

Particulars	Note no.	As at March 31, 2022	As at March 31, 2021
I Assets			
A Non current assets			
(a) Tangible Assets	3A	**477,121**	144,834
(b) Capital work-in-progress	3C	**240,319**	518,260
(c) Intangible assets	3B	**3,722**	11,975
(d) Financial assets	4-7	**12,052,333**	15,822,218
		12,773,495	16,497,287
B Current assets			
(a) Financial assets			
(i) Trade receivables	8	**5,639,436**	3,672,685
(ii) Cash and cash equivalents	9	**1,027,766**	579,467
(iii) Other financial assets	10	**1,186,965**	1,058,191
(b) Contract assets	11	**4,641,087**	1,141,812
(c) Other current assets	12	**30,561**	3,575
Total current assets		**12,525,815**	6,455,730
TOTAL ASSETS		**25,299,310**	22,953,017
II Equity and Liabilities			
A Equity			
(a) Equity share capital	13	**19,055,090**	3,479,180
(b) Other Reserves	14	**(1,638,520)**	(1,638,520)
(c) Retained earnings	14	**(709,266)**	(5,342,140)
Total Equity		**16,707,304**	(3,501,480)
B Liabilities			
1 Non-current Liabilities		**-**	-
2 Current liabilities	15		
Payable to credit institutions		**-**	16,186,653
Trade payables		**7,963,017**	9,972,747
Payable to Group companies		**-**	213,123
Contract liabilities		**628,989**	50,507
Accruals		**-**	31,467
Total current liabilities		**8,592,006**	26,454,497
TOTAL EQUITY AND LIABILITIES		**25,299,310**	22,953,017
Summary of Significant Accounting Policies	2		

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Euro, unless otherwise stated)

	Particulars	Note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
		16		
I.	Net Revenue		**13,479,883**	5,451,375
II.	Other Operating Income		**-**	105
III.	Cost of outsourced work and other external expenses		**(8,259,829)**	(5,378,916)
IV.	**Gross Margin**		**5,220,054**	72,564
	Employee Benefit Expenses		**55,007**	149,024
	Amortisation, depreciation and impairment		**264,361**	106,788
	Other Operating expenses			
	Sales Related expense		**8,108**	35,419
	Office related expense		**129,586**	98,254
	General expenses		**869,247**	479,679
	Sum of Expenses		**1,326,309**	869,164
V.	**Operating Result**		**3,893,745**	796,600
	Finance cost		**41,951**	326,036
	Finance income		**1,231,130**	743,901
VI.	**Result before tax**		**5,082,924**	(378,735)
	Deferred tax expense		**450,050**	-
VII.	**Result after tax**		**4,632,874**	(378,735)
	Summary of Significant Accounting Policies	2		

Notes forming part of the financial statements for the year ended March 31, 2022
(All amounts in Euro unless otherwise stated)

Note 3 - Property, Plant and Equipment

Particulars	Gross Block				Accumulated Depreciation				Net Block
	As at 1st April, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at 1st April, 2021	For the year	On disposal for the year	As at March 31, 2022	As at March 31, 2022
A. Tangible assets									
Computers	324,293	583,487	-	907,780	179,575	251,373	-	430,948	476,832
Office equipments	280	249	-	529	163	77	-	240	289
Total	**324,573**	**583,736**	**-**	**908,309**	**179,738**	**251,450**	**-**	**431,188**	**477,121**
B. Intangible assets									
Computer software	25,161	4,652	-	29,813	13,179	12,912	-	26,091	3,722
Sub-Total	**349,734**	**588,388**	**-**	**938,122**	**192,917**	**264,362**	**-**	**457,279**	**480,843**

C Capital work-in-progress

Particulars	**As at March 31,2022**	As at March 31,2021
- Computers (including integrated softwares)	**240,319**	518,260
	240,319	518,260

Note 4 - Non-current investments :

Particulars	As at March 31,2022	As at March 31,2021
Participation in group Companies :		
Comviva Technologies (Argentina) S.A.	**4,922,169**	4,922,169
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA	**28,07,975**	2,577,548
Investments in Columbia	**118,973**	118,973
Investment in Comviva Technologies (Australia) Pty Ltd	**6,793**	6,793
Total	**7,855,910**	7,625,483
Movement in investments can be broken down as follows :		
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA		
Carrying value April 1, 2021		2,577,548
Additions		230,427
Carrying value March 31, 2022		**2,807,975**

Note 5 - Loan receivable from group companies :

Particulars	As at March 31,2022	As at March 31,2021
ATS Advanced Technologies solution do Brasil LTDA	**157,839**	-
ATS Advanced Technologies solution(SA) Argentina	**450,969**	425,965
Comviva Technologies(Australia) Pty. Ltd.	**2,283,716**	4,430,031
Emagine International Pty Ltd.	**-**	1,874,244
Total	**2,892,524**	6,730,240

Note 6 - Tax Receivables :

Particulars	As at March 31,2022	As at March 31,2021
Advance Income Tax	**981,565**	694,112
Total	**981,565**	694,112

Note 7 - Deferred tax Assets :

Particulars	As at March 31,2022	As at March 31,2021
Deferred Tax Asset	**322,334**	772,384
Total	**322,334**	772,384

Note 8 - Trade receivables :

Particulars	As at March 31,2022	As at March 31,2021
Trade receivables, gross	**6,027,214**	3,709,991
Less: Provision bad debts (Refer Note 18)	**(387,778)**	(37,306)
Total	**5,639,436**	3,672,685

Note 9 - Cash and cash equivalents :

Particulars	As at March 31,2022	As at March 31,2021
Balances with banks:		
- In current accounts	**1,027,766**	579,467
Total	**1,027,766**	579,467

Note 10 - Other financial assets :

Particulars	As at March 31,2022	As at March 31,2021
Dues from subsidiary companies	**922,778**	878,253
Tax receivables	**6,448**	56,902
Prepaid Expenses	**257,739**	123,036
Total	**1,186,965**	1,058,191

Note 11 - Contract assets :

Particulars	As at March 31,2022	As at March 31,2021
Contract assets	**4,641,087**	1,141,812
Total	**4,641,087**	1,141,812

Note 12 - Other Current Assets :

Particulars	As at March 31,2022	As at March 31,2021
Advance to suppliers	**27,855**	3,575
Advances for travel	**2,706**	-
Total	**30,561**	3,575

Movements in Financial Assets:

Particulars	Participation in group companies	Receivables from group companies	Deferred tax assets	Other receivables	Total
Carrying value April 1,2021	7,625,483	6,730,240	772,384	694,112	15,822,219
Movement in FY 21-22					
- Additions (net of exchange difference)	230,427	182,843	-	287,453	700,723
- Deletion (net of exchange difference)	-	4,020,559	450,050	-	4,470,609
Carrying value March 31,2022	7,855,910	2,892,524	322,334	981,565	12,052,333

Overview of Participating interest:

Comviva Technologies B.V. has direct interest in following :

Name of Entity	% share capital	Additional information
Comviva Technologies (Argentina) S.A.	99.96%	Recognised at cost
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA	99.96%	Recognised at cost
Comviva Technology Columbia S.A.S	100	Recognised at cost
Comviva Technologies (Australia) Pty Ltd	100	Recognised at cost

Note 13 - Equity share capital :

Particulars	As at March 31, 2022 Number	As at March 31, 2022 Amount in Euro	As at March 31, 2021 Number	As at March 31, 2021 Amount in Euro
(a) Authorised :				
Equity shares of Euro 1 each	**19,055,090**	**19,055,090**	3,479,180	3,479,180
(b) Issued, subscribed and fully paid up :				
Equity shares of Euro 1 each fully paid up (Refer note 18)	**19,055,090**	**19,055,090**	3,479,180	3,479,180
Total	**19,055,090**	**19,055,090**	3,479,180	3,479,180

Note 14 - Reserves and surplus :

Particulars	As at March 31, 2022		As at March 31, 2021	
Share Capital				
Opening balance	**3,479,180**	**-**	911,145	-
Add: Increase in capital	**15,575,910**	**-**	2,568,035	-
Closing balance	**-**	**19,055,090**	-	3,479,180
Retained earnings				
Opening balance	**(5,342,140)**	**-**	(4,963,405)	-
Add: profit /(loss) for the year	**4,632,874**	**-**	(378,735)	-
Closing balance	**-**	**(709,266)**		(5,342,140)
Other Reserves				
Opening Balance	**(1,638,520)**	**-**	(1,638,520)	-
Closing balance	**-**	**(1,638,520)**	-	(1,638,520)
Total		**(2,347,786)**		(6,980,660)

Share Capital

The issued share capital of Comviva Technologies B.V. amounts to EUR 19,055,090, divided into 19,055,090 ordinary shares of par value EUR 1 each.

Note 15 - Current Liabilities:

Particulars	As at March 31,2022	As at March 31,2021
Payable to Credit Institutions	**-**	16,186,653
Trade Payables		
Trade Creditors	**7,963,017**	9,972,747
	7,963,017	9,972,747
Payable to Group companies	**-**	213,123
Contract liabilities	**628,989**	50,507
Accruals		
Interest	**-**	31,467
	-	31,467
	8,592,006	26,454,497

Disclosure

Loan group company:

The calculated interest is LIBOR + 2%

No redemption date has been agreed. During the year the loan has been repaid in full.

Pledges and collateral

The borrowing of Bank of America are secured by the corporate guarantee from the holding company, Comviva Technologies Ltd. During the year the loan has been repaid in full.Guarantee

Guarantee

The borrowings are secured by the corporate guarantee from the Holding company,Comviva Technologies Ltd.

Note 16 - Note to Income statement :

Revenue and Gross Margin	For the year ending March 31, 2022	For the year ending March 31, 2021
Net Revenue	**13,479,883**	5,451,375
Other Operating income	**-**	105
Operating Income	**13,479,883**	5,451,480
Cost of Outsourced work and other external expenses	**8,259,829**	5,378,916
Gross Margin	**5,220,054**	72,564

Employee benefit	For the year ending March 31, 2022	For the year ending March 31, 2021
Wages and salaries	**53,352**	143,134
Social Security Contribution	**-**	5,890
Other Employee Benefit	**1,655**	-
Total	**55,007**	149,024

Amortisation, Depreciation and Impairment	For the year ending March 31, 2022	For the year ending March 31, 2021
Amortisation of Tangible assets	**251,449**	94,795
Amortisation of Intangible assets	**12,912**	11,993
Total	**264,361**	106,788

Other operating Expenses	For the year ending March 31, 2022	For the year ending March 31, 2021
Sales Related Expense	**8,108**	35,419
Office related expense	**129,586**	98,254
General expense	**869,247**	479,679
Total	**1,006,941**	613,352

Financial Income	For the year ending March 31, 2022	For the year ending March 31, 2021
Interest income from group companies	**128,160**	189,020
Interest income from other parties	**-**	2,160
Foreign currency exchange difference	**1,102,970**	552,721
Total	**1,231,130**	743,901

Financial expense	For the year ending March 31, 2022	For the year ending March 31, 2021
Interest expense from group companies	**3,910**	15,432
Interest expense - Credit institutions	**38,041**	310,604
Total	**41,951**	326,036

Taxation	**For the year ending March 31, 2022**	For the year ending March 31, 2021
Income tax expense for current financial year		
Current tax	**-**	-
Deferred tax	**450,050**	-
Total	**450,050**	-

Note 17 - Other Notes :

Employees

The average number of employees during the year, converted to full-time equivalents, was as follows:

Average number of employees during the period	**2021/22**	2020/21
Active within the Netherlands	**0**	1

Note 18

During the year, the company has made revision in its expected credit loss model for recognising the provision for loss allowance on trade receivables from 100% charge on 365 days outstanding debtor to provisional matrix based on more reliable historical performance which is also in line with group policy. As a result of the above change provision for loss allowance has been reduced by Euro 5,08,443 as at 31st March 2022. It is impracticable to disclose impact of the same on the future periods in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

Note 19

Previous year figures have beeen regrouped / reclassified wherever considered necessary to confirm to the presentation of current year financial statements.

Note 20

The World Health Organization announced a global health emergency because of a new strain of coronavirus (“COVID-19”) and classified its outbreak as a pandemic on March 11, 2020. This pandemic is creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown. 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 no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

PROFIT APPROPRIATION

Proposed appropriation of the results

The board of directors proposes, with the approval of the supervisory board, that the result for the financial year 2021/2022 amounting to € 46,32,874 should be transferred to reserves without payment of dividend.

Signature

Name	Function	Signature
Sandeep Phadke	Managing Director	
Gaurav Satish Godbole	Managing Director	

1. GENERAL NOTES

Most important activities

The activities of Comviva Technologies B.V., having its legal seat at Amsterdam mainly consist of writing, producing, publishing of software and providing business support services.

Location actual activities

Comviva Technologies B.V. is located in Amsterdam and is registered at the chamber of commerce under number 63223767. The actual address is Maanplein 7 at ‘s Gravenhage.

Group structure

The Company forms part of the Comviva Group of companies. The immediate parent company is Comviva Technologies Limited (CTL), India. The Company is ultimately owned by Tech Mahindra Ltd, India.

Exemption from consolidation

As Comviva Technologies B.V. is classified as “Small” after consolidation, consolidation has been dispensed pursuant to art. 407, sub 2, under a of book 2 of the Dutch Civil Code (‘Burgerlijk Wetboek’). The Company avails the facility of article 408, Book 2 of the Dutch Civil Code. The annual accounts of the company and its subsidiaries are consolidated into the annual accounts of Tech Mahindra Limited, India. Copies of the consolidated accounts are available at the Trade Register of the Chamber of commerce in Amsterdam. The consolidated accounts will be filed together with the final statements of the Company.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Comviva Technologies B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

2. ACCOUNTING POLICIES

GENERAL

General policies

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards applicable to small legal entities, as published by the Dutch Accounting Standards Board (‘Raad voor de Jaarverslaggeving’).

Accounting policies for the valuation of assets and equity and liabilities

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

Accounting policies for the income statement

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Foreign currency translation

Items included in the financial statements of Comviva Technologies B.V. are valued with due regard for the currency in the economic environment in which the company carries out most of its activities (the functional currency). The financial statements are denominated in Euros; this is both the functional currency and presentation currency of Comviva Technologies B.V.

Financial instruments

Securities included in financial and current assets are stated at fair value, if these are related to securities held for trading or if they relate to equity instruments not held for trading, as well as derivatives of which the underlying object is listed on a stock exchange. All other on-balance financial instruments are carried at (amortised) cost. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm’s length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and/or option pricing models, making allowance for entity-specific inputs.

ACCOUNTING POLICIES FOR ASSETS

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash generating unit to which the asset belongs) is higher than its realisable value.

Tangible assets

Land and buildings are valued at historical cost plus additional costs or production cost less straight line depreciation based on the expected useful life. Land is not depreciated. Impairments expected on the balance sheet date are taken into account. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section. Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Financial assets

Due to the international structure of the group and the use of the consolidation exemption of Article 408, Book 2 of the Dutch Civil Code, participations are recognised at costs. If an asset qualifies as impaired, it is measured at its impaired value; any write offs are disclosed in the income statement. Receivables are valued at fair value and then valued at amortised cost, which equals the face value. The receivables of group companies are included in financial fixed assets, except for maturities less than 12 months after balance sheet date. They are then included in the current assets.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

ACCOUNTING POLICIES FOR EQUITY AND LIABILITIES

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

ACCOUNTING POLICIES FOR THE INCOME STATEMENT

Net revenue

Revenue is recognised upon transfer of control of promised products or services (performance obligations) to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services (transaction price). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

Revenue from time and material and job contracts is recognised as the related services are performed.

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.

Revenue from the sale of distinct internally developed software and manufactured systems and third-party software is recognised upfront at the point in time when the system / software is delivered to the customer (performance obligation is fulfilled). In cases where implementation and / or customisation services rendered, revenue against these services recognised over the period of time using proportionate method for measuring performance obligation.

The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. 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 and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues.

Amortisation, depreciation and impairment

Intangible assets, including goodwill, are amortised and tangible fixed assets are depreciated over their estimated useful lives as from the moment that they are ready for use. Land and investment property are not depreciated.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Deferred tax

Deferred income tax is provided in full, 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 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.

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.

The company has recognised the deferred tax asset on unused tax losses based on the reasonable certainty of the generation of future taxable income.

COMVIVA TECHNOLOGIES DO BRASIL INDÚSTRIA, COMÉRCIO, IMPORTAÇÃO E EXPORTAÇÃO LTDA

Directors:
Anil Murlidar Joshi
Alexandre de Castro

Registered No:
01.808.076/0001-00

Registered Office:
Alameda Santos, 2441 - 2o andar,
Bairro Cerqueira Cesar, CEP 01.419-002,
na Cidade e Estado Sao Paulo

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2021

The Directors submit their report together with the Audited Financials of Comviva Technologies do Brasil Indústria, Comércio, Importação e Exportação Ltda ("The Company"), for the year ended 31st December, 2021.

Principal Activity

The principal activities are providing information technology services and telecommunication solutions.

Review of Business

The results for the year are set out on page herein of the financial statements

Directors

The following Directors served during the year:

1. Anil Murlidar Joshi
2. Alexandre de Castro

On behalf of the Board of Directors,

Anil Murlidar Joshi	**Alexandre de Castro**
Director	**Director**

Date: April 18, 2022

INDEPENDENT AUDITORS' REPORT

(Free translation from the original issued in Portuguese. In the event of discrepancy, the Portuguese language version prevails. See Note 20 to the financial statements)

To:

Management and Shareholders of

Comviva Technologido Brasil Indústria, Comércio, Importação e Exportação Ltda.

São Paulo - SP

Opinion

We have audited the financial statements of **Comviva Technologies do Brasil Indústria, Comércio, Importação e Exportação Ltda** ("Company"), which comprise the balance sheet as of December 31, 2021 and the related income statements, comprehensive income, changes in net equity and cash flows for the year then ended, as well as the related explanatory notes, including summary of major accounting policies.

In our opinion, the aforementioned financial statements fairly present, in all material respects, the financial position as of December 31, 2021, the performance of its operations and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil, applicable to Small and Medium Enterprises (CPC PME).

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the following section entitled "Responsibilities of the Auditor for the Audit of Financial Statements." We are independent in relation to the Company, in accordance with the relevant ethical principles set forth in the Code of Ethics for Professional Accountants and in the professional norms issued by the Federal Accounting Council, and we comply with the other ethical responsibilities according to these norms. We believe that the audit evidence we have obtained is sufficient and appropriate to substantiate our opinion.

Relevant uncertainty related to the Company's ongoing.

We call attention to Note 1 to the financial statements, which indicates that the Company incurred a current loss of R$ 2,048 thousands (R$ 3.289 thousands in 2020) and on that date, which also motivated the accumulated loss of R$ 11,306 thousands (R$ 9.258 thousands in 2020). The settlement of company short-term liabilities as well as the reversal of the negative equity scenario depends on the result of the actions adopted by the company to improve the performance of your production process. The financial statements were prepared on the assumption of ongoing of operations, which presuppose the realization and recovery of assets, as well as the settlement of obligations in the normal course of the Company's business, and do not include any adjustments that would be required in the presentation of its assets and liabilities, in the event of failure of the measures adopted to restore their financial balance. Our opinion is not qualified due to this matter.

Management and governance responsibilities of the financial statements

Management is responsible for the preparation of the financial statements in accordance with the accounting practices adopted in Brazil applicable to Small and Medium Enterprises – SMEs – and for the internal controls that it has determined to be necessary to enable the preparation of financial statements free from material misstatement, whether caused by fraud or error.

In the preparation of financial statements, management is responsible for evaluating the Company's ability to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in the preparation of the financial statements, unless Management intends to liquidate the Company or cease its operations, or has no realistic alternative to avoid closing the operations.

Those responsible for the governance of the Company are those responsible for supervising the process of preparing the financial statements.

Responsibilities of the Auditor for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and issue an audit report containing our opinion. Reasonable safety is a high level of safety, but not a guarantee that the audit conducted in accordance with Brazilian and international auditing standards always detect any relevant distortions. Distortions may be caused due to fraud or error and are considered relevant when, individually or together, they can influence, from a reasonable perspective, the economic decisions of users taken on the basis of said financial statements.

As part of the audit performed, in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Besides that:

- We identify and evaluate the risks of material misstatement in the financial statements, whether caused by fraud or error; we plan and perform audit procedures in response to such risks, and we obtain audit evidence appropriate and sufficient to substantiate our opinion. The risk of not detecting material misstatement resulting from fraud is greater than that of error, since fraud may involve the act of circumventing internal controls, collusion, forgery, omission, or false intentional representations.
- We obtain an understanding of the internal controls relevant to the audit to plan appropriate audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.
- We conclude on the adequacy of management's use of the accounting basis for operational continuity and, based on the audit evidence obtained, whether there is a material uncertainty regarding events or conditions that may raise significant doubt regarding the capacity for operational continuity from the company. If we conclude that there is material uncertainty, we should draw attention in our audit report to the respective disclosures in the financial statements or include any change in our opinion if the disclosures are inadequate. Our findings are based on audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to no longer remain in operational continuity.
- 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 responsible for governance regarding, inter alia, the planned scope, timing of the audit and significant audit findings, including any significant weaknesses in internal controls that we have identified during our work.

São Paulo, March 25, 2022.

Valdomiro Silva Bento Junior

Accountant CRC 1SP-238.249/O-9

RSM Brasil Auditores Independentes – Sociedade Simples

CRC 2SP-030.002/O-7

BALANCE SHEETS AS OF DECEMBER 31, 2021 AND 2020

(Amounts in thousands of Brazilian Reais)

ASSETS

	Notes	2021	2020
Current assets			
Cash and cash equivalents	3	**1,155**	369
Trade accounts receivable	4	**10,581**	4,962
Inventories	5	**146**	616
Recoverable taxes	6	**508**	461
Other receivables	-	**93**	53
Total current assets		**12,483**	6,461
Non-current assets			
Long-term assets			
Judicial Deposits	7	**35**	109
Fixed assets, net	8	**49**	99
Intangible assets, net	8	**4**	10
Total non-current assets		**88**	218
Total assets		**12,571**	6,679

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

BALANCE SHEETS AS OF DECEMBER 31, 2021 AND 2020

(Amounts in thousands of Brazilian Reais)

LIABILITIES AND NEGATIVE SHAREHOLDERS' EQUITY

	Notes	**2021**	2020
Current liabilities			
Loans and financing	-	**23**	1
Acocounts payable - Intercompany	12.1	**4,475**	2,140
Trade accounts payable	9	**476**	105
Labor and tax liabilities	10	**2,372**	1,036
Other accounts payable	-	**280**	180
Provision for expenses	-	**112**	27
Provision of services	-	**2,655**	49
Customer guarantee	-	**359**	557
Provisions for gratuities payable	-	**538**	419
Total current liabilities		**11,290**	4,514
Non-current liabilities			
Loans with related parties	12.1	**1,425**	-
Provisions for contingencies	11	**-**	46
Customer guarantee	-	**-**	215
Total non-current liabilities		**1,425**	261
Negative shareholders' equity			
Capital paid-in	13	**11,162**	11,162
Accumulated losses	-	**(11,306)**	(9,258)
		(144)	1,904
Total liabilities and negative shareholders' equity		**12,571**	6,679

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

STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Amounts in thousands of Brazilian Reais)

	Notes	2021	2020
Net revenue from sales and services	14	**16,306**	11,248
Cost of services rendered and goods sold	15	**(12,306)**	(7,000)
Gross profit		**4,000**	4,248
Operating revenues/ (expenses):			
Administrative, selling and general	16	**(5,399)**	(5,324)
Other operating revenues/ (expenses)	-	**68**	17
Operating income before financial income (loss)		**(1,331)**	(1,059)
Financial revenues	17	**427**	634
Financial expenses	17	**(1,144)**	(2,864)
Financial income (loss)		**(717)**	(2,230)
Loss for the year		**(2,048)**	(3,289)

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

STATEMENTS OF CHANGES IN NEGATIVE SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Amounts in thousands of Brazilian Reais)

	Notes	Capital paid-in	Income reserve	Total
Balances as of December 31, 2019		**3,932**	**(5,969)**	**(2,037)**
Net loss for the year	-	-	(3,289)	(3,289)
Capital increase	-	7,230	-	7,230
Balances as of December 31, 2019		**11,162**	**(9,258)**	**1,904**
Net loss for the year		-	(2,048)	(2,048)
Balances as of December 31, 2020		**11,162**	**(11,306)**	**(144)**

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

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Amounts in thousands of Brazilian Reais)

	2021	2020
From operating activities		
Loss for the year	**(2,048)**	(3,289)
Adjustments to reconcile income (loss) to cash and cash equivalents generated by operating activities:		
Depreciation and amortization	**(336)**	68
Provisions for contingencies	**(46)**	(561)
Decrease/ (increase) in assets		
Trade accounts receivable	**(5,619)**	1,662
Inventories	**470**	(10)
Recoverable taxes	**(47)**	154
Other receivables / Judicial deposits	**34**	409
(Decrease)/ increase in liabilities		
Trade accounts payable	**371**	(112)
Labor and tax liabilities	**1,336**	(406)
Other accounts payable	**100**	65
Provision for expenses	**85**	(20)
Provision of services	**2,606**	(14)
Customer guarantee	**(413)**	(1,222)
Provisions for Bonuses Payable	**119**	419
Net cash provided by (used in) operating activities	**(3,388)**	(2,857)
Cash flows from investing activities		
Sale (acquisition) fixed assets	**392**	(11)
Net cash provided by (used in) investing activities	**392**	(11)
Cash flows from financing activities		
Loans from financial institutions	**22**	1
Net cash provided by financing activities	**22**	1
Cash flows from financing activities with shareholders		
Loans with related parties	**1,425**	(5,405)
Capital increase	**-**	7,230
Accounts payable to related parties	**2,335**	773
Net cash provided by in financing activities with shareholders	**3,760**	2,598
Increase (decrease) in cash and cash equivalents, net	**786**	(269)
Cash and cash equivalents		
At beginning of year	**369**	638
At end of year	**1,155**	369
Increase (decrease) in cash and cash equivalents, net	**786**	(269)

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

1. Company information

The Company located at Alameda Santos nº 2441, 2º andar – Cerqueira Cesar is engaged in assembly of equipment for radiotelephony, telephony, IT communications and in general; sales, import and export of machinery, tools, implements and accessories for radiotelephony, telephony, IT communication and in general; development, programming, implementation and maintenance of software; IT consulting service; equipment rent; and representation of domestic and foreign companies by its own or third-party behalf.

1.1 Operational ongoing of the Company

The financial statements were prepared on the assumption of ongoing of operations, which presuppose the realization and recovery of assets, as well as the settlement of obligations in the normal course of the Company's business, and do not include any adjustments that would be required in the presentation of its assets and liabilities, in the event of failure of the measures adopted to restore their financial balance. Management has a reasonable expectation that the Company will have sufficient resources to continue operating for the foreseeable future and, therefore, based on its judgment, concluded that the remaining uncertainty is not material.

2. Accounting policies

These financial statements were approved by the Company's executive board on March 25, 2022, considering subsequent events to date.

2.1. Conformity declaration

The financial statements were prepared in accordance with accounting practices adopted in Brazil, which cover corporate law, Pronouncements, Guidelines and Interpretations issued by the Accounting Pronouncements Committee (CPCs) and the standards issued by the Federal Accounting Council, applicable to Small and Medium Enterprises (CPC PME).

2.2. Measurement basis

The financial statements have been prepared on a historical cost basis, unless otherwise stated.

2.3. Functional currency and presentation currency

The financial statements are presented in Brazilian reais, which is the Company's functional currency.

2.4. Use of estimates and judgments

The preparation of the financial statements in accordance with the accounting practices adopted in Brazil requires the use of certain accounting estimates and the exercise of judgment by the Company's Management, in the process of applying the accounting policies. Therefore, actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis and such reviews are recognized in the period in which they are reviewed and in any affected future years.

Information on uncertainties, assumptions and estimates that have a significant risk of resulting in a material adjustment within the next financial year is mainly included in the explanatory notes:

Explanatory note no. 04 – Provision for losses in the recoverable value of accounts receivable

Explanatory note no. 05 – Provision for losses due to obsolescence or low inventory turnover

Explanatory note no. 08 - Useful life of assets and depreciation

Explanatory note no. 11 – Provision for contingencies

Explanatory note no. 13 – Revenue recognition

2.5. Main accounting practices

The accounting policies described below have been applied consistently to all the years presented in these financial statements.

Financial assets and liabilities

Financial assets

Financial assets are classified in the following categories: (i) at fair value through other comprehensive income (VJORA); (ii) amortized cost; and (iii) at fair value through profit or loss (VJR). The classification is based both on the entity's business model for managing the financial asset and on the contractual cash flow characteristics of the financial asset.

Financial assets at fair value through comprehensive income

A financial asset is measured at fair value through comprehensive income if it satisfies the "P&J only" criterion, i.e. cash flows that consist exclusively of outstanding principal and interest payments, and that is maintained in a business model. whose objective is achieved both by obtaining contractual cash flows and by selling the financial asset.

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net income is recognized in "Other comprehensive income".

Amortized cost

These are assets held within the business model, the objective of which is to hold financial assets in order to receive contractual cash flows and, under contractual terms, give rise to cash flows that constitute, exclusively, payment of principal and interest on the amount of the outstanding principal. (Criteria of "P&J only). Amortized cost is reduced by impairment losses. Interest and foreign exchange income and impairment are recognized in income.

Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss when it does not meet the classification criteria of the other previous categories or when, on initial recognition, it is designated to eliminate or reduce accounting mismatch. Derivative financial assets are included in this category. The result, including interest or dividend income, is recognized in profit or loss.

Financial liabilities

Financial liabilities are measured at amortized cost.

Amortized cost

They are initially measured at fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest rate method, with interest expenses recognized based on income.

Financial liabilities at fair value through profit or loss

Financial liabilities are, by default, measured at amortized cost, except: (i) financial guarantee contracts, (ii) commitments to provide loans with below-market interest rates, (iii) financial liabilities that arise when the asset is transferred financial institution does not qualify for derecognition or where the continuing involvement approach is applicable. A financial liability will be measured at fair value through profit or loss, when it eliminates and/or significantly reduces the accounting mismatch or if the liability group is managed at fair value. basically, represented by the individualized analysis of overdue accounts receivable. The outstanding customer receivables are frequently monitored by the executive board. For situations in which realization risks are identified, the full amounts of overdue debts are provisioned.

Trade accounts receivables

Accounts receivable from customers are recorded and maintained in the balance sheet at the nominal value of the securities representing these credits and segregated between current and non-current according to maturity. Estimated losses on credits are constituted based on the analysis of trade notes and amounts receivable from customers, in an amount deemed sufficient to cover probable losses upon realization, according to criteria defined by Management (expected loss).

Inventories - Inputs and Finished Goods

These are represented by hardware, software, spare parts, accessories and components valued at the lower value between average acquisition cost or net realizable value. The net realizable value is the estimated sales price over the normal course of operations, less cost of sales.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment items are measured at historical acquisition or construction cost, less accumulated depreciation.

Cost includes expenses that are directly attributable to the acquisition of an asset. The cost of assets built by the Company itself includes: (i) the cost of materials and direct labor; (ii) any other costs to bring the asset to the location and condition necessary for it to be able to operate in the manner intended by management; (iii) the costs of dismantling and restoring the site where these assets are located.

Purchased software that is an integral part of the functionality of a piece of equipment is capitalized as part of that piece of equipment.

Gains and losses on the disposal of an item of property, plant and equipment are determined by comparing the proceeds from the disposal with the book value of the property, plant and equipment, and are recognized net within other income in the income statement.

Subsequent costs

The replacement cost of a component of property, plant and equipment is recognized in the carrying amount of the item, if it is probable that the economic benefits embodied within the component will flow to the Company and its cost can be measured reliably. The carrying amount of the component that has been replaced by another is written off. The day-to-day maintenance costs of property, plant and equipment are recognized in income as incurred.

Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, as this method most closely reflects the pattern of consumption of future economic benefits embodied in the asset. Land is not depreciated.

Property, plant and equipment items are depreciated from the month following the date they are installed and available for use, or, in the case of internally constructed assets, from the day the construction is completed and the asset is available for use.

Depreciation methods, useful lives and residual values are reviewed at each end of the financial year as long as there are significant changes in relation to variables that may alter the useful lives of the assets and the subsequent measurement of the assets, and any adjustments will be recognized as change in accounting estimates.

Evaluation of the recoverable value of non-financial assets (impairment test)

Management annually reviews the net book value of its main assets in order to assess events or changes in economic, operating or technological circumstances that may indicate deterioration or loss of their recoverable value. When this evidence is identified and the net book value exceeds the recoverable amount, a provision for impairment is set up, adjusting the net book value to the recoverable amount.

Other assets

Other current and non-current assets are stated at net realizable value.

Trade accounts payable

They are initially recognized at fair value and subsequently added, when applicable, by the corresponding charges and monetary and exchange variations incurred up to the closing dates of the financial statements. Accounts payable to suppliers are obligations for goods or services acquired in the normal course of operations, being classified as current liabilities if payment is made within a period of less than one year (or in the normal business cycle, albeit longer). Otherwise, these balances are presented as non-current liabilities.

Provisions (including provision for lawsuits)

Provisions are recognized for present liabilities or risks resulting from past events, in which it is possible to estimate the amounts reliably and whose disbursement is probable. The amount recognized as a provision is the best estimate of the considerations required to settle the obligation at the end of each year or period, considering the risks and uncertainties related to the obligation.

Provisions are made for all claims relating to legal proceedings for which, as a result of past events, it is probable that an outflow of resources will be made to settle the claim and a reasonable estimate can be made. The assessment of the probability of loss includes the assessment of available deficiencies, the hierarchy of laws, available jurisprudence, the most recent decisions in the courts and their relevance in the legal system, as well as the assessment of external lawyers.

Provisions are reviewed and adjusted to take account of changes in circumstances, such as applicable statute of limitations, conclusions of tax inspections or additional exposures identified based on new matters or court decisions. Actual results may differ from Management's estimates.

Contingent liabilities assessed as possible losses are only disclosed in an explanatory note and contingent liabilities assessed as remote losses are neither provisioned nor disclosed. Contingent assets are only recognized when there are real guarantees or favorable court decisions, which have become final and unappealable. Contingent assets with probable successes are only disclosed in an explanatory note.

Employee benefits

Salaries and benefits granted to the Company's employees and managers include fixed remuneration (salaries, INSS, FGTS, vacations, 13th salary, among others). These benefits are recorded in income for the year as they are incurred.

Current and deferred income and social contribution taxes for the period

The current and deferred income and social contribution taxes are recognized as expense or revenue in income (loss) for the year, except when it refers to items recorded under other comprehensive income (loss), or directly in shareholders' equity; hypothesis in which current and deferred taxes are also recognized under other comprehensive income (loss) or directly in shareholders' equity, respectively.

Revenue recognition

Revenue from product sales and services rendered is recognized in accordance with NBCTG 47 – Revenue from customer contracts, establishing a five-step model to determine the measurement of revenue and when and how it will be recognized. Accordingly, the Company recognizes revenue when: (1) there is a contract with the customer; (2) performance obligations to be met in connection with the contract (products to be delivered to customers) are identified; (3) measurement of contract value; (4) allocation of contract value to related performance obligations; (5) Determining the timing of revenue recognition (generally by transferring the risks and benefits of ownership of the products, upon shipment and issuance of sales invoices, taking into account incoterms). These criteria are considered met when the goods are transferred to the buyer, respecting the main freight modalities practiced by the Company.

Revenue is shown net of applicable taxes, returns, rebates and discounts.

Financial income

Financial income basically comprises interest from financial investments, interest and discounts received, which are recorded through profit or loss for the year.

Financial expenses

Financial expenses basically comprise interest on financial liabilities. Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in income for the year based on the effective interest rate method.

Statements of cash flows

The statements of cash flows were prepared using the indirect method and are being presented in accordance with pronouncement CPC 03 (R2) – Statement of cash flows.

3. Cash and cash equivalents

Description	2021	2020
Cash	10	9
Bank accounts	1,145	360
	1,155	369

Financial investments are short term, highly liquid, readily convertible into a known cash amount and subject to an immaterial risk of changes in value. They mainly bear interest at rates intended to reach the variation of CDI (Interbank Deposit Rate), made with top tier banks, at usual rates and under normal market conditions.

4. Trade accounts receivable

Description	2021	2020
Trade accounts receivable	11,190	5,523
(-) Allowance for doubtful accounts	(609)	(561)
Total	10,581	4,962

The opening of the balance receivable from customers for their maturities is shown as follows:

Description	2021	2020
On date		
after 31 days	9,273	1,121
from 1 to 30 days	246	264
Overdue		
from 1 to 30 days	197	286
from 31 to 60 days	-	138
from 61 to 180 days	-	373
from 181 to 360 days	-	2,780
more than 361 days	1,474	561
	11,190	5,523

Sales policies for customers are subject to the credit policies established by Management and aim at minimizing any problems arising from the delinquency of customers.

5. Inventories

Description	2021	2020
Software for projects/resale	-	111
Merchandise for resale	146	447
Merchandise held by third parties	-	49
Project Stock	-	10
	146	616

6. Recoverable taxes

Description	2021	2020
Tax on the Circulation of Goods and Services VAT (ICMS)	34	47
Tax on industrialized product VAT (IPI)	-	2
PIS and COFINS VAT	-	30
Income taxes	246	153
Deferred tax assets	228	228
	508	461

7. Judicial deposits

Description	2021	2020
Deposits in guarantee	35	53
Deposits for resources	-	56
	35	109

8. Fixed assets and Intangible assets, net

Movements in 2021:

	2021			2020
	Cost	Acc depreciation and amortization	Net	Net
Furniture and fixtures	107	(103)	4	13
Facilities	7	(7)	-	-
Leasehold improvements	136	(136)	-	-
IT equipment	704	(659)	45	86
Trademarks and patents	12	(12)	-	-
Software	113	(109)	4	10
Total Fixed Assets	1,079	(1,026)	53	109

Movements in 2020:

	2020			2019
	Cost	Acc depreciation and amortization	Net	Net
Furniture and fixtures	220	(207)	13	21
Facilities	23	(23)	-	-
Leasehold improvements	163	(163)	-	-
IT equipment	925	(839)	86	125
Telecommunications equipment	15	(15)	-	-
Trademarks and patents	12	(12)	-	-
Software	113	(103)	10	20
Total Fixed Assets	1,471	(1,362)	109	166

9. Trade accounts to suppliers

Description	2021	2020
Domestic	73	105
Foreign	357	-
Other accounts payable	46	-
Total	476	105

10. Labor and tax liabilities

	2021	2020
Provision for vacation	**512**	625
Charges on salaries - INSS (Social Security Tax) and FGTS (Severance Pay Fund)	**85**	81
IRRF (Withholding income tax) payable	**146**	139
Social security contributions payable	**467**	35
Other labor liabilities	**181**	122
Total labor liabilities	**1,391**	1,002
PIS	**115**	-
COFINS	**532**	-
ISS	**324**	24
Others	**10**	10
Total tax liabilities	**981**	34
Total labor and tax liabilities	**2,372**	1,036

11. Provision for contingencies

During the normal course of its business, the Company is exposed to certain contingencies and risks, which include tax, labor and civil proceedings under dispute. As of December 31, 2021, the Company had no lawsuits considered to be of probable loss (R$ 46 thousand on December 31, 2020) related to labor proceedings.

Other contingencies may result from possible tax inspections, given that the Company's tax books are subject to review and approval by the competent authorities in federal, state or municipal levels, retroactively, for varying periods according to the legislation in effect.

12. Related-party

12.1 Accounts payable - Intercompany

Description	2021	2020
Trade accounts payable	**4,475**	2,140
Total	**4,475**	2,140

12.2 Loans with related parties:

Description	2021	2020
Comviva Technologies B.V	**1,411**	-
Interest on intercompany loans	**14**	-
Total	**1,425**	-

13. Negative shareholders' equity

As of December 31, 2021, the share capital in the amount of R$ 11,162 is composed of 11,162 shares, being distributed as follows:

Shareholders	%	Number of shares	Amount in R$ thousand
COMVIVA TECHNOLOGIES B.V	99,96	11,157	11,157
COMVIVA TECHNOLOGIES LIMITED	0,04	5	5
	100	11,162	11,162

14. Net revenue from sales

	2021	2020
Gross sales	**18,230**	12,373
(-) Sales taxes	**(1,924)**	(1,125)
Net revenue	**16,306**	11,248

15. Costs of services rendered, and goods sold

	2021	2020
Wages and salaries	**(5,261)**	(5,467)
Services provided	**(6,998)**	(1,476)
Depreciation and amortization	**(47)**	(57)
Total	**(12,306)**	(7,000)

16. Selling, general and administrative expenses

	2021	2020
Personnel expenses	**(3,847)**	(3,702)
Selling expenses	**(147)**	(833)
Third-party services	**(1,168)**	(287)
Other administrative expenses	**(237)**	(502)
Total	**(5,399)**	(5,324)

17. Financial income (loss)

	2021	2020
Financial investment returns	**-**	2
Other returns	**13**	22
Foreign exchange variation	**414**	610
Total financial revenues	**427**	634
Interest on loans	**(255)**	(131)
Exchange rate losses	**(813)**	(2,514)
Other financial expenses	**(76)**	(219)
Total financial expenses	**(1,144)**	(2,864)
Total financial income (loss)	**(717)**	(2,230)

18. Insurance coverage (unaudited)

The Company follows the policy of taking out insurance for civil liability, certain vehicles and other needs in amounts considered sufficient to cover possible losses, considering the nature of its activities and the risk level involved, Given the nature of the risk assumptions adopted, they are not part of the scope of an audit of financial statements and therefore were not reviewed by our independent auditors,

19. Financial Instruments

The financial instruments currently used by the Company are restricted to cash and cash equivalents, national accounts receivable and payable, bank loans under normal market conditions and are recognized in the financial statements by the criteria described in Note 2. These instruments are managed through operational strategies aimed at liquidity, profitability and risk minimization. The Company did not make speculative investments, derivatives or any other risky assets. Considering the term and the characteristics of these instruments, the book values approach the fair values.

The Company adopts risk control policies and procedures, as described below:

(i) Financial risk management policy

The Company follows the risk management policy, which guides in relation to transactions and requires the diversification of transactions and counterparts. Under this policy, the nature and general position of financial risks are regularly monitored and managed in order to assess the results and the financial impact on cash flow. Credit limits are also periodically reviewed.

The Company's risk management policy has been established by Management and under its terms, market risks are protected when it is considered necessary to support the corporate strategy or when it is necessary to maintain the level of financial flexibility.

(ii) Capital structure risk (or financial risk)

It results from the choice between capital (capital contributions and retention of profits) and third party capital that the Company makes to finance its operations. To mitigate liquidity risks and optimize the weighted average cost of capital, the Company continuously monitors and manages indebtedness levels in accordance with its internal policy in order to assess the results and the financial impact on cash flow. Credit limits are also periodically reviewed. The Company's risk management policy has been established by Management and under its terms, market risks are protected when it is considered necessary to support the corporate strategy or when it is necessary to maintain the level of financial flexibility.

(iii) Credit risk

The Company's sales policy considers the level of credit risk it is willing to incur in the course of its business. The diversification of its receivables portfolio, the selectivity of its clients, as well as the monitoring of the sales financing deadlines by business segment and individual position limits are procedures adopted to minimize any problems of default in its accounts receivable.

With regard to financial negotiations and other investments, the Company's policy is to work with leading institutions.

(iv) Liquidity risk

It is the risk that the Company does not have enough liquid resources to honor its financial commitments due to the mismatch of term or volume between the expected receipts and payments.

To manage the liquidity of the cash assumptions of future disbursements and receipts are established. They are monitored daily by the Management.

(v) Exchange rate risk

The Company is exposed to fluctuations in exchange rates, which may increase the balances of liabilities in foreign currency. Therefore, the Company maintains internal controls aimed at capturing these exchange rate variations in its liabilities, so that possible losses can be mitigated.

(vi) Valuation of financial instruments

The main active financial instruments and liabilities are described below, as well as the criteria for their valuation:

Cash and cash equivalents

The market value of these assets does not differ from the amounts presented in the financial statements. The agreed rates reflect the usual market conditions.

Accounts receivable and payable

Recorded based on the nominal value of the securities and evaluated by the concept of amortized cost.

Loans from financial institutions e related parties

Recorded based on the nominal value of the securities and evaluated by the concept of amortized cost.

20. Explanation added to the translation for the English version

The accompanying financial statements were translated into English from the original Portuguese version prepared for local purposes, Certain accounting practices applied by the Company that conform to those accounting practices adopted in Brazil may not conform to the generally accepted accounting principles in the countries where these financial statements may be used.

COMVIVA TECHNOLOGIES COLOMBIA S.A.S

General Manager:
Sachin Jairath

Second Alternate of General Manager:
Ashish Kumar

Registered No:
2699703

Registered Office:
Cl 98 No. 70 - 91 Ofc 806 Edf.,
Bogota Colombia

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2021

The Directors submit their report together with the Audited Financials of Comviva Technologies Colombia S.A.S ("The Company"), for the year ended 31st December, 2021.

Principal Activity

The principal activities are providing information technology services and telecommunication solutions.

Review of Business

The results for the year are set out on page herein of the financial statements.

Directors

The following Directors served during the year:

1. Sachin Jairath
2. Ashish Kumar

On behalf of the Board of Directors,

Sachin Jairath **General Manager**	**Ashish Kumar** **Second Alternate of General Manager**

Date: April 18, 2022

INDEPENDENT AUDITORS' REPORT

Financial Statements Report Opinion

I have audited the accompanying financial statements of **COMVIVA TECHNOLOGIES COLOMBIA SAS.**, which include the comparative statements of financial position as of December 31st 2021 and December 31st 2020, the income statement, the statement of changes in Owner equity, the statement of cash flows and the explanatory notes for the period ending on the above date, as well as a summary of relevant accounting policies and other explanatory information.

In my opinion, the financial statements faithfully present, in all material aspects, the financial situation of **Comviva Technologies Colombia S.A.S**., as of December 31st, 2021 and 2020, as well as its results and cash flows for the year ended on the above date, in accordance with addendum 2 for group 2 entiites in alignment with Single Regulatory Decree 2420 of 2015 and its modifications.

FOUDATION FOR MY OPINION

I have carried out our audit in line with the International Accounting Procedures – IAP - which are displayed in the technical addendum and updated 4-2019, regarding the Procedures for Information Assurance in the Single Regulatory Decree 2420 of 2015 (modified by Decree 2270 of 2019). Our responsibilities, according to the forementioned rules, are described later in the Responsibilities of the Fiscal reviewer in relation to the financial statements audit section of our report. We act as independent parties, in line with the ethical requirements applicable to our audit. We believe that the audit evidence we have collected provides a sufficient and adequate basis to generate our favorable opinon (clean and with no caveats).

Management's responsibility regarding the financial statements

Management is responsible for the preparation and proper presentation of the financial statements in accordance with Decree 3022 of 2013, compiled in Single Regulatory Decree 2420 of 2015 and its modifications; and the internal control that Management deems necessary to enable the preparation of the financial statements free of material incorrection, fraud or error.

In the process of preparing the financial statements, management is responsible of evaluating the preparedness of the business to continue in operation, revealing, if need be, the business related issues and using the accounting assumption of an ongoing operation, except if management has the intention to liquidate its assets or cease operations, or point out if no other alternative is feasible.

The responsible business governance management employees are responsible of supervising the trustworthiness of the entities financial information.

External Auditor´s responsibility regarding financial statements

My goal is to ensure reasonable assurance that the financial statements as a whole are free of material errors and issue an audit report, that contains our opinion. Regarding reasonable assurance, this conveys a high level of certainty, but doesn't guarantee that an audit process done following the International Standards on Auditing – ISA will always detect a material error if it exists.

On the other hand, these errors could be originated by fraud or plain error, and are considered significant if they can reasonably (either in individual or aggregate form) influence the economic decisions that the users of this information will take, based on the financial statements.

Report on other legal and regulatory requirements

In my opinion, the financial statements faithfully present, in all material aspects, the financial situation of **COMVIVA TECHNOLOGIES COLOMBIA S.A.S**., as of December 31st, 2020 and 2019, as well as its results and cash flows for the year ended on the above date, in accordance with Decree 3022 of 2013, compiled in Single Regulatory Decree 2420 of 2015, modified by Decree 2270 de 2019, which incorporates International Financial Reporting Standards for SMEs.

I can manifest that during the year 2021, the entity **COMVIVA TECHNOLOGIES COLOMBIA S.A.S**., took upon its accounting books, in accordance with the legal rules, technical accounting and the operations registered in its general ledger are in line with the statutes and decisions coming from the shareholders assembly and board of directors.

It is worth mentioning that law 1314 of 2009 introduced the accounting rules and principles that are to be applied in Colombia. This law was later developed by the Single Regulatory Decree 2420 of 2015 and its relevant legislation. To this end, as of 2015, as it was mandated by law, all **COMVIVA TECHNOLOGIES COLOMBIA S.A.S.** have been expressed under this rules.

I would also like to inform, that during the year 2021, the actions of the entity management were in line with the statutes and decisions from the shareholders assembly, that correspondence, the accounting receipts, the minutes book and log of actions are documented and duly kept and preserved; and that it fully complied with the contributions to social security and workers compensation payments which were calculated from the monthly payroll in a timely manner.

Lastly, we declare that the management report of its role is in line with the entities financial statements and that we can include a reference stating that the entity management did not impede the free flow of invoices sent out by the suppliers and creditors.

Opinion on the Internal Controls and the compliance with the rules and regulation

Additionally, article 209 of the code of Commerce sets forth the obligation to express as part of my role the compliance to legal, internal rules and adequate internal control.

We can declare that we carried out tests to evaluate the degree of compliance with the legal and regulatory provisions by the entity's administration, as well as the effectiveness of such operation of the internal control process.

For the evaluation of internal control, I used the COSO model as a criterion. The internal control is the set of policies and procedures adopted by the entities management to 1) provide reasonable assurance on the entiites financial information, 2) compliance to the entities internal rules and procedures, 3) allow for an effective and efficient operation.

In my opinion, the entitiy **COMVIVA TECHNOLOGIES COLOMBIA S.A.S**., as of December 31st, 2021 has complied with all important applicable laws and regulation, the statutory and shareholder assembly rulings. Also the internal control system is effective, in all relevant elements, according to the COSO model.

Regards,

JOSE ANTONIO GONZALEZ CASTAÑEDA
Revisor fiscal
T.P. N° 12.423-T
Marzo 16 de 2022
Carrera 14 Bis 153-81 IN 7 AP 302
Bogotá Colombia

COMPARATIVE FINANCIAL SITUATION REPORT

Cumulative between January 1st and December 31st of the Years

(All amounts in Colombian Pesos)

	Note	Year		Year		Variation	
		DEC-31-2021	**%**	**DEC-31-2020**	**%**	**Amount**	**%**
CURRENT ASSETS							
Cash and cash equivalents	1	393,713,436.88	6.96%	500,573,253.88	11.74%	(106,859,817)	-21.35%
Cash in hand		0.00	0.00%	5,265.72	0.00%	(5,266)	-100.00%
Banks		393,713,436.88	6.96%	500,567,988.16	11.74%	(106,854,551)	-21.35%
Debtors	2	5,201,916,950.95	91.93%	3,709,742,571.41	86.99%	1,492,174,380	40.22%
Current Commercial receivables		4,792,071,651.48	84.68%	3,686,906,498.64	86.46%	1,105,165,153	29.98%
Advance payments		13,410.00	0.00%	3,871,458.00	0.09%	(3,858,048)	-99.65%
Income tax withholding		409,831,889.47	7.24%	9,119,784.77	0.21%	400,712,105	4393.88%
Accounts receivables from Employees		0.00	0.00%	9,844,830.00	0.23%	(9,844,830)	-100.00%
TOTAL CURRENT ASSETS		**5,595,630,387.83**	**98.89%**	**4,210,315,825.29**	**98.73%**	**1,385,314,563**	**32.90%**
NON CURRENT ASSETS							
TOTAL PLANT PROPERTY AND EQUIPMENT	3	63,203,617.04	1.12%	54,039,469.52	1.27%	9,164,148	16.96%
Furniture and fixtures		33,710,499.00	0.60%	33,710,499.00	0.79%	-	0.00%
Cumulative Depreciation		-13,937,933.00	-0.25%	-11,249,045.00	-0.26%	(2,688,888)	23.90%
OFFICE EQUIPMENT		19,772,566.00	0.35%	22,461,454.00	0.53%	(2,688,888)	-11.97%
Communications and Hardware Equipment		93,094,463.04	1.65%	66,773,951.52	1.57%	26,320,512	39.42%
Cumulative Depreciation		-49,663,412.00	-0.88%	-35,195,936.00	-0.83%	(14,467,476)	41.11%
COMMUNICATION AND HARDWARE EQUIPMENT		43,431,051.04	0.77%	31,578,015.52	0.74%	11,853,036	37.54%
TOTAL NON CURRENT ASSETS		**63,093,242.87**	**1.11%**	**54,039,469.52**	**1.27%**	**9,053,773**	**16.75%**
TOTAL ASSETS		**5,658,723,630.70**	**100.00%**	**4,264,355,294.81**	**100.00%**	**1,394,368,336**	**32.70%**

COMVIVA TECHNOLOGIES COLOMBIA SAS

COMPARATIVE FINANCIAL SITUATION REPORT

Cumulative between January 1st and December 31st of the Years

(All amounts in Colombian Pesos)

	Not	Year DEC-31-2021	%	Year DEC-31-2020	%	Variation Amount	%
CURRENT LIABILITIES							
Accounts payable and others	4	2,314,838,115.76	40.91%	839,199,942.02	19.68%	1,475,638,174	175.84%
Taxes	5	319,937,581.40	5.65%	706,231,951.39	16.56%	(386,294,370)	-54.70%
Employee Benefits	6	263,142,770.00	4.65%	219,096,003.00	5.14%	44,046,767	20.10%
Estimated liabilities	14	**527,531,338.00**	**9.32%**	**236,395,117.40**	**5.54%**	**291,136,221**	**123.16%**
TOTAL CURRENT LIABILITIES		**3,425,449,805.16**	**60.53%**	**2,000,923,013.81**	**46.92%**	**1,424,526,791**	**71.19%**
NON CURRENT LIABILITIES							
Deferred Tax Liabilities	14	124,615,300.00	2.20%	124,615,300.00	2.92%	-	0.00%
Advance payments from Clients	14	**117,196,983.00**	**2.07%**	**0.00**	**0.00%**	**117,196,983**	**0.00%**
Accounts payable to shareholders		**0.00**	**0.00%**	**0.00**	**0.00%**	**-**	**0.00%**
TOTAL NON CURRENT LIABILITIES		241,812,283.00	4.27%	124,615,300.00	2.92%	117,196,983	94.05%
TOTAL LIABILITIES		3,667,262,088.16	64.81%	2,125,538,313.81	49.84%	1,541,723,774	72.53%
OWNER EQUITY	8						
Common Stock		43,906,000.00	0.78%	43,906,000.00	1.03%	-	0.00%
Earnings (loses) previous periods		1,740,256,981.00	30.75%	513,931,288.71	12.05%	1,226,325,692	238.62%
Share placement premium		**354,654,000.00**	**6.27%**	**354,654,000.00**	**8.32%**	**-**	**0.00%**
Earnings (loses) current period		**-147,355,438.46**	**-2.60%**	**1,226,325,692.29**	**28.76%**	**(1,373,681,131)**	**-112.02%**
TOTAL OWNER EQUITY		**1,991,461,542.54**	**35.19%**	**2,138,816,981.00**	**50.16%**	**(147,355,438)**	**-6.89%**
TOTAL LIABILITIES AND OWNER EQUITY		**5,658,723,630.70**	**100.00%**	**4,264,355,294.81**	**100.00%**	**1,394,368,336**	**32.70%**
control account		**0.00**		**0.00**			

the notes and financial statements form an indivisible whole.

Sachin Jairath
Legal Representative

Leidy Viviana Alarcon
Accountant
T.P. No. 240002-T

Jose Antonio Gonzalez Castañeda
Fiscal Reviewer
Tarjeta Profesional flo. 12423-T

RESULTS STATEMENT FOR THE PERIOD

Cumulative between January 1st and December 31st of the Years

(All amounts in Colombian Pesos)

	Note	Year		Year		Variation	
		DEC-31-2021	%	DEC-31-2020	%	Amount	%
OPERATIONAL REVENUE							
Income from Operational Activities	9	7,061,787,416.74	100.00%	7,437,959,218.90	100.00%	(376,171,802)	-5.06%
OPERATING INCOME		**7,061,787,416.74**	**100.00%**	**7,437,959,218.90**	**100.00%**	**(376,171,802)**	**-5.06%**
Cost of Sales	10	2,186,603,045.53	30.96%	744,206,237.57	10.01%	1,442,396,808	193.82%
GROSS PROFIT		**4,875,184,371.21**	**69.04%**	**6,693,752,981.33**	**89.99%**	**(1,818,568,610)**	**-27.17%**
Administration expenses	11	3,253,256,721.05	46.07%	2,936,934,073.57	39.49%	316,322,647	10.77%
Sales Expenses	12	1,484,963,673.06	21.03%	1,854,432,095.02	24.93%	(369,468,422)	-19.92%
OPERATIONAL PROFIT		**136,963,977.10**	**1.94%**	**1,902,386,812.74**	**25.58%**	**(1,765,422,836)**	**-92.80%**
Non Operational Income	13	341,348,195.59	4.83%	283,213,040.57	3.81%	58,135,155	20.53%
Non Operational Expenses	13	271,877,269.87	3.85%	411,739,161.02	5.54%	(139,861,891)	-33.97%
PROFIT BEFORE INCOME TAX		**206,434,902.82**	**2.92%**	**1,773,860,692.29**	**23.85%**	**(1,567,425,789)**	**-88.36%**
Income Tax	14	353,790,341.28	5.01%	547,535,000.00	7.36%	(193,744,659)	-35.38%
NET PROFIT AFTER TAXES		**-147,355,438.46**	**-2.09%**	**1,226,325,692.29**	**16.49%**	**(1,373,681,131)**	**-112.02%**

the notes and financial statements form an indivisible whole.

Sachin Jairath
Legal Representative

Leidy Viviana Alarcon
Accountant
T.P. No. 240002-T

Jose Antonio Gonzalez Castañeda
Fiscal Reviewer
Tarjeta Profesional flo. 12423-T

COMVIVA TECHNOLOGIES COLOMBIA SAS

CHANGES IN OWNERS EQUITY

Cumulative for the period ending December 31st of the following yearsf

(Amounts in Colombian Pesos)

	Balance as of December 31st 2020	Debito Movement	Credit Change	Balance as of December 31st 2021
Owner Equity				
Accounts Detail				
Common Stock	43,906,000		0	43,906,000
Earnings (loses) current period	1,226,325,692	1,226,325,692	-147,355,439	-147,355,439
Earnings (loses) previous periods	513,931,289	0	1,226,325,692	1,740,256,982
Share placement premium	354,654,000	0	0	354,654,000
Total	**2,138,816,981**	**1,226,325,692**	**1,078,970,253**	**1,991,461,543**
control account	0			0

the notes and financial statements form an indivisible whole.

Sachin Jairath
Legal Representative

Leidy Viviana Alarcon
Accountant
T.P. No. 240002-T

Jose Antonio Gonzalez Castañeda
Fiscal Reviewer
Tarjeta Profesional flo. 12423-T

CASH FLOW STATEMENT

Cumulative between January 1st and December 31st of the Years

(All amounts in Colombian Pesos)

	2021
Cash Flow Operational Activities	
Earnings current period	-147,355,438
Minus: accounts not affecting cash flow	
Depreciation	17,156,364
Provisions	117,307,357
Operationally generated cash flow :	-12,891,717
Change in Operational Activities	
(Increase) Reduction in:	
Accounts Receivables	-1,492,174,380
(Increase) Reduction in :	
Accounts Payable	1,475,638,174
Taxes Payable	-386,294,370
Employee Liabilities	44,046,767
Estimated liabilities and accruals	291,136,221
Anticipos de Clientes	117,196,983
Net Cash Flow Operational Activities:	-80,539,306
Cash Flow investment activities:	
Purchasing of fixed assets	-26,320,512
Net Cash Flow investment activities:	-26,320,512
'Net cash increase	-106,859,817
Cash Beginning of the Period	500,573,254
Cash End of the Period	393,713,437
	0

‘the notes and financial statements form an indivisible whole.

Sachin Jairath	Leidy Viviana Alarcon	Jose Antonio Gonzalez Castañeda
Legal Representative	Accountant	Fiscal Reviewer
	T.P. No. 240002-T	Tarjeta Profesional flo. 12423-T

FINANCIAL STATEMENT NOTES DECEMBER-31ST- 2021

Note 1. REPORTING ENTITY

COMVIVA TECHNOLOGIES COLOMBIA is a private Commercial Entity, organized as a simplified stock corporation of national order. It was created by means of a private document, with a singular number of shareholders on the 15th of June 2016, with residence in the city of Bogota D.C., having its main address at Calle 98 No. 70-91 OFC 806 edificio VARDI.

Active Entity: That the Entity COMVIVA TECHNOLOGIES COLOMBIA is not dissolved, and its duration is indefinite.

The owners equity of COMVIVA TECHNOLOGIES COLOMBIA is distributed in the following way:

SHAREHOLDER	I.D.	REPRESENTED BY	NUMBER OF SHARES	%	COMMON STOCK
Comviva Technologies B.V		Karen Santamaria	43.906	100	$43.906.000
TOTALS			**43.906**	**100**	**$43.906.000**

AUTHORIZED CAPITAL:	
Amount in Col$	$100.000.000
Number of shares	100.000
Nominal value Col$	$1.000
COMMON STOCK:	
Amount in Col$	$43.906.000
Number of shares	43.906
Nominal value Col$	$1.000
PAYED CAPITAL:	
Amount in Col$	$43.906.000
Number of shares	43.906
Nominal value Col$	$1.000

The corporate purpose of COMVIVA TECHNOLOGIES COLOMBIA will be: (a) Carry out trade and business activities for the development, implementation, support, sale and purchase of hardware and software products; (b) Additionally, it may carry out any other lawful economic, commercial or civil activity both in Colombia and abroad, including the power to give or receive loans.

Nature of its operation

For the fulfillment of its objectives, COMVIVA TECHNOLOGIES COLOMBIA., Carries out service activities in Bogota, D.C., and throughout the territory of the Republic of Colombia. Its corporate purpose includes the following activities: 1.- The commercialization of computer and communication equipment, its parts or components, its peripherals and accessories, programs and supplies, consulting 2.- The development and control of software in computer systems, feasibility studies, analysis, design and programming of commercial, scientific and engineering applications, also allowing training in related activities. Based on its corporate purpose, the company may carry out the following activities: A) Administration of its own or third-party computer centers, B) Buying, selling, exchanging, exporting, importing and distributing all kinds of goods, raw materials and products related to the computing area, C) Enter into leasing contracts, 4.- Buy, dispose of or organize computer centers.

On going business hypothesis

When preparing the complete set of financial statements, COMVIVA TECHNOLOGIES COLOMBIA management evaluated its ability to continue as an going business. The financial statements presented are prepared on the assumption that it is fully active and will continue to function for the foreseeable future. For the time being there is no intention to liquidate it or to cease its operations, nor are there any uncertainties related to the operation of the business.

Note 2. BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

COMVIVA TECHNOLOGIES COLOMBIA presents its individual financial statements in accordance with the Financial Information Standards accepted in Colombia (NIF), established by Law 1314 of 2009 and regulated by Sole Regulatory Decree 2420 of 2015, which establishes the Regulatory Regime for the Financial Reporting preparations that make up group 2 comprising the International Financial Reporting Standard for Small and Medium Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) in its 2009 version and later updated to version 2015.

International financial reporting standards have two applicable reference frameworks: one for publicly traded companies, known as full IFRS, and another applicable to companies considered small and medium or private interest companies, known as IFRS for SMEs

These financial statements correspond to the sixth annual financial statements presented in accordance with the IFRS SMEs; In preparing these financial statements, COMVIVA TECHNOLOGIES COLOMBIA has applied the accounting policies approved by the General Shareholders Meeting, and the significant accounting judgments, estimates and assumptions described in NOTE 3.

COMVIVA TECHNOLOGIES COLOMBIA is classified in Group 2 and therefore must apply the IFRS for SMEs regulatory framework.

Based on the current characteristics of COMVIVA TECHNOLOGIES COLOMBIA and taking into account that:

a) **COMVIVA TECHNOLOGIES COLOMBIA** is not an issuer of liability or equity instruments in a public market, and therefore is not registered in the National Registry of Securities and Issuers -RNVE-

b) **COMVIVA TECHNOLOGIES COLOMBIA** is not a public interest entity according to Law 819 of 2003 article 17, and according to the definition these are entities that receive, manage or administer resources from the general public.

c) **COMVIVA TECHNOLOGIES COLOMBIA** is not the parent or subordinate of a national or foreign company, and does not carry out imports that represent more than 50% of the purchase operations.

d) **COMVIVA TECHNOLOGIES COLOMBIA**, has 21 direct employees

e) **COMVIVA TECHNOLOGIES COLOMBIA** has assets below the 30,000 SMLV threshold

For the recognition of economic facts, the causation basis is applied. The economic facts are documented by means of internal and I or external sources, which comply with the requirements applicable to each case and adhere to the respective accounting vouchers, making their verification possible.

These financial statements have been prepared based on the historical cost model, with the exception of some financial assets that must be measured at fair value.

These financial statements are presented in Colombian pesos.

Note 3. SUMMARY OF THE MORE REPRESENTATIVE ACCOUNTING POLICIES

The quality policy for accounting and financial information is to issue “Individual General Purpose Financial Statements for external users that faithfully represent the economic reality in all its relevant aspects, also complying with the special standards issued by the authorities that exercise inspection, surveillance or control “

1.- Financial Assets

Financial assets within the scope of section 11 of the IFRS SMEs are classified as financial assets measured at fair value with a charge to results, financial assets measured at cost less impairment and financial assets measured at amortized cost.

All financial assets are initially recognized at fair value, and financial assets measured at cost and amortized cost are increased by transaction costs.

Financial assets classified as current assets are measured by the undiscounted amount of cash or other consideration expected to be received (net of impairment) unless the arrangement is, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the entity will measure the financial asset at the present value of future payments discounted at a market interest rate for a similar debt instrument.

2.- Financial liabilities

Financial liabilities, in accordance with section 11, are classified as loans and accounts payable, or as derivatives designated as hedging instruments in an effective hedging relationship, as applicable. The Company determines the classification of financial liabilities at the time of its initial recognition.

All financial liabilities are initially recognized at their fair value, except in the case of loans and accounts payable accounted for at the transaction price where the directly attributable transaction costs are recognized. Likewise if the arrangement constitutes a financing transaction, the entity will measure the financial asset or financial liability at the present value of future payments discounted at a market interest rate for a similar debt instrument determined at initial recognition.

The Company’s financial liabilities include accounts payable, financial derivatives and debts for loans received and other items that accrue interest.

Debt instruments such as financial obligations will be subsequently measured at amortized cost using the effective interest rate method.

3.- Revenue recognition from core/operational activities

Revenue from core activities originated from recoveries is recognized at the fair value of the received serviceIproduct, provided that the amount of the revenue can be measured reliably, it is probable that the benefits will be received, the degree of completion of the transaction and the costs incurred.

Income from interest on core business activities is recognized using the effective interest rate method in the item called financial income.

4.- Financial expenses for loans and debt operations

All borrowing costs are recognized in profit or loss in the period in which they are incurred using the effective interest rate method in an item called financial expenses.

5.- Income tax

The amounts originated from income tax represents the sum of the result from current tax and deferred taxes.

Current income tax assets and liabilities for the current period are measured as the amount that is expected to be recovered from the tax authorities or that would have to be paid. The tax rate and tax laws used to account for the amount are those in force, or nominally in force, as of the date of the report.

Current income tax related to items that are recognized directly in Owner Equity or in other comprehensive Results is recognized in the Statement of Changes in Owner Equity or in the Results Statement, respectively. The administration periodically evaluates the position adopted in the tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and creates the required provisions in each case.

The estimate of the liability for income tax is calculated at the official rate of 31% for the year 2021, by the accounting causation method. The asset or liability for income tax is presented net, after deducting the advances paid and the tax withholdings in favor.

Deferred income tax is recognized for temporary differences between the carrying amount of assets and liabilities and their corresponding tax bases. Deferred tax liabilities are recognized for all temporary differences that are expected to increase future taxable income. Deferred tax assets are recognized for all temporary differences that are expected to reduce future taxable profit, and any unused tax loss or unused excess presumptive income.

Deferred taxes are measured at the tax rate expected to be applied to temporary differences when they are reversed, based on the laws that have been approved or are about to be approved as of the date of the report. The book value of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that there will be sufficient taxable earnings to use all or part of the deferred tax asset. Unrecognized deferred tax assets are reviewed at each closing date and are recognized to the extent that it is probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax related to items recognized out of profit or loss is recognized in correlation with the underlying transaction, either in ORI or directly in Owner Equity. Deferred tax assets and liabilities are offset if there is an enforceable right to offset current tax assets and liabilities, and when deferred tax assets and liabilities are derived from income taxes corresponding to the same tax authority and fall on the same tax entity or taxpayer, or in different tax entities or taxpayers, but the Company intends to liquidate current tax assets and liabilities for their net amount, or simultaneously materialize its tax assets and liabilities.

7.- Property, plant and equipment

Property and equipment are recognized as assets when future economic benefits are derived from them and the cost can be reliably measured and presented at their acquisition costs, which do not exceed their recoverable amounts through future operations, less accumulated depreciation

Additions, renewals and improvements are recorded in the cost of the asset only if it is probable that the expected future economic benefits will be obtained and that these benefits can be reliably measured.

1.) Initial valuation and recognition.

The following goods recognized as Property, Plant and Equipment are subject to: Se reconoce como Propiedad, Planta y Equipo los bienes sujetos a:

- If their initial cost is less than % a Monthly Minimum Wage (SMLV) they are immediately recognized as an expense.
- If their initial cost is between % and 2 Monthly Minimum Wages (SMLV), it will be completely depreciated between the purchase date and December 31st of the same calendar year.
- If their initial cost is upwards of 2 Monthly Minimum Wages (SMLV) it is recognized as an asset and depreciation will take place based on the accounting policy and general accounting principles.
- Construction, remodeling, habilitation and similar investments on third party property are recognized as Property, Plant and Equipment or intangibles and are subject to depreciation during the term of the rentIlease contract, unless the cost of the later is less than the equivalent of five (5) Monthly Minimum Wages in which case this will be recognized as an expense. If the contract term on third party property is less than the lifespan of the asset, then reconciliatory entries will be reflected in the general ledger.

2.) Subsequent measurement.

The entity will not appraise for Property, Plant and Equipment (NIC 16,29 y NIIF PYMES 17,15). However, in case an appraisal is needed for a specific need like a loan or collateral, this will be revealed in the notes to the financial statements.

The entity will only appraise Property, when Management deems necessary or at least every five (5) years.

8.- Depreciation Expenses

8.1. Depreciation is charged to distribute the cost of the assets minus their residual values throughout their estimated useful life, if this estimation is not available then the general market practice analyzed by the DIAN (tax authority) and the straight-line method is applied.

The following useful lives are used in the depreciation of property, plant and equipment:

Description	Useful Life	Method
Construction and buildings	30 to 60 years	linear
Machines and Equipment	10 years	linear
Office Equipment	10 years	linear
Computing and Communication Eq	5 years	linear
Transportation Equipment	5 years	linear
Medical Equipment	3 years	linear

Land has an indefinite useful life and therefore does not depreciate.

If there is any indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Repairs and preventive maintenance are recorded in the results for the year in an item called “maintenance expenses”.

8.2. In the case of completely depreciated assets that continue in use (NIC 16, 79b, NIIF 17.31); Totally depreciated assets, although in use, are written off. They can continue to be administered in some other information system off the books.

9. - Impairment of the value of non-financial assets

At each reporting date, property, plant and equipment, intangibles and investments measured at cost are reviewed to determine if there are indications that these assets have suffered an impairment loss. If there are indications of a possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is less, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognized in profit or loss.

10.- Value Impairment on financial assets

The Company will assess each year-end whether the financial assets or groups of financial assets are impaired. If there is objective evidence that an impairment loss has been incurred for the value of loans and receivables recorded at amortized cost, the amount of the loss is valued as the difference between the carrying amount of the asset and the present value of the assets. estimated future cash flows, discounted at the original effective interest rate of the financial asset (that is, the effective interest rate computed at the time of initial recognition). The book value of the asset is reduced through a provision account and the amount of the loss is recognized in the income statement for the year.

11.- Accounts receivable derived from operating activities

Sales are made under normal credit terms and the amounts of the accounts receivable do not accrue interest. When credit is extended beyond normal credit terms, accounts receivable are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade debtors and other accounts receivable are reviewed to determine if there is any objective evidence that they will not be recoverable. If so, an impairment loss is immediately recognized in profit or loss.

12.- Accounts payable derived from the normal operation activities

Accounts payable correspond to obligations based on normal credit conditions and do not accrue interest. The amounts of trade accounts payable denominated in foreign currency are converted into the functional currency using the exchange rate in effect on the date reported. Gains or losses from foreign currency exchange are included in other gains or losses.

13.- Employee benefits

The liability for obligations for employee benefits is related to what is established by the government for payments related to the entity’s workers, which are considered as short-term benefits.

The cost of all employee benefits to which they are entitled as a result of services rendered to the entity during the reporting period are recognized as a liability, after deducting the amounts that have been paid directly to the employees. or as a contribution to a pension fund; If the amount paid exceeds the contributions to be made according to the services provided up to the date reported, that excess will be recognized as an asset to the extent that the advance payment will lead to a reduction in payments. to be made in the future or to a cash reimbursement and are recognized as an expense, unless they are recognized as part of the cost of an asset.

The Company records short-term benefits, such as salary, vacations, bonuses and others, on an accrual basis.

14.- Provisions

A provision liability is recognized only when there is a present obligation as a result of a past event and it is probable that you will have to dispose of economic resources to cancel the obligation, and the amount of the obligation can be reliably estimated. The liability is measured as the best estimate of the amount required to cancel the obligation on the date reported. Any adjustment to the amounts previously recognized will be recognized in results. When a provision is measured by the present value of the amount expected to be required to pay the obligation, a financial expense will be recognized in the results of the period in which it arises.

If the effect of the value of money over time is significant, provisions are discounted using a pre-tax interest rate that reflects, where appropriate, the specific risks of the liability. When discounted, the increase in the provision due to the passage of time is recorded as a financial expense.

Provisions for labor, legal and tax contingencies, contracts with third parties or others, depending on the circumstances, are estimated and recorded based on the opinion of the legal advisors, which are considered probable and reasonably quantifiable.

15.- Contingent Liabilities

A contingent liability is: (i) a possible obligation, arising as a result of past events and whose existence must be confirmed only by the occurrence, or in its case the non-occurrence, of one or more uncertain future events that are not entirely under control of the Company; or (ii) a present obligation, arising from past events, that has not been recognized in accounting because: (a) it is unlikely that an outflow of resources that incorporate economic benefits will be required to satisfy it; or (2) the amount of the obligation cannot be measured with sufficient reliability.

A contingent liability is not recognized in the financial statements, but is reported in notes, except in the event that the possibility of an eventual outflow of resources to settle it is remote. For each type of contingent liability at the respective closing dates of the periods reported, the Company discloses (i) a brief description of the nature of the same and when possible, (ii) an estimate of its financial effects; (iii) an indication of uncertainties related to the amount or timing of the corresponding outflows of resources; and (iv) the possibility of obtaining eventual refunds.

16.- Contingent Assets

A contingent asset is an asset of a possible nature, arising from past events, the existence of which must be confirmed only by the occurrence, or in its case by the non-occurrence, of one or more uncertain events in the future, which are not entirely under the control of the Company.

A contingent asset is not recognized in the financial statements, but is reported in notes, but only in the event that the entry of economic benefits is probable. For each type of contingent asset at the respective closing dates of the periods reported, the Company discloses (i) a brief description of its nature and, when possible, (ii) an estimate of its financial effects. In accordance with section 21 of IFRS SMEs, the Company's policy is not to disclose in detail the information related to disputes with third parties related to situations involving provisions, contingent liabilities and contingent assets, to the extent that such information seriously damages the position of the company. In these cases, the Company provides information of a generic nature and explains the reasons that have led to such a decision.

17.- Cash and cash equivalents

They are considered cash equivalents, short-term, highly liquid and freely available investments that, without prior notice or relevant cost, can easily be converted into a certain amount of cash, are subject to a negligible risk of changes in value whose maturity maximum is three months from the date of acquisition and whose main destination is not that of investment or similar, but that of cancellation of short-term commitments.

Cash and short-term deposits in the statement of financial position include cash in banks and in cash and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and cash equivalents as defined above, net of outstanding bank overdrafts.

18.- Functional currency

The management of COMVIVA TECHNOLOGIES COLOMBIA considers that the Colombian peso is the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions, and for this reason, the financial statements are presented in Colombian pesos as their functional currency.

19.- Classification of current and non-current assets or liabilities

The Company presents its assets and liabilities in the statement of financial position according to its current or non-current classification.

An asset or liability is classified as current when:

- It is expected to be carried out, it is expected to pay it, or it is intended to consume it, in the normal course of business.
- It is expected to realize the asset or pay the liability, within the twelve months following the date of the year in which it is reported, or
- The asset is cash and cash equivalents.

The Company classifies the rest of its assets and liabilities as non-current

20.- Owners Equity

It is measured at the value of the cash or other resources received or to be received, net of the direct costs of issuance of the equity instruments, is made up of subscribed and paid-in capital, earnings for the year and accumulated earnings, and appreciation surplus.

21.- Cash Flow. -

a) The cash flow statement was done using the indirect method.

b) In addition to the Ademas de las fuentes y usos de inversi6n y financiaci6n, relacionadas con los activos y los pasivos, se incluyen en esta categoria los siguientes conceptos (que no se clasifican como flujo de operaci6n);

c) The following items are not classified as operating flows:

   i. Interest expense on loans to acquire eligible assets, whether they have been recognized as expenses or capitalized,

   ii. Dividends payed out,

   iii. Cash used for improvements on third party property, construction and commissioning

   iv. Capital payments on loans,

   v. Those from one time gains on the sale of fixed assets.

22.- Exchange rate differences. –

REGULATION: Art. 269, 285, y 288 ET

Art. 269. Asset value of assets in foreign currency. The value of assets in foreign currency are estimated in local currency at the time of their initial recognition at the representative market exchange rate, less credits or payments valued at the same representative market exchange rate of the initial recognition.

Art. 285. Liabilities in foreign currency. The value of liabilities in foreign currency are estimated in local currency at the time of their initial recognition at the representative market exchange rate, less credits or payments measured at the same representative market exchange rate of the initial recognition.

Art. 288. Adjustments due to exchange rate difference. Income, costs, deductions, assets and liabilities in foreign currency will be measured at the time of their initial recognition at the representative market exchange rate.

In accounting under IFRS, the exchange rate difference has two components:

1. Realized exchange rate difference: Which is the one determined between the date of origin of the asset or liability in foreign currency and the date on which the partial or total payment is received or made.
2. Mark to market or unrealized exchange rate difference: That corresponds to the one calculated with the balances of assets and liabilities in foreign currency that as of December 31 of each year remain with a balance.

COMVIVA TECHNOLOGIES COLOMBIA, By policy, it was defined that the mark to market will be made based on the last Thursday of each month, and the exchange rate difference with the TRM of that day is calculated, except for the annual closing of December 31 of each year, in which case the TRM of December 31st is used. December, and the annual closing of the INDIAN year that culminates on March 31st.

23.- Events that occurred after the accounting closure of the previous period:

23.1. Body that approves the financial statements (NIC 10.17; NIIF PYMES 32.9): The financial statements were authorized for publication by the General Assembly.

23.2. Approval date of the financial statements (NIC 10.17, 10.18; NIIF PYMES 32.9): The financial statements were approved on 01-04-2022 and do not reflect events that occurred after that date, as stated in the Management Letter to the External Auditors (statutory audit).

23.3. Inability of partners, shareholders or similar to change the figures in the financial statements (NIC 10.17, 10.18; NIIF PYMES 32.9): Once the financial statements are approved, the General Assembly does not have the power to make or order changes in the figures or other data that comprise them.

23.4. Post-closing events that do not involve adjustments (NIC 10.21, NIIF PYMES 32.10):

- There are no post-closing events that require significant adjustments or disclosures

Note 4.- COVID19 effects

On the impact of the coronavirus on the entity: “Note 4. Events that occurred after the reporting period On March 11, 2020, after the reporting period, the World Health Organization -WHO- declared the spread of COVID 19 as a pandemic. Subsequently, on March 12, 2020, the national government declared “National Health Emergency and Quarantine” as a consequence of the spread of COVID 19 in Colombia, issuing a series of provisions to contain its spread; such as: exceptional traffic restriction measures, the drastic reduction of activities and the issuance of economic regulations, among others; that are expected to significantly affect the country’s economic activity and markets in general. As of the date of issuance of the financial statements, the duration of the aforementioned exceptional measures and its effects is unknown on the financial situation, the result of operations and cash flows of the entity. As these provisions are events subsequent to the reporting period, they are considered as subsequent events, which do not require adjustment and do not generate an impact on the recognition and measurement of assets and liabilities at the date of preparation of the financial statements. Likewise, the effects that these events could have on the financial situation, the result of the operations and cash flows of the entity in the future cannot be reasonably estimated”.

JOSE ANTONIO GONZALEZ C.

Revisor Fiscal

T.P. 12.423-T

1. Cash and CashEquivalents

The current policy is to maintain enough resources to pay liabilities with Banks, Suppliers and other operational expenses like payroll.

As of December 31st 2021 the available amounts are decomposed as follows:

	DEC-31-2021	DEC-31-2020
Cash in hand	**0.00**	5,265.72
Checking account deposits	**393,713,436.88**	500,567,988.16
	0.00	0.00
	393,713,436.88	500,573,253.88

2. Debtors

As of December 31st 2021 the Debtors account is decomposed as follows:

	DEC-31-2021	DEC-31-2020
Domestic	**548,308,049.49**	2,323,914,571.14
Foreign	**4,243,763,601.99**	1,362,991,927.50
Advance payments to suppliers - contractors	**13,410.00**	3,871,458.00
Income tax with holding	**409,831,889.47**	9,119,784.77
Accounts Receivables from Employees	**0.00**	9,844,830.00
Less Client provision	**-110,374.17**	0.00
	5,201,806,576.78	3,709,742,571.41
Amount in US Dollars from Foreign clients	**1,065,961.58**	397,084.32

3. Plant, Property and Equipment

As of December 31st 2021 this account includes inflation adjustments and is decomposed as follows:

Property Plant and Equipment	**DEC-31-2021**	DEC-31-2020
Office Equipment	**33,710,499.00**	33,710,499.00
Cumulative Depreciation	**-13,937,933.00**	-11,249,045.00
Subtotal	**19,772,566.00**	22,461,454.00
Communications and hardware equipment	**93,094,463.04**	66,773,951.52
Cumulative Depreciation	**-49,663,412.00**	-35,195,936.00
Subtotal	**43,431,051.04**	31,578,015.52
Total Plant Property and Equipment	**63,203,617.04**	54,039,469.52

4. Accounts payable and others

As of December 31st 2021 the accounts payable are decomposed as follows:

	DEC-31-2021	DEC-31-2020
Domestic Suppliers	**2,063,915,236.47**	710,970,601.43
Costs and Expenses Payable	**98,217,292.58**	39,031,971.00
Payable taxes	**25,883,205.54**	22,200,745.99
Payable Sales Tax withheld	**14,221.50**	0.00
Industry and Commerce tax withheld	**398,679.67**	117,891.60
Tax withholdings and contributions payable	**41,866,180.00**	38,272,432.00
Other creditors	**84,543,300.00**	28,606,300.00
	2,314,838,115.76	839,199,942.02

5. Liablities form taxes, surtax and contributions

As of December 31st 2021 the income tax, sales tax and deferred taxes are decomposed as follows:

		DEC-31-2021	DEC-31-2020
Income tax		**353,790,341.28**	441,822,266.15
Income tax	353,790,341.28	**0.00**	0.00
Total Income Tax		**353,790,341.28**	441,822,266.15
Plus: Sales tax payable		**-33,852,759.88**	245,989,180.29
Bimester 2021-06	-33,852,759.88		0.00
Plus : Industry and Commerce tax		**0.00**	18,420,504.95
		319,937,581.40	706,231,951.39

6. Employee Benefits

As of December 31st 2021 the balance on this accounts is decomposed as follows:

	DEC-31-2021	DEC-31-2020
Cesantías	**54,481,395.00**	46,242,870.00
Interest on Cesantias	**5,728,134.00**	5,426,310.00
Vacation time accrued	**202,933,241.00**	167,426,823.00
	263,142,770.00	219,096,003.00

7. Estimated liabilities and provisions

As of December 31st 2021 the estimated liabilities and provisions account is decomposed as follows:

	DEC-31-2021	DEC-31-2020
Commisions and bonuses	**527,531,338.00**	236,395,117.40
Liabilities from deferred Taxes	**124,615,300.00**	124,615,300.00
Other Liabilities - Client Advance Payment	**117,196,983.00**	0.00
	769,343,621.00	361,010,417.40

8. Owner Equity

The owners equity as of December 31st 2021 is as follows:

	DEC-31-2021	DEC-31-2020
Entity Capital	**43,906,000.00**	43,906,000.00
Earnings (loses) current period	**-147,355,438.46**	1,226,325,692.29
Earnings (loses) previous periods	**1,740,256,981.00**	513,931,288.71
Share placement premium	**354,654,000.00**	354,654,000.00
	0.00	0.00
	1,991,461,542.54	2,138,816,981.00

9. Revenue from Operational activities

Operational Revenue is decomposed as follows:

	DEC-31-2021	DEC-31-2020
Local Income	**1,755,651,964.00**	2,111,216,259.00
Services	**1,755,651,964.00**	2,111,216,259.00
Foreign Income	**6,004,344,722.74**	5,326,742,959.90
Services	**4,449,696,437.74**	4,990,840,339.00
Provision Comviva Technologies BV	**1,554,648,285.00**	335,902,620.90
Minus: Returns	**-698,209,270.00**	0.00
Net Operational Income	**7,061,787,416.74**	7,437,959,218.90
TRM as of Dec-31- Dolar	**US$ 3.981.16**	3,432.50
Amount in US Dollars from Foreign sources	**1,832,179.30**	1,691,136.88

10. Cost of Sales

Cost of Sales is decomposed as follows:

	DEC-31-2021	DEC-31-2020
Plus: Licensing Costs	**1,503,558,653.37**	706,407,547.57
Provisions	**683,044,392.16**	37,798,690.00
Total Available:	**2,186,603,045.53**	744,206,237.57
Others	**0.00**	0.00
	2,186,603,045.53	744,206,237.57

Los costos fueron afectados principalmente por importaciones (55,41% de los gastos de ventas), gastos de viaje y servicios principalmente

11. Adminstration Expenses

Administration expenses are decomposed in the following accounts:

	DEC-31-2021	DEC-31-2020
Personnel expenses	**2,733,393,666.42**	2,232,516,173.72
Fees	**213,500,169.50**	141,759,039.00
Taxes	**0.00**	124,615,300.00
Rent	**110,363,831.70**	106,617,017.00
Contributions and Memberships	**10,928,843.00**	10,432,267.00
Insurance	**2,807,223.00**	2,648,565.00
Utilities	**118,008,951.23**	120,117,843.03
Legal Expenses	**2,071,716.00**	3,348,988.00
Maintenance and Repair	**10,349,774.00**	1,407,730.00
Adaptation and Installation	**5,971,740.00**	105,440,545.00
Depreciations	**17,156,364.00**	23,440,712.00
Others	**26,656,942.20**	64,589,893.82
Employee benefits	**2,047,500.00**	
Provisions	**0.00**	0.00
	3,253,256,721.05	2,936,934,073.57

12. Sales Expenses

Sales expenses are decomposed as follows:

	DEC-31-2021	DEC-31-2020
Personnel Expenses	**1,457,114,619.41**	1,803,856,909.93
Taxes	**15,752,212.32**	19,488,751.46
Services	**11,000.00**	113,000.00
Maintenance	**5,362,808.16**	0.00
Others	**6,612,659.00**	30,973,433.63
Personnel Expenses provisions	**110,374.17**	0.00
	1,484,963,673.06	1,854,432,095.02

13. Other Income and Expenses

	DEC-31-2021	DEC-31-2020
Other Income		
Interests	**550.81**	0.00
Exchange rate	**337,679,973.12**	272,873,736.27
Recoveries	**3,663,223.35**	10,335,572.93
Other	**4,448.31**	3,731.37
Total Other Income	**341,348,195.59**	283,213,040.57
Other Expenses		
Bank fees	**50,596.00**	77,292.00
Bank Interests	**0.00**	2,836.00
Exchange rate	**244,870,877.11**	390,846,082.44
Expensed Taxes	**568,790.59**	1,120.61
4* 1000 Financial transactions surcharge tax	**25,715,178.53**	19,865,142.69
Others	**671,827.64**	946,687.28
Total Other Expenses	**271,877,269.87**	411,739,161.02

14. Income Tax Return

	DEC-31-2021	DEC-31-2020
Profit Before Taxes	**206,434,902.82**	1,773,860,692.29
Non deductible Expenses	**671,827.64**	946,687.28
Non deductible Financial transactions surcharge GMF 4x1000 (50%)	**12,857,589.27**	9,932,571.35
Non deductible exchange rate diference	**12,382,428.04**	15,418,345.99
Deferred Taxes	**0.00**	124,615,300.00
Provisions	**813,992,292.26**	41,533,602.46
Taxable Profit	**1,046,339,040.03**	1,966,307,199.37
Presumptive tax on profit	**605,115.00**	605,115.00
Provision for income tax 31%	**353,790,341.28**	547,535,000.00
Net Profit after Taxes	**-147,355,438.46**	1,226,325,692.29

Jose Antonio Gonzalez Castañeda
Fiscal Reviewer
T.P. No. 12.423-T

Leidy Viviana Alarcon
Accountant
T.P. No. 240,002-T

COMVIVA TECHNOLOGIES (AUSTRALIA) PTY LTD

Directors:
Amit Sanyal
Gregory John Armstrong

Registered Office:
Suite 502, Level 5, 100
Pacific Highway,
North Sydney - 2060 NSW, Australia

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022

The directors submit their report together with the management statements of Comviva Technologies (Australia) Pty Ltd ("The Company"), for the year ended 31st March, 2022.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2022 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies B.V., Netherlands is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Mr. Amit Sanyal

Mr. Gregory John Armstrong

On Behalf of the board of Directors

Amit Sanyal	**Gregory John Armstrong**
Director	**Director**

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

Amount in AUD

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Assets			
Non current assets			
(a) Property, Plant and Equipment	1	9,490	11,911
(b) Intangible assets	2	-	-
(c) Goodwill		737,261	737,261
(d) Advance income tax (net)		-	7,042
(e) Deferred tax assets		21,413	252,288
Total non-current assets		**768,164**	**1,008,502**
Current Assets			
(a) Financial Assets			
(i) Loan		-	2,757,134
(ii) Trade receivables	3		
Billed		1,425,345	5,097,907
Unbilled		649,013	217,346
(iii) Cash and cash equivalents	4	1,312,084	1,704,486
(b) Other current assets	5	14,659	34,243
Total current assets		**3,401,101**	**9,811,115**
TOTAL ASSETS		**4,169,265**	**10,819,617**
Equity and Liabilities			
Equity			
(a) Equity Share capital	6	10,000	10,000
(b) Other Equity	7	(1,786,849)	(1,785,121)
Equity attributable to equity holders of the Company		(1,776,849)	(1,775,121)
Liabilities			
Non Current Liabilities			
(a) Provisions	11(i)	223,043	188,525
Total non-current liabilities		**223,043**	**188,525**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	3,387,121	10,372,075
(ii) Trade Payables	9	535,624	274,687
(iii) Others financial liabilities	10	1,125,779	1,121,960
(b) Provisions	11(ii)	327,711	321,026
(c) Other current liabilities	12	346,835	316,465
Total current liabilities		**5,723,070**	**12,406,213**
TOTAL EQUITY AND LIABILITIES		**4,169,265**	**10,819,617**
See accompanying notes forming part of the consolidated financial statement	1-16		

For and on behalf of Comviva Technologies (Australia) Pty Limited

Amit Sanyal — **Director**

Gregory John Armstrong — **Director**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Amount in AUD

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	13	3,871,366	4,127,373
Other income	14	14,233	5,178,168
Total income		**3,885,599**	**9,305,541**
Expenses			
(a) Employee benefits expense	15	2,357,653	2,374,300
(b) Finance costs		178,726	302,687
(c) Depreciation and Amortization expense		8,553	127,506
(d) Other expenses	16	1,113,845	896,480
Total expenses		**3,658,776**	**3,700,973**
Profit before tax		226,823	5,604,568
Tax expenses			
(a) Current tax		(2,325)	-
(b) Deferred tax		230,875	43,671
		228,550	43,671
Profit after tax		**(1,728)**	**5,560,898**
See accompanying notes forming part of the consolidated financial statement	1-16		

For and on behalf of Comviva Technologies (Australia) Pty Limited

Amit Sanyal
Director

Gregory John Armstrong
Director

Notes forming part of the Consolidated financial statements

Note 1 - Property, Plant and Equipment

Amount in AUD

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 1st April, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at 1st April, 2021	For the year	Disposals during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Improvement to leased premises	138,557	-	-	138,557	138,557	-	-	138,557	0	0
Computers	73,800	6,132	-	79,932	66,019	7,044	-	73,063	6,869	7,781
Office equipment	29,140	-	-	29,140	25,010	1,509	-	26,519	2,622	4,131
Total	**241,497**	**6,132**	**-**	**247,629**	**229,586**	**8,553**	**-**	**238,139**	**9,490**	**11,911**

Note 2 - Intangible assets

Amount in AUD

Particulars	Gross Block				Accumulated Amortization				Net Block	
	As at 1st April, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at 1st April, 2021	For the year	Disposals during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Customer rights	697,221	-	(697,221)	-	697,221	-	697,221	-	-	-
	697,221	**-**	**(697,221)**	**-**	**697,221**	**-**	**697,221**	**-**	**-**	**-**

Note 3 - Trade receivables :

Amount in AUD

Particulars	As at March 31, 2022	As at March 31, 2021
Considered good - Unsecured	1,431,275	5,099,213
Less: Allowance for doubtful trade receivables	(5,930)	(1,306)
	1,425,345	5,097,907
Trade receivables -Billed (A)	1,425,345	5,097,907
Trade receivables -Unbilled (B)	649,013	217,346
Total (A+B)	**2,074,358**	**5,315,253**

Note 4 - Cash and cash equivalents :

Amount in AUD

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- In current accounts	1,312,084	1,704,486
Total	**1,312,084**	**1,704,486**

Note 5 - Other current assets :

Amount in AUD

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory remittances	411	-
Prepaid expenses	9,669	9,223
Other loans and advances	-	12,823
Advacnce to suppliers	4,990	12,197
Total	**14,659**	**34,243**

Note 6 - Equity share capital :

Amount in AUD

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	**Amount**	**Number**	**Amount**
10,000 fully paid ordinary shares	10,000	10,000	10,000	10,000

Note 7-Other equity :

Amount in AUD

Particulars	March 31, 2022		March 31, 2021	
Surplus in the statement of profit and loss				
Opening balance	(1,785,121)		(7,346,019)	
Add: profit for the year	(1,728)		5,560,898	
Closing balance		(1,786,849)		(1,785,121)
Total		**(1,786,849)**		**(1,785,121)**

Note 8 -Borrowings :

Amount in AUD

Particulars	As at March 31, 2022	As at March 31, 2021
Long-term borrowings:		
Loan from Related parties	3,387,121	10,372,075
Total	**3,387,121**	**10,372,075**

Note 9 - Trade payables :

Amount in AUD

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payable	535,624	274,687
Total	**535,624**	**274,687**

Note 10 - Other Current liabilities :

Short term Financial Liabilities

Amount in AUD

Particulars	As at March 31, 2022	As at March 31, 2021
Accrued salary and benefits	208,370	173,862
Interest accrued	917,409	948,098
Total	**1,125,779**	**1,121,960**

Note 11 - Provisions :

(i) Long-term provisions

Amount in AUD

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
-Compensated absences	185,129	188,525
-Other employee benefit obligations	37,914	-
Total	**223,043**	**188,525**

(ii) Short-term provisions

Amount in AUD

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
-Compensated absences	296,283	310,427
-Other employee benefit obligations	20,829	-
Provision for warranties	10,599	10,599
Total	**327,711**	**321,026**

Note 12 - Other Current liabilities :

Amount in AUD

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory remittances	229,558	167,585
Unearned revenue	117,277	148,880
Total	**346,835**	**316,465**

Note 13 - Revenue from operations :

Amount in AUD

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	3,871,366	4,127,373
Total	**3,871,366**	**4,127,373**

Note 14- Other Income

Amount in AUD

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Exchange gain	-	1,547,537
Contractual obligation written off	-	3,530,000
Interest income	14,233	631
Miscellaneous income	-	100,000
Total	**14,233**	**5,178,168**

Note 15 - Employee benefits expense :

Amount in AUD

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	2,165,435	2,186,421
Contribution to provident and other funds	192,218	187,879
Total	**2,357,653**	**2,374,300**

Note 16 - Other expense:

Amount in AUD

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cost of hardware equipment, softwares and other items	220,830	252,398
Travelling and conveyance	576	15,200
Legal and profeesional	146,984	146,089
Repairs and maintenance	339,707	375,215
Communication costs	3,050	13,451
Advertising and sales promotion	4,617	8,967
Rent	19,237	35,375
Rates and Taxes	42,300	46,668
Miscellaneous expenses	1,612	1,811
Provision for doubtful debts (net)	3,648	1,306
Exchnage loss (net)	331,285	-
Total	**1,113,845**	**896,480**

COMVIVA TECHNOLOGIES NIGERIA LIMITED

Directors:
Mr. Tayo Adebola Olanrewaju
Mr. Anil Kumar Krishnan
Mr. Michael Ehijiator Eiremiokhae

Chief Financial Officer
Mr. Olabisi Fayombo - External CFO

Registered No:
943437

Registered Office:
No. 5 Isaac John Street, GRA,
Ikeja, Lagos- Nigeria

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022

The Directors submit their report together with the Management Statements of Comviva Technologies Nigeria Limited ("The Company"), for the year ended 31st March, 2022.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2022 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Mr. Oluwaseun Olusegun Oridota (ceased to be director wef January 5, 2022)

Mr. Tayo Adebola Olanrewaju (appointed as director wef January 5, 2022)

Mr. Anil Kumar Krishnan

Mr. Michael Ehijiator Eiremiokhae

On behalf of the Board of Directors,

Tayo Adebola Olanrewaju **Director**	**Anil Kumar Krishnan** **Director**	**Michael Ehijiator Eiremiokhae** **Director**

BALANCE SHEET AS AT MARCH 31, 2022

Amount in NGN

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Assets			
Non current assets			
(a) Property, Plant and Equipment	1	**3,741,619**	4,154,002
(b) Income tax Asset (net)		**250,038,818**	58,724,537
(c) Deferred tax assets		**20,412,781**	12,718,429
Total non-current assets		**274,193,219**	75,596,968
Current Assets			
(a) Financial Assets			
(i) Trade receivables	2		
Billed		**11,610,000**	82,430,855
Unbilled		**390,068,348**	24,419,054
(ii) Cash and cash equivalents	3	**892,416,760**	653,449,131
(iii) Other financial assets	4	**4,085,699**	950,000
(b) Other current assets	5	**9,932,443**	16,599,764
Total current assets		**1,308,113,250**	777,848,804
TOTAL ASSETS		**1,582,306,469**	853,445,772
Equity and Liabilities			
Equity			
(a) Equity Share capital	6	**683,916,187**	683,916,187
(b) Other Equity	7	**(600,448,413)**	(769,866,393)
		83,467,774	(85,950,206)
Liabilities			
Non Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	8	**174,882,475**	264,569,553
Total non-current liabilities		**174,882,475**	264,569,553
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	9	**1,050,855,522**	353,876,576
(ii) Other Financial Liabilities	10	**137,285,080**	190,896,483
(b) Provisions	11	**4,183,975**	4,756,366
(c) Other current liabilities	12	**131,631,645**	125,297,001
Total current liabilities		**1,323,956,220**	674,826,425
TOTAL EQUITY AND LIABILITIES		**1,582,306,469**	853,445,772
See accompanying notes forming part of the financial statements	1-16		

For and on behalf of Comviva Technologies Nigeria Limited

Michael Ehijiator Eiremiokhae
Director & CEO

Anil Kumar Krishnan
Director

Tayo Abebola Olanrewaju
Director

Oabisi Fayombo
Chief financial officer

COMVIVA TECHNOLOGIES NIGERIA LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Amount in NGN

Particulars	Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue from operations	13	**1,467,209,060**	805,739,043
Other income	14	**7,727,310**	445,724,407
Total income		**1,474,936,371**	1,251,463,450
Expenses			
(a) Employee benefits expense	15	**223,076,808**	242,957,756
(b) Subcontracting cost		**64,014,438**	62,276,544
(c) Finance costs		**12,838,393**	23,091,066
(d) Depreciation and Amortization expense	1	**3,106,883**	4,133,514
(e) Other expenses	16	**884,409,670**	160,530,819
Total expenses		**1,187,446,192**	492,989,699
Profit before tax		**287,490,179**	758,473,751
Tax expenses			
(a) Current tax		**125,766,551**	239,154,013
(b) Deferred tax		**(7,694,352)**	6,369,441
		118,072,199	245,523,454
Profit after tax		**169,417,980**	512,950,296
See accompanying notes forming part of the financial statements	**1-16**		

For and on behalf of Comviva Technologies Nigeria Limited

Michael Ehijiator Eiremiokhae
Director & CEO

Anil Kumar Krishnan
Director

Tayo Abebola Olanrewaju
Director

Oabisi Fayombo
Chief financial officer

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 - Property, Plant and Equipment

Amount in NGN

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at 1st April, 2021	For the period	Disposals during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computers	91,872,000	2,862,500	(460,680)	94,273,820	87,964,444	3,025,894	(160,680)	90,829,659	3,444,161	3,907,555
Networking	923,475	-	-	923,475	923,475	-	-	923,475	-	-
Office Equipments	2,843,327	132,000	-	2,975,327	2,596,880	80,988	-	2,677,869	297,458	246,447
	95,638,801	**2,994,500**	**(460,680)**	**98,172,621**	**91,484,800**	**3,106,883**	**(160,680)**	**94,431,002**	**3,741,619**	**4,154,002**

COMVIVA TECHNOLOGIES NIGERIA LIMITED

Note 2 - Trade receivables :

Amount in NGN

Particulars	**As at**	
	March 31,2022	March 31, 2021
Considered good	**11,610,000**	82,430,855
Less: Allowance for doubtful trade receivables	**-**	-
	11,610,000	82,430,855
Trade receivables -Billed (A)	**11,610,000**	82,430,855
Trade receivables -Unbilled (B)	**390,068,348**	24,419,054
Total	**401,678,347**	106,849,910

Note 3- Cash and cash equivalents :

Amount in NGN

Particulars	**As at**	
	March 31,2022	March 31, 2021
Balances with banks:		
- In current accounts	**42,416,760**	653,449,131
- In deposit accounts	**850,000,000**	-
Total	**892,416,760**	653,449,131

Note 4 - Other Financial Assets :

Other Financial assets : Current

Amount in NGN

Particulars	**As at**	
	March 31,2022	March 31, 2021
Security deposits	**950,000**	950,000
Interest accrued	**3,135,699**	-
Total	**4,085,699**	950,000

Note 5 - Other Assets :

Other current assets : Current

Amount in NGN

Particulars	**As at**	
	March 31,2022	March 31, 2021
Advance to suppliers	**-**	8,675,613
Capital advances	**-**	272,582
Prepaid expenses	**483,585**	599,068
Other loans and advances	**9,448,858**	7,052,501
Total	**9,932,443**	16,599,764

Note 6 -Equity Share capital :

Amount in NGN

Particulars	As at			
	March 31,2022		March 31, 2021	
	Number	Amount in NGN	Number	Amount in NGN
(a) Authorised :				
Equity shares of N 1 each	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Equity shares of N 1 each fully paid up	683,916,187	683,916,187	683,916,187	683,916,187
Total	**683,916,187**	**683,916,187**	**683,916,187**	**683,916,187**

Note 7 - Other Equity :

Amount in NGN

Particulars	As at			
	March 31,2022		March 31, 2021	
Surplus in the statement of profit and loss				
Opening balance	(769,866,393)		(1,282,816,689)	
Add: profit for the year	169,417,980		512,950,296	
Closing balance		(600,448,413)		(769,866,393)
Total		**(600,448,413)**		**(769,866,393)**

Note 8 -Borrowings :

Long-term borrowings

Amount in NGN

Particulars	As at	
	March 31,2022	March 31, 2021
Unsecured		
-Loan from related party	174,882,475	264,569,553
Total	**174,882,475**	**264,569,553**

Note 9 - Trade payables :

Amount in NGN

Particulars	As at	
	March 31,2022	March 31, 2021
Trade Payables	1,050,855,521	353,876,576
Total	**1,050,855,521**	**353,876,576**

Note 10 - Other Financial Liabilities : Current

Amount in NGN

Particulars	As at	
	March 31,2022	March 31, 2021
Interest accured	7	60,580,334
Due to related parties	124,027,017	106,171,904
Accrued salary and benefits	13,258,057	24,144,244
Total	**137,285,080**	**190,896,483**

Note 11 - Provisions

Amount in NGN

Particulars	As at	
	March 31,2022	**March 31, 2021**
Provision for employee benefits		
-Compensated absences	4,183,975	4,756,366
Total	**4,183,975**	**4,756,366**

Note 12 - Other current liabilities :

Amount in NGN

Particulars	As at	
	March 31,2022	**March 31, 2021**
Statutory remittances	5,781,389	11,827,494
Advance from customers	125,850,245	113,400,000
Unearned revenue	11	69,508
Total	**131,631,645**	**125,297,001**

Note 13 - Revenue from operations :

Amount in NGN

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue	1,467,209,060	805,739,043
Total	**1,467,209,060**	**805,739,043**

Note 14 - Other income :

Amount in NGN

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 201
Interest income	7,711,242	-
Profit on sale of property, plant and equipment	16,068	-
Miscellaneous Income	-	445,724,407
Total	**7,727,310**	**445,724,407**

Note 15. Employee benefits expense :

Amount in NGN

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries, wages and bonus	209,561,959	234,564,919
Contribution to provident and other funds	10,723,439	8,341,407
Staff Welfare Expenses	2,791,410	51,429
Total	**223,076,808**	**242,957,756**

Note 16. Operating and other expense:

Amount in NGN

Particulars	**For the Year ended March 31, 2022**	**For the Year ended March 31, 2021**
Cost of hardware equipment, softwares and other items	722,788,995	29,103,281
Rent	6,777,419	11,669,028
Rates and taxes	497,335	14,374,315
Insurance	7,335,236	16,165,272
Power and fuel	-	679,273
Repairs and maintenance	13,916,074	4,337,059
Advertising and sales promotion	6,311,399	4,188,531
Exchange loss (net)	64,538,424	43,214,044
Communication costs	2,835,215	4,137,315
Conference expenses	-	541,605
Legal and professional fees	50,496,027	23,206,518
Travelling and conveyance	7,541,996	3,716,175
General office expenses	-	2,988,782
Miscellaneous expenses	1,371,548	2,209,622
Total	**884,409,670**	**160,530,819**

COMVIVA TECHNOLOGIES (ARGENTINA) P.L.C.

Board of Directors:

President and Chairman
Maximiliano Gustavo Knüll

Vice Chairman
Jose Taravilse

Regular Director
Ashish Kumar

Alternate Director
Manoranjan Mohapatra

Registered No:
CUIT : 30-64627917-4

Registered Office:
Av. Corrientes 880, 11th Floor City of Buenos Aires
Argentina

REPORT

Mr/Mrs Shareholders of COMVIVA TECHNOLOGIES (ARGENTINA) P.L.C

A new fiscal year of our Partnership has passed.

As in previous years the interest of keeping our highly skilled payroll has prevailed as main asset of our Partnership. Likewise, we have favored the long term relationship with our customers, reporting change as a business opportunity for those involved.

On the issuance date of the financial statements, fiscal year results ending on June, 30th 2021 show a profit of $ $1,311,802.

During this fiscal year financial statements have been adjusted for inflation at the closing as Argentine professional accounting standards establish that the financial statements have to be prepared recognizing changes in the currency purchasing power according to the technical regulations (TR) N° 6 and N° 17, with the amendments made by TR N° 39, standards issued by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) These standards state that the application of the adjustment for inflation must be made facing a high inflation context, characterized, among other considerations, when there is a cumulative inflation rate in three years reaching or surpassing 100%.

For this reason, according to the above mentioned professional accounting standards, Argentine economy was considered of high inflation from July, 1st 2018, being applied in the Partnership during the fiscal year ended on June 30th 2019 and those that follow it.

Adjustment procedures application and preparation basis were detailed in note 1. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS of this financial statements.

In reference to the fiscal year results, decrease in profit regarding the previous fiscal year was affected by the inflation impact and exchange rate control which does not follow inflation, creating a negative financial result.

The changes in the assets and liabilities is mainly due to the fluctuation of the exchange rate during this fiscal year.

The relationships with the affiliated companies and the changes operated in credits and debts with them are detailed in note 5 of this financial statements.

Since March 2020, global economic and financial conditions were severely affected by the outbreak of a new coronavirus (SARS-CoV2) cause of COVID-19 disease, declared pandemic by the World Health Organization on March, 11th 2020. The Argentinian government ordered a preventive and compulsory social isolation through Decree N° 297/2020 of the National Executive Power.

During this fiscal year the health situation in Argentina followed a similar trend to the world one. After the first infection wave, reaching its peak in October 2020 there was a sharp slowdown from November reaching minimum infection levels in February 2021. From that month on, infections increased in what was called the second wave, reaching maximum levels again in May with 822 thousand confirmed positive cases. As regards to the vaccination process, Argentina started vaccinating its population in January 2021 in a very gradual way during the first months of the year, and accelerating its pace between March and June. In that way, by the end of June 2021 37% of the population was vaccinated with the first dose.

Government´s handling of the pandemic started to relax since August 2020, sequentially abandoning the strict lockdown measures implemented in March 2020 (where some essential activities and economic sectors basically related to health, food and safety were authorized) to social distancing measures and specific restrictions to use the public transport, education and services related to the entertainment, tourism, hotels and restaurant sectors.

The Partnership has not suffered significant impacts in their results as a consequence of the pandemic. Although we´ve faced different kind of difficulties that decelerate our activities, operations are kept and we expect them to continue besides difficulties.

The Partnership Board is closely monitoring the situation and is taking the necessary measures within its power to preserve human life and its operation checking the compliance and implementation of the plan for the surveillance, prevention, and control of COVID at work to guarantee health and wellbeing of the employees, customers and community.

We´d like to thank the personnel of the Partnership, our customers, suppliers and everybody who has collaborated somehow in this new fiscal year.

BOARD OF DIRECTORS

INDEPENDENT AUDITORS REPORT

To the Board of Directors of

COMVIVA TECHNOLOGIES (ARGENTINA) P.L.C.

CUIT (Individual Taxpayer Identification) N°: 30-64627917-4

Legal domicile: Maipu, 1, 2nd Floor

City of Buenos Aires - Argentina

Report on financial statements

Identification of the financial statements object of the audit

We have audited the attached financial statements of COMVIVA TECHNOLOGIES (ARGENTINA) P.L.C (from now on, indistinctly mentioned “COMVIVA TECHNOLOGIES (ARGENTINA) P.L.C.” or the “Partnership”), which consists of the statement of financial condition as of June 30th 2021, income statement, net worth development and cash flow of the ended fiscal year, as well as a summary of the significant accounting policies and other explanatory information included in notes 1 to 10 and annexes I to IV.

Figures and other information of the fiscal year ended on June, 30th 2020, restated in June of 2021 currency according to what was pointed out in note 1.2 to the attached financial statements, are part of the financial statements above mentioned and it´s presented to be exclusively interpreted related to the figures and the information of the current fiscal year.

Responsibilities of the Board of Directors in relation to financial statements

The Board of Directors of the Partnership is responsible for the preparation and fair presentation of the attached financial statements according to Argentine professional accounting standards and of the internal control needed to allow the preparation of financial statements free from significant misstatements.

Responsibility of auditors

Our responsibility entails expressing an opinion about the attached financial statements based on our audit. We have carried out our assessment in accordance with the audit standards of the Technical Resolution N° 37 of the Argentine Federation of Professional Councils of Economic Sciences. Such standards require that we comply with the ethical requirements, as well as plan and execute the audit to determine with reasonable certainty that the financial statements are free from significant misstatements.

An audit entails the application of procedures to obtain evidence about the figures and information submitted in the financial statements. The selected procedures depend on the professional judgement of the auditors, including risk assessment of significant misstatements in the financial statements. When risk assessing, the auditors take into account the corresponding internal control for the preparation and fair presentation by the Partnership of the financial statements, so as to design the proper audit procedures for the circumstances and not to express an opinion about the efficiency of the internal control of the Partnership. An audit also includes the assessment of the adequacy of the accounting policies applied and the reasonability of the accounting estimates made by the Board of Directors of the Partnership, as well as the assessment of the overall presentation of the financial statements.

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

Opinion

In our opinion, the attached financial statements reasonably present, in all its significant aspects, the financial condition of COMVIVA TECHNOLOGIES (ARGENTINA) P.L.C as of June 30th 2021, as well as its results, the evolution of its net worth and cash flow corresponding to the ended fiscal year on that date, according to the Argentine professional accounting standards

Report on other legal and regulatory requirements

a) As set forth in the financial statements of the Partnership, the receipt accrual liability as of June 30th 2021 in favor of the Argentine Integrated Social Security System under retirement payments and contributions amounted to 5,523,019.52, not claimable at that date.

b) We have applied the procedures on prevention of criminal assets laundering and financing of terrorism set forth in the Resolution N°420/11 of the Argentine Federation of Professional Councils of Economic Sciences.

City of Buenos Aires, October 27th 2021

MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.

(Trading Companies Registry C.P.C.E.C.A.B.A. V° 1 – P° 36)

LEANDRO MANUEL JUSTO (Partner)

Public Accountant (U.B.A.) C.P.C.E.C.A.B.A. - V° 373 – P° 059

COMVIVA TECHNOLOGIES (ARGENTINA) P.L.C.

Legal domicile:	Maipu 1, 2nd Floor - City of Buenos Aires
Main activities of the Partnership:	Consulting services delivery, software development and marketing backup.
Date of entry of the Bylaws in the Public Registry of Commerce:	October 4th 1991
Date of entry of last amendment in the Public Registry of Commerce	November 15th 2018
Registration in the Superintendence of Corporations:	7990 - B. 110 - B° “A” of P.L.C
Date of termination set for the terms of duration of the Partnership:	October 3rd 2090
C.U.I.T (Individual Taxpayer Identification) N°:	30-64627917-4
Parent company:	Comviva Technologies B.V.
Legal domicile:	Maanplein 20, Building 8 2516 CK- The Hague- - Netherland
Main activity:	Finance and administrate partnerships and offer and provide services
Contribution rate of the parent company:	99.96%

FISCAL YEAR N° 30

STARTED ON JULY 1ST 2020

FINANCIAL STATEMENTS AS OF JUNE 30TH 2021

(presented comparatively for the fiscal year ended on June, 30th 2020)

(in pesos**)**

COMPOSITION OF CAPITAL

(note 4)

	…2021…	…2020…
Amount of registered common shares at nominal value of $1 each, having 1 vote per share	**2,255,800**	2,255,800

Duly signed for identification purposes with our report dated on October 27th 2021

MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.

MAXIMILIANO G. KNÜLL
President

LEANDRO M. JUSTO (PARTNER)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. - V° 373 – P° 059

COMVIVA TECHNOLOGIES (ARGENTINA) P.L.C

STATEMENT OF FINANCIAL CONDITION AS OF JUNE 30TH 2021

(presented comparatively for the fiscal year ended on June, 30th 2020)
(in pesos)

	Ref.	...2021...	...2020...
ASSET			
CURRENT ASSET			
Cash and banks	2.a)	**11,757,635**	47,208,696
Sales credits	2.b)	**245,358,182**	322,758,968
Other credits	2.c)	**18,530,199**	9,715,554
Other assets	2.d)	**390,207**	323,696
Total Current Assets		**276,036,223**	380,006,914
NON-CURRENT ASSET			
Other credits	2.c)	**1,147,080**	1,101,921
Fixed assets	Annex I	**47,725,392**	5,428,542
Deferred tax	3)	**20,681,785**	7,407,805
Total Non-current asset		**69,554,257**	13,938,268
ASSET TOTAL		**345,590,480**	393,945,182
LIABILITY			
CURRENT LIABILITY			
Debts:			
Trade	2.e)	**97,470,784**	114,869,752
Salaries and payroll taxes	2.f)	**47,215,458**	45,881,269
Tax	2.g)	**16,032,323**	18,132,024
Financial	2.h)	**55,605,856**	62,820,886
Advance payments from clients		**13,196,688**	28,703,699
Current Liability Total		**229,521,109**	270,407,630
NON-CURRENT LIABILITY			
Allowance for lawsuits and contingencies	Annex II	**302,224**	6,458,603
Total Non-current Liability		**302,224**	6,458,603
LIABILITY TOTAL		**229,823,333**	276,866,233
NET WORTH (according to respective status)		**115,767,147**	117,078,949
LIABILITY PLUS NET WORTH TOTAL		**345,590,480**	393,945,182

Notes 1 to 10 and annexes I to IV are integral part of this status.

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INCOME STATEMENT FOR FISCAL YEAR ENDED ON JUNE 3OTH 2021

(presented comparatively for the fiscal year ended on June, 30th 2020)
(in pesos)

	Ref.	...2021...	...2020...
Net incomes for provision of services	2.i)	**451,111,371**	524,204,067
Cost of services provided	Annex IV	**(246,862,885)**	(273,052,926)
Net result		**204,248,486**	251,151,141
Marketing expenses	Annex IV	**(33,795,911)**	(47,799,137)
Administration expenses	Annex IV	**(109,128,715)**	(102,475,522)
Other incomes and expenses, net	2.j)	**(10,905,273)**	(12,821,846)
Financial performance and holding (includes RECPAM)		**(60,845,297)**	(88,947,793)
Results before income tax		**(10,426,710)**	(893,157)
Income tax	3)	**9,114,908**	4,667,758
Net result of fiscal year		**(1,311,802)**	3,774,601

Notes 1 to 10 and annexes I to IV are integral part of this status.

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NET WORTH DEVELOPMENT STATEMENT FOR FISCAL YEAR ENDED ON JUNE 30TH 2021

(presented comparatively for the fiscal year ended on June, 30th 2020)

(in pesos)

Concept	Capital				Reserves				Unallocated earnings	Total
	Capital stock	Capital adjustment	Issuance premium	Total	Legal reserve	Optional reserve	Reserve for future dividends	Total		
Balance at June 30th 2019	2,255,800	6,353,581	142,245,176	150,854,557	23,189	14,206,865	55,039,584	69,269,638	(106,819,847)	113,304,348
Regular General Assembly of October 22nd 2019:										
- Establish legal reserve					1,043,191			1,043,191	(1,043,191)	-
Net result of fiscal year									3,774,601	3,774,601
Balance at June 30th 2020	2,255,800	6,353,581	142,245,176	150,854,557	1,066,380	14,206,865	55,039,584	70,312,829	(104,088,437)	117,078,949
Net result of fiscal year									(1,311,802)	(1,311,802)
Balance at June 30th 2021	**2,255,800**	**6,353,581**	**142,245,176**	**150,854,557**	**1,066,380**	**14,206,865**	**55,039,584**	**70,312,829**	**(105,400,239)**	**115,767,147**

Notes 1 to 10 and annexes I to IV are integral part of this status.

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CASH FLOW STATEMENT FOR FISCAL YEAR ENDED JUNE, 30TH 2021

(presented comparatively for the fiscal year ended on June, 30th 2020)

(in pesos)

	...2021...	...2020...
CASH VARIATIONS		
Cash at the beginning of the fiscal year (note 1.4.g)	**67,452,006**	67,701,324
Cash at the end of fiscal year (note 1.4.g)	**27,800,897**	67,452,006
Net Decrease of cash	**(39,651,109)**	**(249,318)**
Causes of cash variations		
Operational activities		
Net result of fiscal year	**(1,311,802)**	3,774,601
Income tax	**(9,114,908)**	(4,667,758)
Adjustments to arrive to net flow of cash coming from operational activities		
Depreciation of fixed assets	**16,244,727**	6,884,733
(Decrease) / Increase of provisions	**(11,757,991)**	6,006,728
Net variations in assets and liabilities:		
Decrease / (Increase) of credits for sales	**73,200,738**	(61,576,282)
(Increase) / Decrease of other credits	**(3,258,192)**	9,417,611
(Increase) / Decrease of other assets	**(66,511)**	123,003
(Decrease) / Increase of trade debts	**(17,398,968)**	7,633,899
Increase of corporate debts	**1,334,189**	9,456,882
(Decrease) / Increase of tax debts	**(6,258,773)**	9,365,064
(Decrease) / Increase of advance payments from clients	**(15,507,011)**	7,104,970
Net cash flow generated by / (used in) operational activities	**26,105,498**	(6,476,549)
Investment activities		
Acquisition of fixed assets	**(58,744,840)**	(5,419,432)
Decrease of fixed assets	**203,263**	-
Net cash flow used in investing activities	**(58,541,577)**	(5,419,432)
Financing activities		
(Decrease) / Increase of financial debts	**(7,215,030)**	11,646,663
Net cash flow (used in) / generated by financing activities	**(7,215,030)**	11,646,663
Net Decrease of cash	**(39,651,109)**	**(249,318)**

Notes 1 to 10 and annexes I to IV are integral part of this status.

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NOTES TO FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE, 30TH 2021

(presented comparatively for the fiscal year ended on June, 30th 2020)

(in pesos)

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1.1 Accounting standards applied

These financial statements have been prepared and exposed according to the Technical Regulations and Interpretations of the Argentine Federation of Professional Councils of Economic Sciences (FACPCE), taken by the Argentine Federation of Professional Councils of Economic Sciences (C.P.C.E.C.A.B.A.), in force and applicable to entities not included in the public tender offer regime and which has not opted for the application of International Financial Reporting Standards (Argentine professional accounting standards).

1.2 Unit of measure

Financial statements have been prepared in constant currency recognizing the effects of inflation according to the corresponding generally accepted professional accounting standards.

In the restatement to reflect the variations in the currency purchasing power the adjustment method established by the Technical Resolution Nº 6 (TR N°6) , its amending and supplementing provisions were followed in the way it was approved and regulated by the Argentine Federation of Professional Councils of Economic Sciences

The index used for the restatement is the Consumer Price Index (CPI) published by the National Institute of Statistics and Censuses of Argentina (INDEC), from January 1st 2017 and, backwards, Internal Index Wholesale Prices (IPIM) made by this Institute or, in its absence, consumer price index published by the General Directorate of Statistics and Census of the City of Buenos Aires. Index variations used to restate this financial statements have been of 50.20% in the fiscal year ended on June, 30th 2021 and of 42.76% in the previous fiscal year.

By Resolution C.D. N° 107/2018 of the CPCECABA, amended on April 3rd 2019 by Resolution C.D. N° 18/2019 of the CPCECABA, the second part of the resolution JG FACPCE N° 539/18 was approved, as indicated in the Annex of the mentioned Resolution of the CPCECABA, mandatorily applicable for the financial statements of fiscal years or intermediate periods closed as of December 31st 2018, inclusive, considering the possibilities of using certain simplifications as regards to the methodology established in the TR N° 6. In the CPCECABA standards different relevant aspects are also defined to apply the procedures of restatement of the financial statement figures.

The Partnership applied the inflation adjustment of the TR 6, with the following option granted by the JG Resolution 539/18:

Option of determining and presenting financial performance and holding (including RECPAM) in one line

The Partnership exercised the option of the TR 6 and the JG Resolution 539/18 of presenting the R.E.C.P.A.M. included in the financial performance and holding in only one line.

Non-opening of Financial performance and holding (RECPAM included) generates the impossibility of determining the real magnitude of the different components of the financial performance and holding, neither their nominal magnitude adjusted by inflation and the RECPAM effect on those results. This limitation also prevents the determination of certain financial ratios, as financial assets performance, the cost of debt, leverage, etc.

Option of not identifying the variation of financial performance and holding (including RECPAM) in cash flow statement

Cash flow statement has been prepared by the indirect method and the variation of the financial performance and holding (including RECPAM) generated by cash and its equivalents is kept within the results of the period. Such amount has not been identified, which prevents us from knowing the net cash flow determination used in the operating activities.

1.3 Comparative information

According to what was asked by the Argentine professional accounting standards, financial statements as of June 30th 2021, with its notes and annexes, are presented comparatively with the figures of the fiscal year ended on June 30th 2020.

1.4 Main assessment criteria applied in the preparation of the accounting standards.

a) Monetary items:

Cash and banks, credits and debts are expressed at their nominal value at the end of each fiscal year

b) Assets and liabilities in foreign currency:

They have been assessed according to the suitable exchange rate or rate applied at the end of each fiscal year.

c) Other assets:

Supplies: Current replacement cost has been assessed at the end of each fiscal year, it does not exceed its recoverable value.

d) Fixed assets:

Acquisition cost: they have been valued at the acquisition cost restated according to what is mentioned in note 1.2.

Depreciations: fixed assets are depreciated following the straight-line method since the acquisition year, applying the aliquots estimated for each fixed asset, determined according to the estimated lives. The cumulative depreciations have been restated according to what is mentioned in note 1.2.

Fixed asset value does not exceed the estimated use value.

e) Capital stock, earnings allocated to reserves and unallocated earnings:

Net worth balances adjusted at the beginning of the fiscal year were updated at the end of the fiscal year according to what was mentioned in note 1.2.

Capital stock was restated in currency as at closing date, according to what was established in note 1.2. The difference with the nominal value is shown as “capital adjustment” in the net worth.

Unallocated earnings are restated in currency as at closing date, according to what was established in note 1.2.

The result of the fiscal year was obtained by the difference of the net worth at the beginning, the movements of their accounts, and the net worth at the end, measured in constant currency as of June 30th 2021.

f) Income tax:

The Partnership determines the accounting charge for income tax according to the method of the deferred tax which considers the effect of the temporary differences originated in the different measuring base of assets and liabilities according to the accounting and tax criteria, and of the existing tax loss carryforward and tax credits not used tax deductible of future taxable incomes, calculated considering the prevailing tax rate, and the governing one at the moment of the reversion.

On December, 29th 2017, Act N° 27,430 of the Tax Reform was published, which came into force the day after its publication. The tax reform introduces amendments in the Income Tax Act, including the reduction of the aliquot which levies retained company earnings of 35% to 25% as of January 1st 2020, with a transitional model for the two fiscal years starting on January, 1st 2018, where the aliquot will be 30%. The main accounting impact of the new standard is the measuring of assets and liabilities by deferred tax, as they have to be recognized applying the tax rate applied on the dates when the differences between book and tax values are reversed or used.

Likewise, by virtue of the amendments introduced by Acts N° 27.430 and N° 27.468 of Income Tax Act (“ITA”), the adjustment procedure for tax inflation considered in article 95 of the ITA (static and dynamic adjustments), in the fiscal year when variation percentage in the general level CPI accumulated in the thirty six (36) months before the end of the fiscal year liquidated, above one hundred percent (100%) shall be applicable for the fiscal years starting on January 1st 2018, Without limiting the foregoing, as regards to the first, second and third fiscal years since its entry into force, that procedure shall be applicable if the variation of this index, estimated from the beginning till the end of each of these fiscal years, is above fifty five percent (55%), a thirty percent (30%) and a fifteen percent (15%) for the first, second and third year of application, respectively. Nevertheless, the adjustment for tax inflation (positive or negative) that shall be applied regarding the first, second and third fiscal years starting on January 1st 2018 shall only be computable on a third part of the period of origin while the other two remaining thirds, in equal parts, shall be computable on the two immediately following tax periods.

The “Social Solidarity and Productive Reactivation Act N° 27.541” by means of which public emergency is declared in economic, financial, tax, administrative, social security, tariff, energy, health and social issues was published in the Official Gazette on December 23rd 2019. Within the amendments introduced, as regards to income tax, it suspended until the fiscal year starting on January 1st 2021 the reduction of 25% of the income tax aliquot, keeping the rate of 30%; and stablished that the adjustment for tax inflation, corresponding to the first and second fiscal years starting on January 2019, if applicable, shall be attributed 1/6 in this tax period and the remaining 5/6, in equal parts, in the immediately following 5 tax periods. The provisions do not preclude the calculation of the remaining thirds corresponding to the previous periods.

During the fiscal years finished on June 30th 2021 and 2020, CPI variation was of 50.20% and 42.76%, respectively. As a consequence, as the established variations were reached for both fiscal years (30% for the second and 15% for the thrid) the Partnership determined the income tax applying the provisions mentioned in the previous paragraphs.

By issuing the decree N° 387/2021 (O.G. 16/06/2021), Act 27,630 – Income Tax – was passed making amendments to the aliquot of this tax for legal persons incorporating progressive scales applied to fiscal years starting on January, 1st 2021.

This new regulation has an impact on the measurement of assets and liabilities by deferred tax as from the entry into force of the new act, as they have to be recognized applying tax rates promulgated on the closing date when temporary differences shall be reverted or used. Considering the aforesaid and since the new amendments are applicable for the next fiscal year, the Board of Directors decided to value its assets and liabilities by deferred tax at the close of this fiscal year applying an estimated rate for the reversion or use of the provisions. The effect for the aforementioned rate change is exposed in note 3 of this financial statement.

Benefits Act N° 25,922 “Regime Of Promotion Of The Knowledge Economy”

The Partnership is entitled to the benefits of Act N° 25,922 “Software Industry Promotion Act”, published in the Official Gazette on September 9th 2004. Subjects adhering to this regime shall enjoy tax stability for ten years reaching all national taxes, meaning direct taxes, tax rates and contributions having those registered beneficiaries as taxable people. Tax stability means that subjects developing software production activities shall not see their national total tax burden increased when incorporating the Partnership to this general legal framework.

The beneficiaries of the regime of this act developing software development and investigation activities and/or processes of quality certification of software developed in the national territory and/or software export, shall be able to turn into a non-transferable tax credit certificate up to 70% of the employer contributions effectively paid on the total payroll of the company for social security systems and subsystems considered in Acts N° 19,032 (National Social Security Administration), 24,013 (National Employment Fund) and 24.241 (Retirement and Pension System). The beneficiaries could use those certificates to pay national taxes originated in the software industry, specially value added tax or other national taxes and their advanced payments, if applicable, excluding income tax.

Subjects adhering to the promotion regime established by this act will have a relief of 60% in the total amount of the income tax determined in each fiscal year, while investigation and development and/or quality certification processes and/or software exports expenditures are charged in the extent determined by the implementing authorities. The benefit only applies to the activities corresponding to the promotion regime.

Act N° 26.692, published in the Official Gazette on August 18 2011, made amendments to the software industry promotion act, and among others it extended its validity up to December 31st 2019.

Act N° 27,506 “Regime Of Promotion Of The Knowledge Economy”, which should replace software industry promotion Act with effect from January 1st 2020 was published in the Official Gazette on June 10th 2019. Nevertheless, afterwords the act was null and legally invalidated, and then amended for its approval with certain modifications on October 8th 2020, implementing its regulation on February 18th 2021.

At the closing of this financial statements, the Partnership has not applied the fiscal benefits included in this regime due to what is mentioned in note 10.

g) Cash flow statement:

Such statement is presented according to the indirect method, going from the net result of each fiscal year, adding or deducting, as appropriate, those entries involved in its determination, but that neither affected funds nor changes in assets and liabilities. Cash and banks and sales credits are considered concepts of “Cash and its equivalents” according to the following detail:

	...2021...	...2020...
Cash and banks	**11,757,635**	47,208,696
Sales credits (*)	**16,043,262**	20,243,310
Total cash and its equivalents	**27,800,897**	**67,452,006**

(*) Corresponds to “Cash to be deposited” due in less than 90 days.

h) Estimates:

The preparation of the financial statements, according to accounting standards in force, requires the Board of Directors of the Partnership to make estimates affecting the determination of the amounts of assets and liabilities and the disclosure of contingencies at the date of presenting the financial statements. The real amounts and results may defer from the estimates made for the preparation of the financial statements.

For other non-recoverable credits: it was constituted on the basis of an individual analysis of recoverability of receivables.

For deferred tax: it was constituted on the basis of the individual analysis of the probability of reversion of the items of the deferred tax.

For lawsuits and contingencies: it was constituted to cover possible claims and contingency situations that could create liabilities for the Partnership. The opinion of the legal advisers of the Partnership was considered in the estimates of amounts and likelihood of occurrence.

i) Results:

The income statements were restated in the currency as at closing date, according to what was established in note 1.2. The differences with their nominal values were included in the line “Financial performance and holding (includes RECPAM)” of the income statement.

2. COMPOSITION OF THE MAIN CATEGORIES OF THE FINANCIAL STATEMENTS.

The composition of the main categories of the financial statements are the following:

	...2021...	...2020...
2.a) Cash and banks		
Cash in local currency	**76,741**	84,807
Cash in foreign currency (Annex III)	**21,588**	577,722
Banks in local currency	**4,458,026**	5,440,174
Banks in foreign currency (Annex III)	**7,201,280**	41,105,993
Total	**11,757,635**	47,208,696
2.b) Sales credits		
Sales credits in local currency	**10,960**	585,397
Sales credits in foreign currency (Annex III)	**18,887,456**	64,900,919
Related parties (note 5)	**210,416,504**	237,029,342
Cash to be deposited	**16,043,262**	20,243,310
Total	**245,358,182**	322,758,968
2.c) Other credits		
Current		
Recoverable value added tax	**12,167,340**	-
Recoverable income tax	**207,402**	1,686,693
Recoverable gross income tax	**1,596,678**	1,586,583
Advance payments to suppliers	**-**	3,910,407
Loans to employees	**8,333**	-
Pre-paid expenses	**3,977,326**	1,883,383
Security deposits in foreign currency (Annex III)	**573,120**	617,322
Security deposits in local currency	**-**	31,166
Total	**18,530,199**	9,715,554
Non-current		
Security deposits in foreign currency (Annex III)	**1,112,330**	1,101,921
Security deposits in local currency	**34,750**	-
Recoverable income tax	**36,984,235**	42,585,847
Provision for other non-recoverable credits (Annex II)	**(36,984,235)**	(42,585,847)
Total	**1,147,080**	1,101,921
2.d) Other assets		
National supplies	**363,482**	283,555
Imported supplies	**26,725**	40,141
Total	**390,207**	323,696

	...2021...	...2020...
2.e) Commercial Debt		
Common	**1,074,369**	5,852,522
Common in foreign currency (Annex III)	**5,619,770**	2,951,140
Related parties (note 5)	**74,260,916**	85,647,583
Provision for costs and charges in local currency	**1,869,247**	3,819,760
Provision for costs and charges in foreign currency (Annex III)	**13,836,517**	15,747,428
Payable credit cards	**651,453**	851,319
Payable credit cards in foreign currency (Annex III)	**158,512**	-
Total	**97,470,784**	114,869,752
2.f) Salaries and payroll taxes		
Payable taxes	**6,938,145**	8,881,024
Social provisions	**19,158,948**	22,009,217
Provision for bonus	**21,118,365**	9,361,190
Payment plan	**-**	5,629,838
Total	**47,215,458**	45,881,269
2.g) Tax payables		
Payable value added tax	**-**	292,370
Payable export duties	**12,771,509**	14,440,132
Software act rate to deposit	**1,838,224**	1,145,977
Withholding and perceptions to deposit	**1,422,590**	2,253,545
Total	**16,032,323**	18,132,024
2.h) Financial debts		
Related parties (note 5)	**55,605,856**	62,820,886
Total	**55,605,856**	62,820,886
2.i) Net incomes for provision of services		
Domestic market	**119,691,377**	189,357,548
Foreign market	**331,419,994**	334,846,519
Total	**451,111,371**	524,204,067
2.j) Other incomes and expenses, net		
Sundry	**(111,451)**	147,144
Other non-recoverable credits	**(10,742,094)**	(12,896,092)
Donations	**(51,728)**	(72,898)
Total	**(10,905,273)**	(12,821,846)

3. INCOME TAX

As of June, 30th 2021 and 2020, the Partnership determined a charge for income tax for the ended fiscal year on those dates as follows:

	...2021...	...2020...
Deferred income tax	**13,273,980**	7,407,805
Current income tax	**(4,159,072)**	(2,740,047)
Income tax	**9,114,908**	4,667,758

The conciliation between the charge to income registered in the income tax and the one resulting from applying the rate established by the standards in force at the accounting result of the fiscal year ended on June 30th 2021 and 2020 are the following:

	...2021...	...2020...
Result of the financial year before income tax	**(10,426,710)**	(893,157)
At tax rate (1)	**3,128,013**	107,179
Permanent differences (2)	**5,986,895**	4,560,578
Income tax	**9,114,908**	4,667,757

(1) The rate applied is of 30%, for the fiscal year finished on June 30th 2021, and of 12% for the fiscal year finished on June 30th 2020, which has the reduction of 60%, resulting from the tax benefit in the Software Act according to what was mentioned in note 1.4.f. Such fiscal benefit was not applied in this fiscal year according to what was mentioned in note 10.

(2) Includes the effect for rate change and the R.E.C.P.A.M.

Likewise, the composition of the net deferred tax as of June 30th 2021 and 2020 and the variations registered in the fiscal year ended on June 30th 2021 are the following:

	...2021...		Variations		...2020...	
Asset / (Liability) for Deferred Tax						
Fixed assets	**(23,666)**		148,638		(172,304)	
Salaries and payroll taxes	**33,251,318**		9,160,229		24,091,089	
Non-deductible provisions	**302,224**		(7,448,100)		7,750,324	
Tax loss carryforward (1)	**7,181,778**		(3,605,258)		10,787,036	
Adjustment for tax inflation	**35,409,419**		(683,733)		36,093,152	
Total	**76,121,073**		(2,428,224)		78,549,297	
To the tax rate	**22,836,318**	(2)	14,134,069	(3)	8,702,249	(2)
Provision for deferred tax (Annex II)	**(2,154,533)**		(860,089)		(1,294,444)	
Total	**20,681,785**		13,273,980		7,407,805	

(1) The balance corresponds to specific tax loss carryforward of foreign source, which prescribe in the fiscal year of June 30th 2022.

(2) Estimated considering the reversion periods (see note 1.4.f)

(3) Includes the result for rate change and the R.E.C.P.A.M.

4. SOCIAL STOCK

As of June, 30th 2021 and 2020, capital stock amounted to 2,255,800, represented by 2,255,800 common, registered, non-transferable, with voting right per share and nominal value of $1 each. It was totally subscribed, integrated and registered before the Superintendence of Corporations.

5. PARTNERSHIPS SECTION 33 ACT N° 19,550 AND OTHER PARTIES RELATED

As of June 30th 2021 and 2020, the shareholding structure of the Partnership was the following:

	Shares (1)		
Shareholders	**Amount**	**Nominal value**	**% Share**
Comviva Technologies BV	2,255,010	2,255,010	99.96%
Comviva Technologies Ltd.	790	790	0.04%
Total	**2,255,800**	**2,255,800**	**100%**

(1) Common, registered, non-transferable shares, with voting right per share and nominal value of $1 each (note 4).

As of June 30th 2021 and 2020, the balance with related parties are the following

Related party	Sales credits	Commercial Debt	Financial debts
Comviva Technologies BV	208,464,999	74,260,916	55,605,856
Comviva Technologies Ltd.	1,951,505	-	-
Totals 2021 (1)	**210,416,504**	**74,260,916**	**55,605,856**
Totals 2020 (1)	**237,029,342**	**85,647,583**	**62,820,886**

(1) Correspond to balances in foreign currency (see Annex III)

As of June 30th 2021 and 2020, the transactions with related parties were the following:

	...2021...	...2020...
Incomes for provision of services:		
- Comviva Technologies BV	**252,702,794**	266,040,699
- Comviva Technologies Ltd.	**47,362,954**	36,881,732

6. GUARANTEES AND SURETIES IN FORCE

As of June 30th 2021 and 2020, the Partnership kept guarantees and liability insurance in favor of their customers and bank sureties, according to the following detail:

Type	Currency of origin	...2021...	...2020...
- Surety insurance	AR$	**13,874,254**	2,469,117
	U$S	**597,442**	24,759
- Liability insurance	U$S	**24,100,000**	56,000,000

7. BREAKDOWN BY FINANCING TERMS AND INTEREST RATES OF CREDITS AND DEBTS AS OF JUNE 30TH 2021

Terms	Credits (1)	Debts (1)
Without specified term	210,416,504	156,242,153
Due	573,121	-
Due up to three months	39,646,824	40,026,578
Due between three and six months	4,184,727	13,540,560
Due between six and nine months	-	-
Due between nine and twelve months	9,067,205	19,711,818
Due above twelve months	1,147,080	-
Total	**265,035,461**	**229,521,109**

(1) Neither do they accrue interests nor have adjustment clause except for financial debts, accruing interests according to the conditions agreed with Comviva Technologies B.V.

8. RESTRICTIONS TO THE DISTRIBUTION OF CUMULATIVE RESULTS

According to the legal dispositions in force, 5% of the net income of the fiscal year should be appropriate to the legal reserve until it reaches 20% of the social stock. As of June 30th 2021, the amount of the legal reserve amounts to 1,066,380.

9. EFFECTS OF COVID-19 PANDEMIC IN THE ACTIVITIES OF THE PARTNERSHIP

On December 2019 the onset in China of a new coronavirus SARS-CoV-2 (known as “COVID-19”) was known, after December 31st 2019 it expanded practically all around the world. On March 11th 2020 the WHO declared the outbreak of COVID-19 as a pandemic. This emergency situation and the measures adopted in the different countries to face it have significantly affected the international economic activity with different impacts in each country affected and business sectors. The Partnership Board estimates that this situation will not have an adverse and significant effect on entity operations, as the activity of the Partnership has continued operating normally besides the different regulations established by the National Executive Power. Nevertheless, the future evolution of COVID-19 is very uncertain and cannot be predicted, as well as the measures needed to contain it and deal with its impact, and, therefore, the results, developments, and real commercial decisions can differ from the ones considered in the prospective declaration of the administrators about the impact of COVID-19 in the operations of the entity.

10. AUDIT ON THE COMPLIANCE OF ACT N° 25,922 “SOFTWARE INDUSTRY PROMOTION ACT” REQUIREMENTS

As part of exercising the rights established in Act N°- 25,922 the Partnership undergoes annual audits related to the compliance of the requirements established by such act so as to keep receiving those benefits, for the periods of August to July each year.

One of the requirements the Partnership has to comply with, is keeping a minimum annual amount of staff determined and estimated in the act, in the reglementary decree and related regulations. If the Partnership fails to comply with some of these obligations it shall be subject to possible sanctions which shall be implemented by the competent authority, where appropriate. Among them, the loss of granted fiscal benefits.

During the month of February 2021, the Partnership was notified about the audit results of the following annual periods: August 2017 to July 2018, August 2018 to July 2019 and August 2019 to July 2020.

As a result of this work, the audit challenged the calculation criteria used by the Partnership to determine minimum staff amount. In reply, the Partnership issued a disclaimer arguing that such determination was performed according to what is established in the applicable regulations. Nevertheless, before issuing the report, the audit answered the disclaimer, ratifying the reasons previously exposed.

During such periods, the Company has registered incomes for benefits associated to this regime for a total amount of $ 22,431,563 (in historic currency) composed of the following: concept and per period:

Concept	August 17-July 18	August 18 - July 19	August 19-December 19	Total
Social Contributions	6,554,163	6,763,281	3,985,984	17,303,428
Income tax	-	2,391,737	2,736,398	5,128,135
Total	**6,554,163**	**9,155,018**	**6,722,382**	**22,431,563**

It´s important to point out that the last period considered includes only five months of perceived benefits as since January 2020 such benefits were suspended at that moment by the new National Administration decision.

At the date of this report the implementing authority hasn´t expressed their opinion on the matter.

As of June 30th 2021, the Partnership considers that the liabilities are contingent and that there are valid arguments to defend its position to exhaust all available administrative remedies. The final result shall depend on the interpretation of the competent authority based on the discharges submitted by the Partnership answering the audit reports.

Duly signed for identification purposes with our report dated on October 27th 2021
MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.

MAXIMILIANO G. KNÜLL
President

LEANDRO M. JUSTO (PARTNER)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. - V° 373 – P° 059

ANNEX I

FIXED ASSETS

(presented comparatively for the fiscal year ended on June, 30th 2020)

(in pesos)

Main account	2021										2020
	Acquisition costs			Depreciations							
	At the beginning of the fiscal year	Additions	Retirements (2)	The end of the fiscal year	Cumulative at the beginning	Retirements (2)	Aliquot %	of the fiscal year (1)	Cumulative at the end of fiscal year	Resultant net value	Resultant net value
Furniture and tools	105,298,604	6,284,929	(101,601,884)	9,981,649	104,668,577	(101,457,890)	20%	1,516,711	4,727,398	5,254,251	630,027
Computers	23,299,990	7,952,391	(3,176,001)	28,076,380	18,501,475	(3,116,732)	33%	5,813,210	21,197,953	6,878,427	4,798,515
Facilities	3,374,527	8,224,843	(3,374,527)	8,224,843	3,374,527	(3,374,527)	20%	1,644,969	1,644,969	6,579,874	-
Vehicles	761,262	-	-	761,262	761,262	-	20%	-	761,262	-	-
Building improvements	1,498,398	36,266,050	(1,498,398)	36,266,050	1,498,398	(1,498,398)	20%	7,253,210	7,253,210	29,012,840	-
Software	26,319,892	16,627	-	26,336,519	26,319,892	-		16,627	26,336,519	-	-
TOTALS 2021	**160,552,673**	**58,744,840**	**(109,650,810)**	**109,646,703**	**155,124,131**	**(109,447,547)**		**16,244,727**	**61,921,311**	**47,725,392**	
TOTALS 2020	**155,133,241**	**5,419,432**	**-**	**160,552,673**	**148,239,398**	**-**		**6,884,733**	**155,124,131**		**5,428,542**

(1) Allocable to administration expenditures (Annex IV)

(2) The net result was charged in “Sundry” of the line “Other income and expenses, net” of the income statement

Duly signed for identification purposes with our report
dated on October 27th 2021
MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.

MAXIMILIANO G. KNÜLL
President

LEANDRO M. JUSTO (PARTNER)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. - V° 373 – P° 059

ANNEX II

PROVISIONS

(presented comparatively for the fiscal year ended on June, 30th 2020)

(in pesos)

	Balance at the beginning of the fiscal year	Increases		Decreases		Balance at the end of the fiscal year
DEDUCTED FOR ASSETS						
Other credits						
Provision for other non-recoverable credits	42,585,847	10,742,094	(1)	(16,343,706)	(3)	36,984,235
Deferred tax						
Provision for deferred tax	1,294,444	860,089	(2)	-		2,154,533
TOTALS 2021	**43,880,291**	**11,602,183**		**(16,343,706)**		**39,138,768**
TOTALS 2020	**51,411,391**	**12,896,092**		**(20,427,192)**		**43,880,291**
ALLOCABLE TO LIABILITIES						
Provisions						
For lawsuits and contingencies	6,458,603	-		(6,156,379)	(3)	302,224
TOTALS 2021	**6,458,603**	**-**		**(6,156,379)**		**302,224**
TOTALS 2020	**-**	**6,458,603**		**-**		**6,458,603**

(1) Allocable in the line “Other income and expenses” of the income statement (nota 2.j).

(2) Allocable in the line “Income tax” of the income statement (note 3).

(3) Used for special purposes (includes RECPAM).

Duly signed for identification purposes with our report
dated on October 27th 2021
MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.

MAXIMILIANO G. KNÜLL
President

LEANDRO M. JUSTO (PARTNER)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. - V° 373 – P° 059

ANNEX III

ASSETS AND LIABILITIES IN FOREIGN CURRENCY

(presented comparatively for the fiscal year ended on June, 30th 2019.)
(in pesos)

	.... 2021				.... 2020 ....
	Type and amount of foreign currency		Exchange rate $	Amount in Argentine currency and amount entered in pesos	Amount in Argentine currency and amount entered in pesos
ASSET					
CURRENT ASSET					
Cash and Banks					
Cash	U$S	89	95,52	8,458	564,701
Cash	EURO	57	113,10	6,407	6,510
Cash	R$	367	18,30	6,723	6,511
Banks	U$S	75,390	95,52	7,201,280	41,105,993
Sales credits					
Common	U$S	197,733	95,52	18,887,456	64,900,919
Related parties	U$S	2,203,083	95,52	210,416,504	237,029,342
Other credits					
Security deposits	U$S	6,000	95,52	573,120	617,322
TOTAL CURRENT ASSET				**237,099,948**	**344,231,298**
Other credits					
Security deposits	U$S	11,645	95,52	1,112,330	1,101,921
TOTAL NON-CURRENT ASSET				**1,112,330**	**1,101,921**
ASSET TOTAL				**238,212,278**	**345,333,219**
LIABILITY					
CURRENT LIABILITY					
Commercial Debt					
Common	U$S	58,711	95,72	5,619,770	2,951,140
Related parties	U$S	775,814	95,72	74,260,916	85,647,583
Provision for costs and charges	U$S	144,552	95,72	13,836,517	15,747,428
Payable credit cards	U$S	1,656	95,72	158,512	-
Financial debts					
Related parties	U$S	580,922	95,72	55,605,856	62,820,886
TOTAL CURRENT LIABILITY AND LIABILITY				**149,481,571**	**167,167,037**

Duly signed for identification purposes with our report
dated on October 27th 2021
MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.

MAXIMILIANO G. KNÜLL
President

LEANDRO M. JUSTO (PARTNER)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. - V° 373 – P° 059

ANNEX IV

INFORMATION REQUESTED BY SECTION 64, PARAGRAPH I, INC. B) OF ACT N° 19,550

(presented comparatively for the fiscal year ended on June, 30th 2019.)
(in pesos)

Categories	Cost of services provided	Marketing expenses	Administration expenses	Totals 2021	Totals 2020
Salaries and wages	145,425,674	17,702,162	37,833,332	200,961,168	218,875,215
Payroll	41,205,398	5,188,640	9,160,058	55,554,096	48,064,010
Third party services and supplies applied	17,239,960	-	-	17,239,960	25,019,452
Taxes, rates and contributions	396,439	1,706,303	22,293,496	24,396,238	27,267,321
Professional fees	881,765	136,289	7,575,616	8,593,670	18,783,298
Bonus to employees	11,073,940	752,801	2,595,436	14,422,177	17,323,359
Rents	18,195,523	1,712,006	4,626,019	24,533,548	15,358,126
Commuting costs abroad	-	-	-	-	10,170,415
Telecommunication costs	5,855,889	572,351	2,081,603	8,509,843	9,687,220
Training costs	1,420,268	88,745	4,174,212	5,683,225	6,832,946
Depreciation of fixed assets	-	-	16,244,727	16,244,727	6,884,733
Commissions	-	5,238,361	-	5,238,361	5,069,935
Maintenance costs	1,698,458	148,717	601,381	2,448,556	4,873,075
Software maintenance	1,579,938	-	710,171	2,290,109	3,175,637
Advertising costs	-	-	-	-	1,379,076
Representation costs	-	31,846	124,222	156,068	1,131,917
Commuting costs	208,633	8,176	191,129	407,938	987,493
Insurance	511,396	504,895	126,675	1,142,966	915,771
Bank costs and commissions	20,330	1,275	739,478	761,083	708,892
Stationary expenses	28,682	565	37,870	67,117	421,814
Different refurbishing	1,120,592	2,779	13,290	1,136,661	397,880
TOTALS 2021	**246,862,885**	**33,795,911**	**109,128,715**	**389,787,511**	
TOTALS 2020	**273,052,926**	**47,799,137**	**102,475,522**		**423,327,585**

Duly signed for identification purposes with our report dated on October 27th 2021
MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.

MAXIMILIANO G. KNÜLL
President

LEANDRO M. JUSTO (PARTNER)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. - V° 373 – P° 059

COMVIVA TECHNOLOGIES MYANMAR LIMITED

(Incorporated in Republic of the Union of Myanmar)

CORPORATE INFORMATION

Directors:
Anil Kumar Singh
Ankit Sharma
Neeraj Jain

Registered Office:
Complex 45, 45th street, Tower B
Room (607), 6th floor Botahtaung Township,
Yangon 11161, Republic of the Union of Myanmar

Principal banker:
State Bank of India

Auditors:
JF Group – Certified Public Accountants & Auditors

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of Comviva Technologies Myanmar Limited "(the Company)" for the financial period ended 31 March 2022 (i.e., 01 October 2021 to 31 March 2022) as per Myanmar Companies Law Section - 261.

PRINCIPAL ACTIVITY

The principal activity of the Company is providing Integrated Value Added Services (VAS) to telecom companies in Myanmar.

RESULT FOR THE FINANCIAL PERIOD

	MMK
Profit for the period	146,224,301

DIVIDEND

No dividend was paid during the financial period and the Directors do not recommend the payment of any dividend for the current financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the current financial period.

BAD DEBTS OR DOUBTFUL DEBTS

Before the statement of profit or loss and other comprehensive income and statement of financial position were made out, the Directors took reasonable steps to ascertain that 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 there were no known bad debts and that allowance need not be made for doubtful debts.

As at the date of this report, the Directors are not aware of any circumstances which would render it necessary to write off bad debts or to make allowances for doubtful debts in the financial statements of the Company.

CURRENT ASSETS

Before the statement of profit or loss and other comprehensive income and statement of financial position were made out, the Directors took reasonable steps to ensure that for any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Company have been written down to an amount expected if realised.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Company misleading except as otherwise stated in the financial statements.

VALUATION METHOD

At the date of this report the Directors are not aware of any circumstance, which have arisen and which may render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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 period 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 period.

No contingent or other liability has become enforceable, or is like to become enforceable, within the year of 12 months after the end of the financial period which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or in the financial statements of the Company, which would render any amount stated in the financial statements as misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company during the financial period were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

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

SHARE CAPITAL

The Company issued initial shares during the previous financial period which is disclosed in Note 8 of the financial statements.

No option to take up unissued shares in the Company was granted during the financial year and there were no shares under options at the end of the financial year in respect of shares in the Company.

DIRECTORS OF THE COMPANY

The Directors who have held for office as at the date of this report are:

Anil Kumar Singh

Ankit Sharma

Neeraj Jain

DIRECTORS' BENEFITS

During and at the end of the financial period, no arrangement subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate body.

The Directors have not received or become entitled to receive any benefit (other than a benefit stated 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 the Director is a member, or with a member in which the Director has a substantial financial interest.

SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

Significant events during the financial period are disclosed in Note 17 to the financial statements.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMETNS

The Directors are responsible to ascertain that the financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and cash flows for the financial period as at 31 March 2022. In preparing these financial statements, the Directors are required to:

(a) adopt appropriate accounting policies which are supported by reasonable judgements and estimates and then apply them consistently;

(b) comply with the disclosure requirements of the Myanmar Companies Law Section - 262 and Myanmar Financial Reporting Standards ("MFRSs") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;

(c) maintain adequate accounting records and an effective system of internal controls;

(d) prepare the financial statements on a going concern basis unless it is in appropriate to assume that the Company will continue its operations in the foreseeable future; and

(e) control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Signed on behalf of the Board,

Neeraj Jain	**Ankit Sharma**
Non-Executive Director	**Non-Executive Director**

Yangon, Republic of the Union of Myanmar

Date: June 21,2022

STATEMENTS BY THE DIRECTORS

In the opinion of the Directors,

(a) the financial statements set out on pages 10 to 34 have been drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2022 and of the results of the business, changes in equity, cash flows of the Company and notes to the financial statements for the financial period 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.

In accordance with “Myanmar Companies Law” Section - 264, the financial statements have been authenticated by the following directors, on behalf of the Board of Directors.

Signed on behalf of the Board,

Neeraj Jain	**Ankit Sharma**
Non-Executive Director	**Non-Executive Director**

Yangon, Republic of the Union of Myanmar

Date: June 21,2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMVIVA TECHNOLOGIES MYANMAR LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **COMVIVA TECHNOLOGIES MYANMAR LIMITED** "(the Company)", which comprise the statement of financial position of the Company as at 31 March 2022, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 34.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Myanmar Companies Law (the "Law") and Myanmar Financial Reporting Standards ("MFRS"), 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 financial period ended at 31 March 2022.

Basis for Opinion

We conducted our audit in accordance with Myanmar Standards on Auditing ("MSAs"). 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 together with the ethical requirements that are relevant to our audit of the financial statements in Myanmar, and we have fulfilled our other ethical 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.

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

The Directors of the company are responsible for the other information. The other information comprises the Directors' Report set out on pages 1 to 4.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Myanmar Companies Law Section 261 and 262 and MFRS, 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 Director's 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 of the Company 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 MSAs 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 MSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

(a) 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.

(b) 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.

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

(d) 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 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) 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 management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with Myanmar Companies Law (2017) Section - 280, we also report that:

(i) we have obtained all information and explanations, we have required to perform the routine, procedures, analytical and verification audit for our forming of audit opinion.

(ii) the books of account have been maintained by the Company as required by Myanmar Companies Law Section 257 and 258.

In our opinion, the accounting and other records required by the Law to be kept by the Company have been properly kept in accordance with the provisions of the Law.

Khin Saw Yu
B.Com, Q, C.P.A
JF Group Certified Public Accountants and Auditors

Yangon, Republic of the Union of Myanmar
Date: June 21,2022

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	31.3.2022 MMK	30.9.2021 MMK
ASSETS			
Non-current assets			
Deferred tax assets		63,244,976	34,309,182
Current assets			
Trade and other receivables	6	194,165,793	311,317,113
Cash and bank balances	7	4,070,293,652	3,681,570,621
Current tax asset		-	73,505,852
		4,264,459,445	**4,066,393,586**
TOTAL ASSETS		**4,327,704,421**	**4,100,702,768**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	8	272,341,198	272,341,198
Accumulated losses		(467,945,146)	(614,169,447)
TOTAL CAPITAL DEFICIENCY		**(195,603,948)**	**(341,828,249)**
LIABILITIES			
Current liabilities			
Other payables	9	4,523,308,369	4,370,294,767
Current tax liability		-	72,236,250
		4,523,308,369	**4,442,531,017**
TOTAL LIABILITIES		**4,523,308,369**	**4,442,531,017**
TOTAL LIABILITIES NET CAPITAL DEFICIENCY		**4,327,704,421**	**4,100,702,768**

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR ENDED 31 MARCH 2022

	Note	1.10.2021 to 31.3.2022	1.10.2020 to 30.9.2021
		MMK	MMK
Revenue	10	398,388,697	1,043,393,821
Cost of sales	11	(519,728,573)	(1,159,550,352)
Gross (Loss)		**(121,339,876)**	**(116,156,531)**
Other income		269,179,015	708,483
Administrative expenses		(29,281,029)	(749,739,330)
Profit/ (Loss) from operations		**118,558,110**	**(865,187,378)**
Finance costs		-	-
Profit/ (Loss) before tax	**12**	**118,558,110**	**(865,187,378)**
Taxation	13	27,666,191	34,309,182
Profit/ (Loss) for the financial period/year		**146,224,301**	**(830,878,196)**
Other comprehensive income, net of tax		-	-
Total comprehensive income/ (loss)		**146,224,301**	**(830,878,196)**

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

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Note	Share capital MMK	Accumulated losses MMK	Total equity MMK
Balance as at 30 September 2020/ 1 October 2020		272,341,198	216,708,749	489,049,947
Total comprehensive loss, net of tax		-	(830,878,196)	(830,878,196)
Transactions with equity owners				
Issue of share capital	8	-	-	-
Balance as at 30 September 2021/ 1 October 2021		272,341,198	(614,169,447)	(341,828,249)
Total comprehensive profit, net of tax		**-**	**146,224,301**	**146,224,301**
Transactions with equity owners				
Issue of share capital	8	-	-	-
Balance as at 31 March 2022		272,341,198	(467,945,146)	(195,603,948)

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD/YEAR ENDED 31 MARCH 2022

	Note	1.10.2021 to 31.3.2022	1.10.2020 to 30.9.2021
		MMK	MMK
Cash flows from operating activities			
Profit/(Loss) before tax		118,558,110	(865,187,378)
Unrealised foreign exchange loss	12	(268,798,547)	727,950,650
Interest income		(380,468)	(109,215)
Operating loss before changes in working capital		**(150,620,905)**	**(137,345,943)**
Changes in working capital:			
Trade and other receivables		117,151,484	374,451,239
Trade and other payables		525,817,932	1,157,992,212
Cash generated from operations		**492,348,511**	**1,395,097,508**
Interest received		380,468	109,215
Income tax paid		-	(73,505,852)
Net cash generated from operating activities		**492,728,979**	**1,321,700,871**
Cash flows from financing activities			
Issuance of ordinary share	8	-	-
Net cash generated from financing activities		**-**	**-**
Net increase in cash and cash equivalents		492,728,979	1,321,700,871
Cash and cash equivalents at the beginning of financial period		3,681,570,621	2,193,579,618
Effect of exchange rate changes on cash and cash equivalents		(104,005,948)	166,290,132
Cash and cash equivalents at the end of financial period/ year	**7**	**4,070,293,652**	**3,681,570,621**

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Comviva Technologies Myanmar Limited was registered on 6 December 2019 as a limited liability company in the Republic of the Union of Myanmar.

The registered office and principal place of business of the Company is located at Complex 45, 45th Street, Tower B, Room 607, 6th Floor Botahtaung Township, Yangon Region, 11161 Myanmar.

The Company's holding company is Comviva Technologies Limited, which is incorporated in Republic of India.

The financial statements are presented in Myanmar Kyat ("MMK"), which is also the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on (Signing date).

2. PRINCIPAL ACTIVITY

The principal activity of the Company is providing Integrated Value Added Services (VAS) to telecom companies in Myanmar.

3. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Myanmar Financial Reporting Standards ("MFRS") and the provisions of the Myanmar Companies Law (the "Law") in Republic of the Union of Myanmar.

The financial statements of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

As at 31 March 2022, the Company has a deficit in equity and net current liabilities of MMK 195,603,948 and MMK 258,848,924 respectively. These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern in the foreseeable future is therefore dependent on its ability to receive continuous financial supports from its holding company to sustain its operations and meet its obligations as and when they fall due.

The holding company has agreed to continue to support the Company by providing adequate financial assistance to enable the Company to continue as a going concern for the foreseeable future. As such, the Directors consider that it is appropriate to prepare the financial statements of the Company on a going concern basis, and accordingly, the financial statements do not include any adjustments related to the recoverability and classification of recorded assets amount, or to amounts or classification of liabilities that may be necessary, if the going concern basis of preparing the financial statements of the Company is inappropriate.

The preparation of financial statements in conformity with MFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Company.

Short-term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Company.

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

(b) Termination benefits

Termination benefits are payments due to employees as a result of the termination of employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits. They are recognised as a liability and an expense when the Company has a detailed formal plan for termination with no realistic possibility of withdrawal. In the case of voluntary redundancy, the benefits are accounted for based on the number of employees expected to accept the offer.

Where termination benefits fall due more than 12 months after the end of reporting period, they are discounted to present value based on market yields at the end of reporting period.

4.2 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets and inventories are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal 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 future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including intangible assets, exceeds the recoverable amount of the asset or the CGU. The total impairment losses are first allocated to goodwill if any, then on pro-rata basis to reduce the carrying amount of the assets of the CGU of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss for assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

4.3 Financial instruments

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

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favorable to the Company.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavorable to the Company.

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 instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Company to receive payment is established.

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Company in the management of their short term commitments.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt 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.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholder are recognised in equity in the year in which they are declared. Final dividends are recognised upon the approval of shareholder in a general meeting

The Company measures a liability to distribute non-cash assets as a dividend to the owner of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting year and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Company recognises the difference, if any, between the carrying amounts of the assets distributed and the carrying amount of the liability in profit or loss.

(d) Impairment of financial assets

The Company assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

Loans and receivables

The Company collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payment by the receivable, to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4.4 Income taxes

Income taxes include all domestic and international taxes on taxable profit and real property gains taxes payable on disposal of properties, if any. Taxes in the profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Company operates and include all taxes based upon the taxable profit and real properties gains taxes payable on disposal of properties, if any.

(a) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting year. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilized, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the year unless the tax relates to items that are credited or charged, in the same or a different year, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

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 the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting year.

4.5 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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

Provisions are not recognised for future operating losses. If the Company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.6 Contingent liabilities and contingent assets

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

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

4.7 Foreign currencies

Foreign currency translations and balances

Transactions in foreign currencies are converted into the functional currency at rates of exchange ruling at the transaction date. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into the functional currency at rates of exchange ruling at that date. All exchange difference arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4.8 Revenue recognition

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.

In case of revenue sharing arrangement, revenue is recognized as per agreement subject to satisfaction of performance obligation.

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 and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

5.1 Changes in estimates

Estimates 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 Directors are of the opinion that there are no significant changes in estimates during the reporting period end and as at the end of the reporting period.

5.2 Critical judgements made in applying accounting policies

There are no critical judgements made by the management in the process of applying the Company’s accounting policies that have the most significant effect on the amount recognised in these financial statements apart from those involving estimates, which are dealt with below.

5.3 Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Tax expense

Significant judgement is involved in determining the Company’s provision for income taxes. The Company will recognise liabilities for expected tax expenses based on an estimate of whether the taxes are due through management’s interpretation of the various tax legislations. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the tax provision in the financial year in which such determination is made.

(b) Fair value measurements

Financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree which the fair value inputs are observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the year they occur.

The Company measures financial instruments at fair value as disclosed in Note 15 to the financial statements.

6. TRADE AND OTHER RECEIVABLES

	Amount in MMK	
	31.3.2022 MMK	**30.9.2021 MMK**
Trade receivables		
Third parties	134,031,673	162,925,089
Unbilled revenue	59,758,446	147,724,762
	193,790,119	310,649,851
Other receivables	375,674	667,262
	194,165,793	**311,317,113**

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Company is 60 days from the date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

(b) Information on financial risks of trade and other receivables is disclosed in Note 16 to the financial statements.

(c) All the trade and other receivables are denominated in MMK, except for interest receivables is denominated in USD.

(d) No sensitivity analysis for foreign currency risk is prepared on the interest receivables at the end of the reporting period as the Company do not have significant exposure to foreign currency risk from interest receivables.

7. CASH AND BANK BALANCES

	Amount in MMK	
	31.3.2022 MMK	**30.9.2021 MMK**
Cash and bank balances	3,265,777,912	3,003,283,360
Cheque in transit	-	179,429,734
Short-term deposit	804,515,740	498,857,527
	4,070,293,652	**3,681,570,621**

(a) Cash and bank balances are denominated in the following currencies:

	Amount in MMK	
	31.3.2022 MMK	**30.9.2021 MMK**
Myanmar Kyats	3,802,843,531	3,203,430,627
United States dollar	267,450,121	478,139,994
	4,070,293,652	**3,681,570,621**

(b) Deposit with licensed bank of the Company has an average maturity period of 182 days bearing interest at the rate of 0.1% per annum.

(c) Information on financial risks of cash and bank balances is disclosed in Note 16 to the financial statements.

8. SHARE CAPITAL

	31.03.2022		**30.09.2021**	
	Number of shares	**Amount MMK**	**Number of shares**	**Amount MMK**
Issued and fully paid-up ordinary shares:				
At the beginning of the period / year	200,000	272,341,198	200,000	272,341,198
Issued and paid up during the financial period	-	-	-	-
At end of the period / year	**200,000**	**272,341,198**	**200,000**	**272,341,198**

The owners of the Company are entitled to receive dividends as and when declared by the Company and is entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company

9. OTHER PAYABLES

		Amount in MMK
	31.3.2022 MMK	**30.9.2021 MMK**
Other payable		
- accrued expenses	834,286,542	731,979,027
- WHT payables	79,431,441	69,221,309
- other payables	20,722,236	7,690,372
- amount owing to the immediate holding company	3,588,868,150	3,561,404,059
	4,523,308,369	**4,370,294,767**

(a) Amount due to the immediate holding company represents trade transactions which is unsecured, interest-free and payable upon demand in cash and cash equivalents

(b) All the other payables are denominated in MMK except amount owing to the immediate holding company and certain accrued expenses and other payables which are denominated in USD.

(c) No sensitivity analysis for foreign currency risk is prepared for the accrued expenses and other payables at the end of the reporting period as the Company do not have significant exposure to foreign currency risk from them.

(d) Information on financial risks of other payables is disclosed in Note 16 to the financial statements.

10. REVENUE

	1.10.2021 to 31.3.2022 MMK	**1.10.2020 to 30.9.2021 MMK**
Service income	**398,388,697**	**1,043,393,821**

11. COST OF SALES

	1.10.2021 to 31.3.2022 MMK	**1.10.2020 to 30.9.2021 MMK**
Cost of sales	**519,728,573**	**1,159,550,352**

12. PROFIT/ (LOSS) BEFORE TAX

	1.10.2021 to 31.3.2022 MMK	**1.10.2020 to 30.9.2021 MMK**
Other income		
Interest income	(380,468)	(109,215)
Unrealised foreign exchange gain	(268,798,547)	-
Realised foreign exchange gain	-	(599,268)
	(269,179,015)	**(708,483)**
Administrative expenses		
Unrealised foreign exchange loss	-	727,950,650
Realised foreign exchange loss	5	-
Legal and professional charges	11,881,731	20,865,687
Bank charges	57,500	922,993
Rates and taxes	7,350,585	-
Marketing consultancy	9,934,359	-
Others	56,849	-
	29,281,029	**749,739,330**

13. TAXATION

	1.10.2021 to 31.3.2022 MMK	1.10.2020 to 30.9.2021 MMK
Myanmar Income tax expense	-	-
Deferred tax relating to origination of temporary difference	(28,935,794)	(34,309,182)
Under-provision of income tax expenses in prior year	1,269,601	-
Total taxation	**(27,666,191)**	**(34,309,182)**

Under the Republic of the Union of Myanmar Law on Taxation, the Company has an obligation to pay tax on profit at 22% (2021: 25%) of the taxable profit.

(a) The amount of the deferred tax income recognised in the statement of profit or loss during the financial year are mainly unused tax losses.

(b) The numerical reconciliation between the tax expense and the tax based on applicable tax rate is as follows:

	1.10.2021 to 31.3.2022 MMK	1.10.2020 to 30.9.2021 MMK
Profit/ (loss) before tax	118,558,110	(865,187,378)
Tax at Myanmar statutory tax rate of 22% (2021: 25%)	26,082,784	(216,296,844)
Tax effects in respect of:		-
(Non-taxable income)/ Non-deductible expenses	(59,135,680)	181,987,662
Tax effect of reduction in tax rate	4,117,102	-
Under-provision of tax expenses	1,269,603	-
Total taxation	**(27,666,191)**	**(34,309,182)**

14. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties can be individuals or other parties.

The Company has controlling related party relationship with its holding company.

Key management personnel comprises persons (including the Directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly and indirectly.

(b) The Company had the following transactions with related parties during the financial period:

	1.10.2021 to 31.3.2022 MMK	1.10.2020 to 30.9.2021 MMK
Holding company		
Comviva Technologies Limited		
Cost allocation	**408,383,461**	**990,617,291**

Balances with related parties at the end of the reporting period are disclosed in Note 9 to the financial statements.

The related party transactions described above were carried out on negotiated commercial terms.

(c) Compensation of 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.

There is no compensation of key management personnel during the financial period except for a provision of marketing consultancy fees of MMK 9,934,359 being made to one of the Directors.

15. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Company is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

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 shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the period ended 31 March 2022.

The Company monitors and maintains a prudent level of total debts and to ensure compliance with any externally imposed capital requirements.

(b) Financial instruments

	31.3.2022 MMK	30.9.2021 MMK
Trade and other receivables		
Trade and other receivables	194,165,793	311,317,113
Cash and bank balances	4,070,293,652	3,681,570,621
	4,264,459,445	**3,992,887,734**

	31.3.2022 MMK	30.9.2021 MMK
Other financial liabilities		
Other payables	**4,523,308,370**	**4,370,294,767**

(c) Methods and assumptions used to estimate fair value

The fair values of financial instruments that are not carried at fair value are determined as follows:

- The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, other payables and borrowings, are reasonable approximation of fair value, either due to their short-term nature or that they are floating instruments that are re-priced to market interest rates on or near the end of the reporting period.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Company is to optimise value creation for shareholder whilst minimising the potential adverse impact arising from credit risk, liquidity risk and cash flow risk and foreign currency risk.

Financial risk management is carried out through risk review programmes, internal control systems and adherence to the financial risk management policies of the Company. The Board regularly reviews these risks and approves such policies that cover the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process. The exposure of the Company to financial risks and the management of its related exposures are as follows:

(a) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are reputable financial institutions and organisations. It is the policy of the Company to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Company is exposed to minimal credit risk.

The primary exposure of the Company to credit risk arises through its trade receivables. The trading terms of the Company with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of one month, extending up to two months for major customers. Each customer has a maximum credit limit and the Company seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

At the end of each reporting year, the maximum exposure of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Information regarding trade and other receivables is disclosed in Note 6 to the financial statements.

Credit risk concentration profile

As at the reporting date, trade receivable of the Company mainly comprises amounts owing from only one counterparties.

The Company determines concentrations of credit risk by monitoring the customers' profile of its trade receivables on an ongoing basis.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 6 to the financial statements.

(b) Liquidity and cash flow risk

The Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Company measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Company.

In order to mitigate the potential risk exposure due to COVID-19 pandemic and state of emergency declared in Myanmar, the Company has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs of business operations.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates.

The Company is not significantly exposed to foreign currency risk as majority of the transactions, assets and liabilities of the Company are denominated in Myanmar Kyats. The Company is exposed to transactional currency risk primarily through amount owing to the immediate holding company and cash and bank balances that are denominated in a currency other than the functional currency of the operations to which they relate.

The currency giving rises to this risk is primarily USD. Foreign currency exposures in transactional currencies other than functional currency of the Company are kept to an acceptable level.

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The currency giving rises to this risk is primarily USD. Foreign currency exposures in transactional currencies other than functional currency of the Company are kept to an acceptable level.

Financial risk management is carried out through risk review programmes, internal control systems and adherence to the financial risk management policies of the Company. The Board regularly reviews these risks and approves such policies that cover the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process. The exposure of the Company to financial risks and the management of its related exposures are as follows:

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the profit/ (loss) after tax of the Company to a reasonably possible change in the USD, exchange rates against the functional currency of the Company, with all other variables held constant.

			1.10.2021 to 31.3.2022 MMK	**1.10.2020 to 30.9.2021 MMK**
MMK/USD	-	strengthened 5% (2020:15%)	129,535,303	924,979,220
	-	weakened 5% (2020:15%)	(129,535,303)	(924,979,220)

17. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Coronavirus (COVID-19) Impact

On 30 January 2020, The World Health Organisation declared the outbreak a Public Health Emergency of International Concern. The outbreak was subsequently characterised as a pandemic on 11 March 2020.

In response to the pandemic, governments from different countries around the world have implemented containment measures to varying degrees in a bid to curb the spread of the virus. As a result, there has been disruption to global trade due to restrictions for cross-border movement and reduced demand in recreational activities.

Given the fluid situation, the Company is unable to reasonably estimate the complete financial impact of Covid-19 pandemic for the financial year ended 31 March 2023 to be disclosed in the financial statements as impact assessment of the Covid-19 pandemic is a continuing process. The Company will continuously monitor any material changes to future economic conditions that will affect the Company.

Myanmar's State of Emergency Impact

The recent political upheaval in Myanmar casts some uncertainties over our operations in Myanmar. On 1 February 2021, Myanmar's military government declared a one (1) year state of emergency in Myanmar.

The Company is closely monitoring the developing situation but is unable to reasonably estimate the financial impact of these events on its financial position, results of operations or cash flows for the financial year ending 31 March 2023 due to the uncertainty of the future outcome of the current events. The Company will continuously monitor any material changes to future economic conditions that will affect the Company.

Change in accounting period

On 30 September 2021, the Internal Revenue Department has announced that current fiscal year of 1 October to 30 September shall be changed to 1 April to 31 March in accordance with State's budget period. The current fiscal year of 1 October to 30 September shall be changed to 1 April to 31 March and hence, the six months period started from October 2021 to March 2022 will be performed as an interim budget.

Accordingly, the financial statements of the company for the financial period ended 31 March 2022 cover a 6-month period as compared to the financial year ended 30 September 2021 which cover a 12-month period.

Income tax reduction

On 30 September 2021, the Internal Revenue Department has announced a reduction of the corporate income tax rate from 25% to 22% of net taxable profit for the accounting period which begins on or after 1 October 2021.

COMVIVA TECHNOLOGIES USA INC

Directors:
Neeraj Jain
Aditya Dhruva
Manoranjan Mohapatra

Registered No:
P19000082541

Registered Office:
8880 Freedom Crossing Trail,
Suite 200 Jacksonville, FL 32256

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022

The directors submit their report together with the management accounts of Comviva Technologies USA INC ("The Company"), for the year ended 31st March, 2022.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2022 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Neeraj Jain

Aditya Dhruva

Manoranjan Mohapatra

On behalf of the Board of Directors,

Neeraj Jain	**Aditya Dhruva**	**Manoranjan Mohapatra**
Director	**Director**	**Director**

COMVIVA TECHNOLOGIES USA INC

BALANCE SHEET AS AT MARCH 31, 2022

Amount in USD

Particulars		Note No.	As at March 31, 2022	As at March 31, 2021
I	**Assets**			
A	**Non current assets**			
	(a) Property, Plant and Equipment	1	**2,328**	-
	(b) Deferred tax assets		**276,974**	29,560
	Total non-current assets		**279,302**	29,560
B	**Current Assets**			
	(a) Financial Assets			
	(i) Trade receivables	2		
	Billed		**122,911**	10,223
	Unbilled		**10,453**	96
	(ii) Cash and cash equivalents	3	**895**	317,208
	(b) Other current assets	4	**17,573**	6,000
	Total current assets		**151,832**	333,526
	TOTAL ASSETS		**431,134**	363,086
II	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital		**400,000**	-
	(b) Other Equity	5	**(804,956)**	289,539
	Equity attributable to equity holders of the Company		**(404,956)**	289,539
B	**Liabilities**			
1	**Non Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	6	**700,000**	-
	Total non-current liabilities		**700,000**	-
2	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Trade Payables	7	**84,336**	48,854
	(ii) Others financial liabilities	8	**13,985**	12,418
	(b) Provisions	9	**28,658**	
	(c) Other current liabilities	10	**9,111**	12,275
	Total current liabilities		**136,090**	73,547
	TOTAL EQUITY AND LIABILITIES		**431,134**	363,086
C	**See accompanying notes forming part of the financial statements**	**1-13**		

For and on behalf of Comviva Technologies USA Inc

Manoranjan Mohapatra **Director**	Neeraj Jain **Director**
Aditya Dhruva **Director**	

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Amount in USD

	Particulars	Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
I.	Revenue from operations	11	**282,600**	127,209
II.	Other income		**-**	-
III.	**Total income (I+II)**		**282,600**	127,209
IV.	**Expenses**			
	(a) Purchase of Traded Goods		**-**	-
	(b) Employee benefits expense	12	**716,269**	10,000
	(c) Finance costs		**10,329**	11,611
	(d) Depreciation and Amortization expense	1	**550**	-
	(e) Other expenses	13	**497,361**	221,065
	Total expenses		**1,224,509**	242,676
V.	**Loss before tax**		**(941,909)**	(115,467)
VI.	**Tax expenses**			
	(a) Current tax		**-**	-
	(b) Deferred tax		**247,414**	29,560
			247,414	29,560
VII.	**Loss after tax**		**(694,495)**	(85,907)
VIII.	**See accompanying notes forming part of the financial statements**	1-13		

For and on behalf of Comviva Technologies USA Inc

Manoranjan Mohapatra	Neeraj Jain
Director	**Director**
Aditya Dhruva	
Director	

Note 1(i) - Property, Plant and Equipment

Amount in USD

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at 1st April, 2021	For the year	On disposal for the year	As at March 31, 2022	As at March 31, 2022	As at 1st April 2021
Computers	-	2,878	-	**2,878**	-	550	-	**550**	**2,328**	-
Total	**-**	**2,878**	**-**	**2,878**	**-**	**550**	**-**	**550**	**2,328**	**-**

Note 2 - Trade receivables :

Amount in USD

Particulars	As at March 31, 2022	As at March 31, 2021
-Considered good – Unsecured	**122,911**	10,223
Less: Allowance for doubtful trade receivables	**-**	-
	122,911	10,223
Trade receivables -Billed (A)	**122,911**	10,223
Trade receivables -Unbilled (B)	**10,453**	96
Total	**133,364**	**10,319**

Note 3 - Cash and cash equivalents :

Amount in USD

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- In current accounts	**895**	317,208
Total	**895**	317,208

Note 4 - Other current assets :

Amount in USD

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	**17,573**	6,000
Total	**17,573**	6,000

Note 5 - Other Equity :

Amount in USD

Particulars	As at			
	March 31, 2022		March 31, 2021	
Advance Share Application Money		**-**		400,000
Surplus in the statement of profit and loss				
Opening balance	**(110,461)**		(24,554)	
Add: Loss for the year	**(694,495)**		(85,907)	
Closing balance		**(804,956)**		(110,461)
Total		**(804,956)**		289,539

Note 6 -Borrowings :

Long-term borrowings

Amount in USD

Particulars	As at March 31, 2022	As at March 31, 2021
Loan from related party	**700,000**	-
Total	**700,000**	-

Note 7 - Trade payables :

Amount in USD

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables	**84,336**	48,854
Total	**84,336**	48,854

Note 8 - Other Financials liabilities:

Short term Financial Liabilities

Amount in USD

Particulars	As at March 31, 2022	As at March 31, 2021
Accrued Salaries and Benefits	**13,985**	10,000
Inter Company Payable	**-**	2,418
Total	**13,985**	12,418

Note 9 -Provisions :

Short-term provisions

Amount in USD

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
-Compensated absences	**28,658**	-
Total	**28,658**	-

Note 10 - Other Current liabilities :

Current liabilities

Amount in USD

Particulars	As at March 31, 2022	As at March 31, 2021
Unearned revenue	**4,681**	11,239
Statutory remittances	**2,230**	1,036
Advance from customers	**2,200**	-
Total	**9,111**	12,275

Note 11 - Revenue from operations :

Amount in USD

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	**282,600**	127,209
Total	**282,600**	127,209

Note 12 - Employee benefits expense :

Amount in USD

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	**690,653**	10,000
Contribution to provident and other funds	**25,317**	-
Staff Welfare Expenses	**300**	-
Total	**716,269**	10,000

Note 13 - Other expense:

Amount in USD

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cost of hardware equipment, softwares and other items	**11,000**	-
Travelling and conveyance	**7,491**	-
Insurance	**27,124**	-
Advertising and sales promotion	**277,324**	130,894
Repairs and maintenance	**52,991**	-
Legal and professional fees	**15,739**	73,854
Conference expenses	**91,622**	16,317
Miscellaneous expenses	**14,071**	-
Total	**497,361**	221,065

YABX INDIA PRIVATE LIMITED

Board of Directors

Mr. Rajat Dayal, Director & CEO
Mr. Neeraj Jain, Director
Mr. Ramutar Goel, Director
Mr. George Thomas Thekkekara, Director

Registered Office:

8th Floor, Capital Cyberscape, Sector-59,
Golf Course Extension Road,
Sec 59, Gurugram, Haryana-122102

Bankers

ICICI Bank Limited

Auditors

M/s. BSR & CO. LLP, Chartered Accountants
Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase-II, Gurugram – 122 002, India

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Second Annual Report with the audited financial statements of the Company for the financial year ended March 31, 2022.

FINANCIAL SUMMARY/ HIGHLIGHTS:

		Figures in Rs.
FINANCIAL RESULTS	**2021-22**	**2020-21**
Total Income	97,596,787	1,55,140
Profit/ (Loss) before Depreciation & Taxation	12,938,968	(2,02,65,847)
(-) Depreciation	Nil	Nil
Exceptional items:	Nil	Nil
(+) Additional consideration on sale of subsidiary	Nil	Nil
(+) Profit on sale of investment in subsidiary	Nil	Nil
(-) Provision for impairment	Nil	Nil
Profit before Taxation	12,938,968	(2,02,65,847)
(-) Provision for Income Tax	Nil	Nil
(-) Deferred Tax Reversal /(charge)	(11,50,289)	Nil
Profit for the period	1,40,89,257	(2,02,65,847)
EPS Basic (Rs.)	2.63	-10.13
EPS Diluted (Rs.)	2.20	-10.13

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIRS

Total Income for the year 2021-22 is Rs. 97,596,787 as against Rs. 1,55,140 in previous year.

Founded in 2020, Yabx (www.yabx.co) is a FinTech Venture of Comviva Technologies Limited (www.comviva.com), a global leader in Mobility Solutions. Comviva is a subsidiary of Tech Mahindra Limited and a part of the $21 billion Mahindra Group.

Yabx was established with a vision to simplify financial access to the 2 Bn+ unbanked population in the emerging markets of Africa, Asia, and Latin America, using the mobile phone device. The Company has an unparalleled edge to provide solutions that help achieve its core purpose of financial inclusion.

Yabx's mission is to create world-class innovative products that help improve the lives of people who do not have access to regular financial services by leveraging the digital footprints of an individual and providing tailor-made financial services.

The Company uses technology and analytics to reduce the cost of delivering financial services, thereby bringing banking to the unbanked. Yabx enables financial access for all those underserved who have limited credit history or income documents. Yabx does this with the help of their partners who are leading banks, MFIs, credit bureaus, Mobile Financial Providers, MNOs, and handset manufacturers.

Yabx team is led by industry experts and entrepreneurs who have a global experience in managing telecom operators and mobile wallet providers, coupled with strong capabilities in behavioral analytics and risk management.

Currently, Yabx operates in India (New Delhi & Bangalore).

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of the business of the Company during the Financial Year 2021-22.

DIVIDEND

The company does not propose any dividend during the current year.

TRANSFER TO RESERVE

The entire amount of profits has been transferred to reserves

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statement relates and the date of the report.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES-

As on March 31, 2022, the Company does not have any subsidiary/Joint Venture/Associate company.

DEPOSITS

Company has not accepted any deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Chapter V of the Companies Act, 2013.

STATUTORY AUDITORS

The members, in the 1st Annual General Meeting (AGM) held on July 26, 2021, appointed B S R & Co. LLP, Chartered Accountants with Registration no. 101248W/W- 100022 as the Statutory Auditors of the Company, to hold office for a term of five years from the conclusion of the 1st AGM of the Company till the conclusion of 6th AGM of the Company to be held in the financial year 2026-27, on such remuneration as may be determined by the Board of Directors.

AUDITOR'S REPORT

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2021-22 by M/s. BSR & Co, LLP.

There are no frauds reported by the auditors under sub-section (12) of section 143 of the Companies Act, 2013.

SHARE CAPITAL

The Authorized share capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores) divided into 25,00,000 (Twenty Five Lacs) Equity Shares of Rs.10/- (Rupees Ten) each/

The issued and paid-up share capital is of the Company is Rs. 7,01,38,310/- (Rupees Seven Crores One Lakh Thirty Eight Thousand Three Hundred and Ten) divided into 70,13,831 (Seventy Lakhs Thirteen Thousand Eight Hundred and Thirty One) Shares of Rs. 10/- each.

EMPLOYEES STOCK OPTION PLANS

2020 Employee Stock Options Plan – ESOP Scheme 1

Pursuant to shareholders resolution dated September 11, 2020, the Company announced the '2020 Employee Stock Options Plan – ESOP Scheme 1' (ESOP Scheme-1) with Time Based and Performance Based plans under which the maximum quantum of options was determined at 53,25,000 to be granted to the present and / or future permanent employees of the Company, subsidiaries and holding company working in India or abroad and / or directors (including whole-time directors but excluding non-executive independent directors) of the subsidiaries and holding company in India or aboard, from time to time on the basis of their performance and other eligibility criteria. The above options are planned to be settled in equity at the time of exercise and have maximum vesting period of three years from the date of the respective grants.

2020 Employee Stock Options Plan – ESOP Scheme 2

Pursuant to shareholders resolution dated September 11, 2020, the Company announced the '2020 Employee Stock Options Plan – ESOP Scheme 2' (ESOP Schemes-2) with Time Based plans under which the maximum quantum of options was determined at 35,50,000 to be granted to the present and / or future permanent employees of the Company, subsidiaries and holding company working in India or abroad and / or directors (including whole-time directors but excluding non-executive independent directors) of the subsidiaries and holding company in India or aboard, from time to time on the basis of their performance and other eligibility criteria. The above options are planned to be settled in equity at the time of exercise and have maximum vesting period of three years from the date of the respective grants.

Details about the ESOP Scheme-1 and ESOP Scheme-2 is be provided here as per Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014

Sr. No.	Particulars	ESOP Scheme-1	ESOP Scheme-2
1.	Options granted	42,79,765	17,75,000
2.	Options Vested	2,60,604	17,75,000
3.	Options Exercised	13,831	Nil
4.	The total number of shares arising as a result of exercise of option	13,831	Nil
5.	Options Lapsed/ forfeiture	5,34,396	Nil
6.	Exercise Price (as on date of grant options)	Rs. 10/-	Rs. 10/-
7.	Variation of terms of options	None	None
8.	Money realized by exercise of options	1,38,310	Nil
9.	Total number of options in force	37,31,538	17,75,000

Sr. No.	Particulars	Name and Designation	No of options granted	Name and Designation	No of options granted
10.	Employee wise details of options granted to key managerial personnel	Rajat Dayal, CEO	8,87,499	Rajat Dayal, CEO	7,10,000
		Name	**No of options granted**	**Name**	**No of options granted**
11.	Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during FY 2021-22.	Anirban Pramanick	3,57,840	None	Nil
		George Thomas Thekkekara	6,20,000	None	Nil
12.	Employees who were granted option, during FY 2021-22, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None		None	

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, the Annual Return in Form MGT-7 is available at the weblink: www.yabx.co.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met eleven (11) times on April 22, 2021, June 01, 2021, June 14, 2021, June 25, 2021, July 01, 2021, July 08, 2021, October 01, 2021, November 29, 2021, December 10, 2021, January 10, 2022 and March 09, 2022 during the Financial Year and the notices convening meeting of the Board were duly sent to all the Directors.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO UNDER SECTION 134(3)(m)

(A) CONSERVATION OF ENERGY

(i) The Steps Taken or Impact on Conservation of Energy:

Conservation of energy is of utmost significance to the Company. Operations of the Company are not energy intensive. However, every effort is made to ensure optimum use of energy by using energy-efficient computers, processes and other office equipment. Constant efforts are made through regular/ preventive maintenance and upkeep of existing electrical equipment to minimize breakdowns and loss of energy.

(ii) The Steps taken by the Company to utilize alternate sources of Energy:

As Company has taken all their premises on lease, alternate source of energy could not be installed.

(iii) The Capital Investment on Energy Conservation Equipment:

There is no capital investment on energy conservation equipment.

(B) TECHNOLOGY ABSORPTION

(i) The Efforts made towards Technology Absorption

The Company is doing activity on behalf of Yabx Technologies BV, the company incorporated in Netherlands, on cost plus margin. All the commercial activities and production are being carried out by the company are neither owned by it nor it will create any intellectual property rights out of any deliverables.

(ii) The Benefits derived like Product Improvement, Cost Reduction, Product Development or Import Substitution;

Since the Company is being operated as cost plus margin for its group Company Yabx Technologies BV, the company is not able to claim any benefits derived like product improvement, cost reduction, product development etc.

(iii) In Case of Imported Technology (Imported during last three years reckoned from the beginning of the Financial Year)

Company has not imported technology during the last two years.

(C) FOREIGN EXCHANGE EARNINGS & OUTFLOWS

Till the end of the financial year, the Company has NIL Foreign Exchange earnings and Outflows.

DIRECTORS

A. Changes in Directors and Key Managerial Personnel (KMP)

In accordance with the provisions of Section 152(6)(c) of the Companies Act, 2013, Mr. Rajat Dayal (DIN: 01136862), Director, is liable to retire by rotation and being eligible offered for re-appointment. The Board recommends his re-appointment in the ensuing Annual General Meeting.

During the year, Mr. Rajat Dayal was appointed as Chief Executive Officer with effect from July 10, 2021.

During the year, Mr. Manas Ranjan Bal (DIN: 01816687) resigned from the office of Director of the Company with effect from June 01, 2021 and Mr. Ramutar Goel (DIN: 08163676) was appointed as an Additional Director of the Company on June 01, 2021 and regularized as Director of the Company, liable to retire by rotation, at the 1st Annual General Meeting held on July 26, 2021.

Further, Mr. George Thomas Thekkekara (DIN: 07688089), appointed as an Additional Director of the Company on March 09, 2022 was regularized and appointed as Director of the Company, liable to retire by rotation, at the Extra-ordinary General Meeting held on March 30, 2022.

Directors	Board Meeting Attended
George Thomas Thekkekara	0
Manas Ranjan Bal	1
Neeraj Jain	11
Rajat Dayal	11
Ramutar Goel	10

B. Declaration by an Independent Director(s)

The Company is not required to appoint independent director as per section 149 of the Companies Act, 2013.

C. Commission paid to Managing Director or Directors of the Company

During the year under review, there were no executive/managing directors on the Board of Company. Also none of the Directors are not entitled to any Commission.

D. Formal Annual Evaluation

The provisions of Section 178 are not applicable to the Company. Hence, details of performance evaluation are not offered.

E. Policy for selection and appointment of Directors, KMP and their remuneration

The Company is not required to maintain Nomination and Remuneration Policy as provided under section 178(3) of the Companies Act, 2013

PARTICULARS OF EMPLOYEES u/s 197(12) OF THE COMPANIES ACT, 2013 r/w RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

As per the provisions of this section the same is not applicable to the Company.

BOARD COMMITTEES

The Company is not required to constitute any Committees as prescribed under the Companies Act, 2013.

CSR (Corporate Social Responsibility) Committee

The provisions of section 135 of Companies Act, 2013 is not applicable on the Company.

POLICY TO PREVENT AND DEAL WITH SEXUAL HARASSMENT

The Company has adopted policy to Prevent & Deal with Sexual Harassment at workplace is in place as per the “Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013”. The same is available at www.yabx.co.

During the year under report, there was no complaint which was received by the ICC.

The Company has complied with provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 relating to the constitution of Internal Complaints Committee.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The provisions of vigil mechanism are not applicable to the Company.

RISK MANAGEMENT POLICY

Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company’s management system, organizational, structure, processes, standards, code of conduct and behaviors together form the risk management matrix that govern how the Company conducts the business and manages associated risks.

Company has introduced several improvements to integrated Enterprise Risk Management, Internal Controls Management and Assurance Framework and Processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by fully aligned across Companywide risk management, internal control and internal audit methodologies and process.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 AS ON MARCH 31, 2022

Details of loans/ guarantees/ investments made by the Company:

Sl. No.	Particulars	Amount (in Rs.)
1.	Loans	Nil
2.	Guarantees	Nil
3.	Investments (in subsidiaries)	Nil
4.	Security extended	Nil

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 has been annexed in AOC-2 as Annexure 1.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There is no significant and material order passed by the regulators or courts or tribunals impacting going concern status and Company's operations.

PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

VALUATION OF ASSETS

The provisions of Section 134(3)(q) read with Rule 8(5)(xii) of the Companies (Accounts) Rules, 2014 are not applicable on the Company as it has not taken any valuation of assets for the given purpose.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIALS CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, the safeguarding of assets, the prevention & detection of frauds & errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is confirmed:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

During the period under review, the Company is not required to appoint any Independent Director therefore, the requirement to provide a statement in this regard is not required.

COST RECORDS

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 (1) of the Companies Act, 2013 are not applicable for the business activities of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards.

ACKNOWLEDGEMENT

Your Directors on behalf of the Company and management express their gratitude for the co-operation and support received from Customers, Vendors, Shareholders, Bankers, various agencies and Government departments both State and Central Governments.

The Directors also place on record their appreciation for the true team spirit, valued contributions and efforts put in by the employees at all levels.

For and on behalf of
Yabx India Private Limited

	Ramutar Goel	**Neeraj Jain**
	Director	Director
	DIN: 08163676	DIN: 08292243
Date: May 02, 2022	Place: Gurugram	Place: Gurugram

ANNEXURE-1

S.No.	Name(s) of the related party and nature of relationship		Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advances /Loan, if any
1	Begig Private Limited	Fellow Subsidairy	Support Services Received	01-Apr-2021 to 31-Mar-2022	403,200	NA	
2	Comviva Technologies Limited	Holding company	Loan to Subsidiary Company	01-Apr-2021 to 31-Mar-2022	37,500,000	NA	
3	Comviva Technologies Limited	Holding company	Loan repaid from Subsidiary Company	01-Apr-2021 to 31-Mar-2022	22,500,000	NA	
4	Comviva Technologies Limited	Holding company	Interest on Loan repaid from Subsidiary Company	01-Apr-2021 to 31-Mar-2022	13,281	NA	
5	Comviva Technologies Limited	Holding company	Payments to Subsidiary Company	01-Apr-2021 to 31-Mar-2022	4,878,330	NA	
6	Mr. Rajat Dayal*	Key Management Personnel	Managerial Remuneration	01-Apr-2021 to 31-Mar-2022	8,512,500	NA	

*Does not include ESOP and any other benefits extended above CTC

for YABX India Private Limited

Neeraj Jain
(Director)
DIN: 08292243

INDEPENDENT AUDITORS' REPORT

To the Members of YABX India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of YABX India Private 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 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 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.

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 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. 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/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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 does not have any pending litigations which would impact its financial position.

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

(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 & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W- 100022

Ashish Gupta
Partner
Membership No.215165
UDIN- 22215165AIHOJN8054

Place: Pune
Date: 2 May 2022

Annexure A to the Independent Auditor's Report on Financial Statements

(Referred to in our report of even date)

(i) (a) (A) 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 Property, Plant and Equipment held by the Company. Accordingly, clause 3(i)(a)(A) of the Order is not applicable.

(a) (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 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, there are no property, plant and equipment held by the Company. Accordingly, clause 3(i)(a)(b) of the Order is not applicable.

(c) The Company does not have any immovable property. Accordingly, clause 3(i)(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 does not hold any Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, clause 3(i)(d) of the Order is not applicable.

(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 information technology and related 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 not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to 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, provided 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 during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(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 the products manufactured by it (and/or services provided 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 has been subsumed into GST.

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 Goods and Services Tax ('GST'), Provident fund, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

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 Goods and Services Tax ('GST'), Provident fund, 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, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(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 did not have any loans or borrowings during the year and accordingly, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(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 subsidiaries as defined under the Act.

(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 subsidiaries, as defined under the Act.

(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) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xii) (a) 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.

(b) 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.

(c) 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) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

(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) of the Order is not applicable.

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

(c) 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.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.

(xvii) The Company has not incurred cash losses in the current financial year and had incurred cash losses of ₹ 20,225,782 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.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W- 100022

Ashish Gupta
Partner
Membership No.215165
UDIN- 22215165AIHOJN8054

Place: Pune
Date: 2 May 2022

Annexure B to the Independent Auditor's report on the financial statements of YABX India Private Limited for the year 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 paragraph 2 (A) (f) 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 YABX India Private 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 Responsibility for Internal Financial Controls

The Company's 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").

Auditor's 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.

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 & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W- 100022

Ashish Gupta
Partner
Membership No.215165
UDIN- 22215165AIHOJN8054

Place: Pune
Date: 2 May 2022

YABX INDIA PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2022

Amount in ₹

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Capital work-in-progress	3	**5,047,900**	-
(b) Income tax assets (net)		**10,886**	11,851
(c) Deferred tax assets (net)	4	**1,250,562**	-
Total non-current assets		**6,309,348**	11,851
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	5	**2,918,610**	9,472,899
(ii) Trade Receivables	6		
Billed		**89,708,117**	-
Unbilled		**7,581,917**	-
(iii) Other financial assets	7	**2,344,513**	2,087,927
(b) Other current assets	8	**1,719,675**	-
Total current assets		**104,272,832**	11,560,826
TOTAL ASSETS		**110,582,180**	11,572,677
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	9	**70,138,310**	20,000,000
(b) Other equity	10	**1,763,888**	(16,302,075)
		71,902,198	3,697,925
Liabilities			
Non current liabilities			
(a) Provisions	11(i)	**4,007,978**	2,883,659
Total non-current liabilities		**4,007,978**	2,883,659
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	12	**15,000,000**	-
(ii) Trade payables	13		
- Dues of micro and small enterprises		**50,184**	-
- Dues of creditors other than MSME		**7,476,312**	544,560
(iii) Other financial liabilities	14	**9,418,505**	2,835,262
(b) Other current liabilities	15	**2,078,742**	1,114,281
(c) Provisions	11(ii)	**648,261**	496,990
Total current liabilities		**34,672,004**	4,991,093
TOTAL EQUITY AND LIABILITIES		**110,582,180**	11,572,677
See accompanying notes forming part of financial statements	1-37		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

For and on behalf of the Board of Directors of
Yabx India Private Limited

Ashish Gupta
Partner
Membership No.: 215165
Pune

Ramutar Goel
Director
Delhi

Neeraj Jain
Director
Gurugram

Date: 02 May 2022

Date: 02 May 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹

Particulars	Note No.	For the year ended March 31, 2022	For the period ended March 31, 2021
Revenue from operations	16	**97,447,280**	-
Other income	17	**149,507**	155,140
Total Income (I+II)		**97,596,787**	155,140
Expenses			
(a) Employee benefits expense	18	**70,778,757**	19,811,324
(b) Subcontracting cost		**7,399,555**	-
(c) Finance costs	19	**85,019**	-
(d) Depreciation and amortization expense		**-**	-
(e) Other expenses	20	**6,394,488**	609,664
Total expenses		**84,657,819**	20,420,987
Profit /(loss) before tax		**12,938,968**	(20,265,847)
Tax expenses:	30		
(a) Current tax		**-**	-
(b) Deferred tax		**(1,150,289)**	-
		(1,150,289)	-
Profit /(loss) after tax		**14,089,257**	(20,265,847)
Other comprehensive income/(loss)			
(I) Items that will not be reclassified to profit or loss			
(a) Re-measurement gain/(loss) on defined benefit plans		**(398,413)**	40,065
(II) Income tax (expenses)/income relating to items that will not be reclassified to profit or loss		**100,273**	-
Other comprehensive income/(loss) for the year/period		**(298,140)**	40,065
Total comprehensive income/ (loss) for the year/period		**13,791,117**	(20,225,782)
Earnings per Equity share (Face value of ₹ 10/- each)	26		
(a) Basic (in ₹)		**2.63**	(14.23)
(b) Diluted (in ₹)		**2.20**	(14.23)
See accompanying notes forming part of financial statements	1-37		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

For and on behalf of the Board of Directors of
Yabx India Private Limited

Ashish Gupta
Partner
Membership No.: 215165
Pune

Ramutar Goel
Director
Delhi

Neeraj Jain
Director
Gurugram

Date: 02 May 2022

Date: 02 May 2022

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2022

a. Equity share capital

Particulars	Number of Shares	Equity Share Capital (₹)
Balance as at July 15, 2020	2,000,000	20,000,000
Balance as at March 31, 2021	2,000,000	20,000,000
Balance as at April 1,2021	2,000,000	20,000,000
Changes in equity share capital during the year	5,013,831	50,138,310
Balance as at March 31, 2022	7,013,831	70,138,310

b. Other Equity

Amount in (₹)

Particulars	Reserves & Surplus			
	Securities Premium	Retained Earnings	Share option outstanding account	Total
Balance as at July 15, 2020	-	-	-	-
Profit for the period	-	(20,265,847)	-	(20,265,847)
Other comprehensive income	-	40,065	-	40,065
Total comprehensive income	-	(20,225,782)	-	(20,225,782)
Share based payments to employees		-	3,923,707	3,923,707
Balance as at March 31, 2021	-	(20,225,782)	3,923,707	(16,302,075)
Balance as at April 1, 2021	-	(20,225,782)	3,923,707	(16,302,075)
Profit for the year/period	-	14,089,257	-	14,089,257
Other comprehensive income	-	(298,140)	-	(298,140)
Total comprehensive income	-	13,791,117	-	13,791,117
Transfer from share option outstanding account on exercise of stock options	30,013	-	(30,013)	-
Share based payments to employees	-	-	4,274,846	4,274,846
Balance as at March 31, 2022	30,013	(6,434,665)	8,168,540	1,763,888

Securities Premium :

Securities premium reserves is used to record the premium on issue of shares.

The fair value of employee stock options is recognised in securities premium once the shares have been allotted on exercise of the options.

Retained Earnings:

Retained earnings represents the undistributed profits of the Company accumulated as on Balance Sheet date.

Share Option Outstanding Account :

It represents the fair value of services received against employees stock options.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

For and on behalf of the Board of Directors of
Yabx India Private Limited

Ashish Gupta
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Pune

Ramutar Goel
Director
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Neeraj Jain
Director
Gurugram

Date: 02 May 2022

Date: 02 May 2022

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2022

Amount in ₹

Particulars	For the year ended March 31, 2022		For the period ended March 31, 2021	
	INR	INR	INR	INR
A] Cash flows from operating activities				
Profit before tax		**12,938,968**		(20,265,847)
Adjustments for:				
Interest expense	**85,019**			
Interest income	**(135,715)**		(154,240)	
Unrealized foreign exchange difference (net)	**157,106**		-	
Share based payments to employees	**4,274,846**		3,923,707	
		4,381,256		3,769,467
Operating gain before working capital changes		**17,320,224**		(16,496,380)
Net change in:				
Provisions	**877,177**		3,420,714	
Trade payables and other liabilities	**13,826,989**		4,494,103	
Trade receivables	**(97,435,025)**		-	
Other assets, loans and advances	**(1,976,262)**		(2,087,927)	
		(84,707,121)		5,826,890
Cash generated from operations		**(67,386,897)**		(10,669,490)
Direct taxes paid (net)		**966**		(11,851)
Net cash flows used in operating activities (A)		**(67,385,931)**		(10,681,341)
B] Cash flows from investing activities				
Purchase of property, plant and equipment	**(4,420,600)**		-	
Interest received	**135,715**		154,240	
Net Cash flows generated from investing activities (B)		**(4,284,885)**		154,240
C] Cash flows from financing activities				
Proceeds from issue of equity shares	**50,138,310**		20,000,000	
Proceeds from short term borrowings	**37,500,000**		-	
Repayment of short term borrowings	**(22,500,000)**		-	
Interest Paid	**(21,783)**		-	
Net cash flows generated from financing activities (C)		**65,116,527**		20,000,000
Net increase in cash and cash equivalents (A + B+ C)		**(6,554,289)**		9,472,899
Cash & cash equivalents at the end of the period (refer note 1 below)		**2,918,610**		9,472,899
Cash & cash equivalents at the beginning of the year		**9,472,899**		-
Net increase in cash and cash equivalents		**(6,554,289)**		9,472,899

Changes in liabilities arising from financing activity

Particulars	As at March 31, 2022	As at March 31, 2021
Short term borrowings:		
Opening balance	**-**	-
Amount borrowed during the year	**37,500,000**	-
Amount repaid during the year	**(22,500,000)**	-
Closing balance	**15,000,000**	-
Finance Cost :		
Opening balance	**-**	-
Finance cost incurred during the year	**85,019**	-
Amount paid during the year	**21,783**	-
Closing balance	**63,236**	-

Particulars	As at March 31, 2022	As at March 31, 2021
Note 1:		
Cash and cash equivalents include:		
Balance with banks		
- In current accounts	**2,918,610**	9,472,899
Total Cash and cash equivalents - refer note 5	**2,918,610**	**9,472,899**

Note 2:

Figures in brackets represent outflow of cash and cash equivalents.

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

For and on behalf of the Board of Directors of
Yabx India Private Limited

Ashish Gupta
Partner
Membership No.: 215165
Pune

Ramutar Goel
Director
Delhi

Neeraj Jain
Director
Gurugram

Date: 02 May 2022

Date: 02 May 2022

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

1. Company Overview

YABX India Private Limited ("the Company" or "YABX") is a FinTech Venture of and subsidiary of Comviva Technologies Limited ("Comviva"), a global leader in Mobility Solutions. Comviva is a subsidiary of Tech Mahindra and a part of the Mahindra Group.

YABX was established with a vision to simplify financial access to more than 2 billion unbanked population in the emerging markets using the mobile phone device. The Company has an unparalleled edge to provide solutions that help achieve its core purpose of financial inclusion.

The financial statements ('financial statement') for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 02, 2022.

2. Significant Accounting Policies

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation of financial statements

These financial statements are presented in Indian rupees ("INR") which is also the Company's functional currency. All amounts have been reported in Indian Rupees, unless otherwise stated.

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

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 realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized 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:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.3 Use of Estimates:

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. 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 and future periods are affected.

Critical accounting estimates

i) Provisions

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.9.

ii) Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. The policy for the same has been explained under Note 2.11.

iii) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2.10.

2.4 Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and 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 measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized in Statement of profit and loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit and loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on re-measurement recognized in Statement of profit and loss.

Financial liabilities

Financial liabilities maturing after one year are subsequently carried at amortized cost using the effective interest method.

For trade payables and other financial liabilities maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derecognition of financial instruments

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.

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

2.5 Revenue recognition:

Revenue is recognized 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 cost plus contracts are recognized based on the terms of the contract over the service period.

Contracts assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability arises when there is Company's obligation to transfer goods or services to a customer for which the entity has received consideration ("Advances from Customer") or the amount is due from the customer ("Unearned Revenue")

2.6 Short term leases and leases of low value Assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor 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

2.7 Foreign Currency transactions

The functional currency of the Company is Indian Rupees (₹). Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit or loss.

2.8 Employee benefits

i) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method.

Actuarial gains and losses are recognized in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognized in profit or loss in the period of a plan amendment.

ii) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis.

iii) Compensated absences:

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognized in full in the Statement of Profit and Loss in the period in which they occur. 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 at the present value of the defined benefit obligation at the balance sheet date.

iv) Other short term employee benefits:

Other short-term employee benefits such as performance incentives expected to be paid in exchange for the services rendered by employees, are recognized during the period when the employee renders the service.

2.9 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the income tax laws.

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

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

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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

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

2.10 Employee Stock Option:

Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) on a straight line basis over the requisite service period for each separately vesting portion of the award, as if award was in substance, multiple awards. The Company estimates the fair value of stock options. The cost is recorded under the head employee benefit expense in the statement of profit and loss with corresponding increase in “Share based payment expense”.

2.11 Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance Sheet date but before the date the financial statements are approved by the Board of DirectoW

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.12 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. 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 and Contingent assets are not recognized in the financial statements.

2.13 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 March 23, 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 recognised 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 April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

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 labour, 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 April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 - Capital work-in-progress

Capital work-in-progress ageing schedule as on March 31, 2022

Amount in ₹

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5,047,900				5,047,900

The company does not have any CWIP (including intangible assets under development) which is overdue or as exceeded its cost compared to its original plan and hence CWIP (including intangible assets under development) completion schedule is not applicable.

Note 4 - Deferred tax assets (refer Note 32):

Amount in ₹

Particulars	As at	
	March 31, 2022	March 31, 2021
Provision for Employee benefits	**493,109**	-
Brought forward business losses	**757,453**	-
Total	**1,250,562**	-

Note 5- Cash and cash equivalents :

Amount in ₹

Particulars	As at	
	March 31, 2022	March 31, 2021
Balances with banks:		
- In current accounts	**2,918,610**	9,472,899
Total	**2,918,610**	9,472,899

Note 6 - Trade receivables :

Amount in ₹

Particulars	As at	
	March 31, 2022	March 31, 2021
Trade receivables -Considered good	**89,708,117**	-
Total	**89,708,117**	-

Trade receivables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payments						
	Not Due	Less than 6 months	6 months - 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
Undisputed trade receivables-considered good	-	89,708,117	-	-	-	-	89,708,117
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-	-
Total	-	89,708,117	-	-	-	-	89,708,117
Unbilled							7,581,917
Trade receivables							97,290,034

Note 7 - Other financial assets :

(i) - Other Financial assets : Current

Amount in ₹

Particulars	As at March 31, 2022	As at March 31, 2021
Dues from Holding company		
- Considered good	**2,344,513**	2,087,927
Total	**2,344,513**	2,087,927

Note 8 - Other Assets :

(i) Other current assets

Amount in ₹

Particulars	As at March 31, 2022	As at March 31, 2021
- Advance to suppliers		
-Considered good	**16,806**	-
-Other loan and advances		
-Considered good	**232,340**	-
- Balance with Government authorities	**1,468,133**	-
- Prepaid expenses	**2,396**	-
	1,719,675	-

Note 9 - Share capital :

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount in INR	Number	Amount in INR
(a) Authorized :				
Equity shares of ₹ 10 each	**25,000,000**	**250,000,000**	5,000,000	50,000,000
(b) Issued, subscribed and fully paid up :				
Equity shares of ₹ 10 each fully paid up	**7,013,831**	**70,138,310**	2,000,000	20,000,000
Total	**7,013,831**	**70,138,310**	2,000,000	20,000,000

Notes:

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount in INR	Number	Amount in INR
Equity Shares				
Opening Balance	**2,000,000**	**20,000,000**	-	-
Add: Shares issued during the year	**5,013,831**	**50,138,310**	2,000,000	20,000,000
Closing Balance	**7,013,831**	**70,138,310**	2,000,000	20,000,000

(ii) Terms, rights and restrictions attached to:

Equity Shares:

The Company has equity shares having par value of ₹ 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 amount. The distribution will be in proportion to the equity shares held by the shareholders.

(iii) Details of shares held by the holding company

Particulars	Number of Shares	
	As at March 31, 2022	As at March 31, 2021
Comviva Technologies Limited	**6,999,990**	1,999,990

(iv) Details of equity shares held by shareholder holding more than 5%:

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No of Shares	% of Holding#	No of Shares	% of Holding#
Comviva Technologies Limited*	**6,999,990**	**99.80%**	1,999,990	99.99%

This percentage of holding is presented with reference to Issued, Subscribed and Paid up.
* Comviva Technologies Limited is the sole promoter of the company

Note 10 - Other Equity :

Amount in ₹

Particulars	As at March 31, 2022		As at March 31, 2021	
Securities premium account				
Opening balance	**-**		-	
Add: Transfer from share option outstanding account on exercise of stock options	**30,013**		-	
Closing balance		**30,013**		-
Share options outstanding account				
Opening balance	**3,923,707**		-	
Add: addition during the year	**4,274,846**		3,923,707	
Less: transfer to securities premium account	**(30,013)**		-	
Closing balance		**8,168,540**		3,923,707
Surplus in the statement of profit and loss				
Opening balance	**(20,225,782)**		-	
(Add): Profit/(loss) for the period	**14,089,257**		(20,265,847)	
Add: Other comprehensive loss	**(298,140)**		40,065	
Closing balance		**(6,434,665)**		(20,225,782)
Total		**1,763,888**		(16,302,075)

Note 11 - Provisions :

(i) Long-term provisions

Amount in ₹

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
-Gratuity	**2,738,314**	2,063,049
-Compensated absences	**1,269,664**	820,610
Total	**4,007,978**	2,883,659

(ii) Short-term provisions

Amount in ₹

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
-Gratuity	**314,073**	274,089
-Compensated absences	**334,188**	222,901
Total	**648,261**	496,990

Note 12 -Short-term borrowings :

Amount in ₹

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured Borrowings		
- Loan from holding company*	**15,000,000**	-
Total	**15,000,000**	-

*Loan is for the period of 12 months with rolling facility available and interest rate is fixed at 6.95% p.a.

Note 13 - Trade payables :

Amount in ₹

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for supplies / services	**7,476,312**	544,560
Creditors for supplies / services under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)	**50,184**	-
Total	**7,526,496**	544,560

* Refer note 28 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Trade Payables ageing schedule as on March 31, 2022

Amount in ₹

Particulars	Outstanding for following periods from due date of payments				
	Not Due	Less than 1 year	2-3 yrs.	More than 3 years	Total
Undisputed MSME	24,672	25,512	-	-	50,184
Undisputed Others	-	86,111	-	-	86,111
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	24,672	111,623	-	-	136,295
Accrued expenses					7,390,201
					7,526,496

Trade Payables ageing schedule as on March 31, 2021

Amount in ₹

Particulars	Outstanding for following periods from due date of payments				
	Not Due	Less than 1 year	2-3 yrs.	More than 3 years	Total
Undisputed MSME	-	-	-	-	-
Undisputed Others	-	3,960	-	-	3,960
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	-	3,960	-	-	3,960
Accrued expenses					540,600
					544,560

Note 14 - Other Financial liabilities:

(i) Other Financial liabilities : Current

Amount in ₹

Particulars	As at March 31, 2022	As at March 31, 2021
Employee related payables	**8,727,969**	2,835,262
Payables on purchase of Property, plant and equipment	**627,300**	-
Interest accrued	**63,236**	-
Total	**9,418,505**	2,835,262

Note 15 - Other liabilities :

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory remittances	**2,078,742**	1,114,281
Total	**2,078,742**	1,114,281

Note 16 - Revenue from operations :

Amount in ₹

Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
Revenue	**97,447,280**	-
Total	**97,447,280**	-

Note 17 - Other income :

Amount in ₹

Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
Interest income	**135,715**	155,140
Miscellaneous Income	**13,792**	-
Total	**149,507**	155,140

Note 18 - Employee benefits expense :

Amount in ₹

Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
Salaries, wages and bonus	**62,259,608**	14,946,895
Defined Contribution/benefit plan cost	**3,474,910**	812,022
Staff welfare expenses	**769,393**	128,700
Employees share based payments	**4,274,846**	3,923,707
Total	**70,778,757**	19,811,324

Note 19- Finance costs :

Amount in ₹

Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
Interest expense on bank overdraft and others	**85,019**	-
Total	**85,019**	-

Note 20 - Other expenses :

Amount in ₹

Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
Travelling and conveyance	**1,211,997**	-
Rent	**1,629,600**	-
Rates and taxes	**1,238,944**	9,320
Repairs and maintenance	**191,500**	-
Advertising and sales promotion	**766,725**	-
Legal and professional fees	**1,174,870**	587,500
Foreign exchange expenses (net)	**139,372**	-
Miscellaneous expenses	**41,480**	12,843
Total	**6,394,488**	609,664

21. Details of employee benefits as required by the IND AS-19 – Employee Benefits are as under:

a) Defined Contribution Plan

The Company makes contributions to Provident Fund which is defined contribution plan for qualifying employees. Under this Scheme, the Company contributes a specified percentage of the payroll costs to the fund. Amounts recognised as an expense in the Statement of Profit and Loss is ₹2,790,286 (period ended March 31, 2021 : ₹ 651,446) for provident fund contributions.

b) Defined Benefit Plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan is partially funded.

I] Changes in Defined Benefit Obligation ('DBO') and Trust Fund plan assets recognized in the Balance Sheet are as under:

Amount in ₹

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Defined Benefit Obligation as at the beginning of the year	**2,337,138**	-
Current Service Cost	**557,584**	127,274
Interest cost	**127,041**	33,302
Benefits Paid	**(367,789)**	-
Transfer from parent entity*	**-**	2,216,627
Actuarial (gain)/loss - experience	**336,807**	(40,065)
Actuarial (gain)/loss - demographic assumptions	**-**	-
Actuarial (gain)/loss - financial assumptions	**61,606**	-
Defined Benefit Obligation as at the end of the year/period	**3,052,387**	2,337,138

* Comviva Technologies Limited ('Parent') has transferred employees pertaining to YABX India during the previous financial year, therefore corresponding gratuity liability has been transferred to the company.

II] Net defined benefit Asset/(Liability)

Amount in ₹

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Defined benefit obligation	**3,052,387**	2,337,138
Fair value of plan assets	**-**	-
Net defined benefit obligation disclosed as:	**3,052,387**	2,337,138
- Current provisions	**314,073**	274,089
- Non current provisions	**2,738,314**	2,063,049

III] Components of employer expenses recognised in the Statement of Profit and Loss:

Amount in ₹

Particulars	**For the year ended March 31, 2022**	**For the period ended March 31, 2021**
Current Service Cost	**557,584**	127,274
Interest cost on Defined Benefit Obligation	**127,041**	33,302
Total expense recognised in the Statement of Profit & Loss (Refer note 21)	**684,625**	160,576

IV] Actuarial (Gain)/Loss recognized in Other Comprehensive Income

Amount in ₹

Particulars	**For the year ended March 31, 2022**	**For the period ended March 31, 2021**
Actuarial (gain)/loss due to defined benefit obligation experience	**336,807**	40,065
Actuarial (gain)/loss - demographic assumptions	**-**	-
Actuarial (gain)/loss due to defined benefit obligation assumption changes	**61,606**	-
Remeasurement- Return on plan assets excluding amount included in interest income	**-**	-
Net (gain)/loss recognised in Other Comprehensive Income	**398,413**	40,065

V] Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	**6.30%**	5.90%
Salary Escalation Rate	**7.00%**	0% till 30 June 2021; 6% thereafter
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ult.**	Indian Assured Lives Mortality (2006-08) Ult.
Employee Separation Rate	**17.00%**	17.00%

a) Discount rate : It is based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the liabilities.

b) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

c) Employee separation Rate: The assumption of Employee separation rate represents the company's expected experience of employee turnover.

VI] Sensitivity analysis

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 and March 31, 2021 is as shown below:

Amount in ₹

Particulars	As at March 31, 2022	As at March 31, 2021
A: Discount rate		
1. Effect on DBO due to 0.5% increase in discount rate	**(78,490)**	(63,527)
2. Effect on DBO due to 0.5% decrease in discount rate	**82,414**	66,804
B: Salary Escalation Rate		
1. Effect on DBO due to 0.5% increase in Salary escalation rate	**63,406**	59,497
2. Effect on DBO due to 0.5% decrease in Salary escalation rate	**(61,668)**	(48,146)
C: Withdrawal Rate		
1. Effect on DBO due to 5% increase in withdrawal rate	**(96,414)**	(111,012)
2. Effect on DBO due to 5% decrease in withdrawal rate	**86,861**	110,402

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

VII] Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Payout in the next	As at March 31, 2022	As at March 31, 2021
1 year	**323,815**	282,059
1-2 years	**530,537**	284,683
2-3 years	**667,435**	419,675
3-4 years	**659,899**	589,212
4-5 years	**721,023**	663,996
5 years and beyond	**3,534,165**	3,048,187

VIII] Description of Plan characteristics and associated risks:

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

1. Interest rate risk
2. Salary Inflation risk
3. Demographic risk

22. Related Party Disclosure

a) Name of the related party and nature of relationship:-

Name of the Related Party	Relationship
Tech Mahindra Limited	Utimate Holding company
Comviva Technologies Limited	Holding company
YABX Technologies (Netherlands) BV	Fellow Subsidiary
Begig Private Limited	Fellow Subsidiary
Key Management Personnel:	
Rajat Dayal	Chief Executive Officer

b) Transactions with Related Parties:

Amount in ₹

Particulars	Transactions For the year ended March 31, 2022 Revenue / (Expense)							Balance as at March 31, 2022 Assets / (Liabilities)						
	Sales	Interest (Expenses)/ income	Cost of Goods Sold/ Services (received)/ provided	Reimbursement of (Expenses)/ income	Loan taken	Loan repayment	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Trade Payables	Loans	Other financial assets / liabilities	Interest Accrued	Accrued benefit payable
Holding Company														
Comviva Technologies Limited		(85,019)		(1,629,600)	(37,500,000)	22,500,000				(1,629,600)	(15,000,000)	2,344,513	(63,235)	
Fellow Subsidiaries														
YABX Technologies (Netherlands) BV	97,447,280							89,708,117	7,581,916					
Begig Private Limited			(427,392)							(268,800)				
Key Management Personnel*														
Rajat Dayal							(8,140,203)							(1,965,137)

Note - 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.

Amount in ₹

Particulars	Transactions For the period ended March 31, 2021 Revenue / (Expense)							Balance as at March 31, 2021 Assets / (Liabilities)						
	Sales	Interest Income	Cost of Goods Sold/ Services (received)/ provided	Reimbursement of Expenses	Loan taken	Loan repayment	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Trade Payables#	Loans & other financial assets / liabilities	Contractual obligation	Interest Accrued	Accrued benefit payable
Holding Company														
Comviva Technologies Limited				(128,700)								2,087,927		
Key Management Personnel*														
Rajat Dayal							(1,791,693)							(468,750)

***The breakup of compensation of Key management personnel is as follows:**

Amount in ₹

Key Management Personnel	Short-term employee benefits	Post-employment benefits***	Other long-term benefits***	Termination benefits	Other long-term benefits	Total
Rajat Dayal	8,140,203	-	-	-	-	8,140,203
	(1,791,693)	**[-]**	**[-]**	**[-]**	**[-]**	**(1,791,693)**

*** Employment benefits comprising gratuity and compensated absences are not disclosed as these are determined for the company as a whole. Amount of managerial remuneration excludes ESOP cost of ₹ 1,303,737 and ₹ 1,261,265 respectively for 31 March 2022 and 31 March 2021

Figures in brackets ''[ ]'' are for the year ended March 31, 2021

c) The company had paid managerial remuneration to Mr Rajat dayal (Whole time director) amounting to ₹ 8,140,203 and consequently the total managerial remueration for the financial year exceeds the prescribed limits under section 197 read with schedule V to the Companies Act, 2013 by ₹ 2,140,203. As per the provisions of the Act, the excess remuneration has been approved by the shareholders of the Company in the Extra Ordinary General Meeting held on 30th June 2021.

23. Contingent Liabilities and Commitments:

(i) Commitments :

Amount in ₹

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	**6,253,000**	-

24. Financial Instruments

The Company's Board of Directors have an 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.

I] Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2022 were as follows:

Amount in ₹

Particulars	Amortised cost*	Financial assets/ liabilities at fair value through profit or loss	Derivative instruments in hedging relationship	Total carrying value	Total fair value*
Assets:					
Cash and cash equivalents (refer note 5)	2,918,610	-	-	2,918,610	2,918,610
Trade receivables (refer note 6)	97,290,034	-	-	97,290,034	97,290,034
Other financial assets (refer note 7(i))	2,344,513	-	-	2,344,513	2,344,513
Total	**102,553,157**	**-**	**-**	**102,553,157**	**102,553,157**
Liabilities:					
Borrowings (refer note 12)	15,000,000	-	-	15,000,000	15,000,000
Trade payables (refer note 13)	7,526,496	-	-	7,526,496	7,526,496
Other financial liabilities (refer note 14(i))	9,418,505	-	-	9,418,505	9,418,505
Total	**31,945,001**	**-**	**-**	**31,945,001**	**31,945,001**

*Fair value of amortised assets is same as carrying value

The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows:

Amount in ₹

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Derivative instruments in hedging relationship	Total carrying value	Total fair value*
Assets:					
Cash and cash equivalents (refer note 5)	9,472,899	-	-	9,472,899	9,472,899
Other financial assets (refer note 7(i))	2,087,927	-	-	2,087,927	2,087,927
Total	**11,560,826**	**-**	**-**	**11,560,826**	**11,560,826**
Liabilities:					
Trade payables (refer note 13)	544,560	-	-	544,560	544,560
Other financial liabilities (refer note 14(i))	2,835,262	-	-	2,835,262	2,835,262
Total	**3,379,822**	**-**	**-**	**3,379,822**	**3,379,822**

*The fair value of cash and cash equivalents, trade receivables, trade payables and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

III] Financial Risk Management

Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. 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.

(i) Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the respective functional currency of the Company.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks and accordingly deretermines the course of action.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currency of the Company.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (unhedged) at the end of the year are as follows:

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Financial assets	USD	97,290,034	-
Financial liabilities	USD	-	-

Forex sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2022 (previous year ending as on 31 March 2021) would have affected the measurement of financial instruments denominated in functional currency and affected the Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Currency	As at March 31, 2022		As at March 31, 2021	
	Appreciation	Depreciation	Appreciation	Depreciation
1% depreciation / appreciation in the exchange rate between Indian Rupees and USD	972,900	(972,900)	-	-

(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. 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.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, cash and cash equivalents and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Credit Risk Exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 102,553,157 and ₹ 11,560,826 as at March 31, 2022 and March 31, 2021 respectively, being the total of the carrying amount of trade receivables, unbilled revenue (excluding contract assets) and other various financial assets.

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022

Amount in ₹

Particulars	Less Than 1 Year	More Than 1 Year	Total
Borrowings	15,000,000	-	15,000,000
Trade Payables	7,526,496	-	7,526,496
Other financial liabilities	9,418,505	-	9,418,505

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021

Amount in ₹

Particulars	Less Than 1 Year	More Than 1 Year	Total
Borrowings	-	-	-
Trade Payables	544,560	-	544,560
Other financial liabilities	2,835,262	-	2,835,262

25 Auditor Remuneration(net of indirect taxes)

Amount in ₹

Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
Statutory Audit	**400,000**	400,000
Total	**400,000**	400,000

26 Basic and Diluted Earning per share

₹ except earning per share

Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
Nominal value per equity share	**10**	10
Profit for the year	**(20,265,847)**	(20,265,847)
Profit attributable to equity shareholders	**(20,265,847)**	(20,265,847)
	No. of Shares	**No. of Shares**
Weighted average number of equity shares	**4,918,138**	1,424,658
Weighted average number of diluted equity shares	**5,891,036**	1,424,658
Earning Per Share- Basic	**(4.12)**	(14.23)
Earning Per Share- Diluted	**(3.44)**	(14.23)

27 Company operates as single segment in accordance with Indian Accounting Standard Ind AS 108, Operating Segments as notified unde the Companies (Indian Accounting Standard) Rules, 2015.

28 Based on the information available with the company, following creditors have been identified as "Supplier" within the meaning of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Dues to micro and small suppliers	As at March 31, 2022	As at March 31, 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
Principal	50,184	-
Interest	-	-
The amounts of the payments made to micro, small and medium suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest paid under the act beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED	-	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 and March 31, 2021 has been made in the financial statements based on information received and available with the Company.

29 Corporate social responsibility

The Company does not meet the criteria specified in sub section (1) of section 135 of the Companies Act, 2013,read with Companies [Corporate Social Responsibility (CSR)] Rules, 2014. Therefore it is not required to incur any expenditure on account of CSR activities during the year.

30 Disclosures for revenue from contracts with customers

a) Disaggregation of revenue

Revenue disaggregation by nature of services is as follows:

Amount in ₹

Nature of Services	For the year ended March 31, 2022	For the period ended March 31, 2021
Other revenue	97,447,280	-
Total	**97,447,280**	-

Revenue disaggregation by geography is as follows:

Amount in ₹

Geography	For the year ended March 31, 2022	For the period ended March 31, 2021
India	-	-
Rest of world	97,447,280	-
Total	**97,447,280**	-

31 Income Tax Expense

Tax expense in the statement of profit and loss comprises:

Amount in ₹

Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
Current tax:		
-Tax expense related to current year	-	-
Total Current tax	**-**	-

The tax expense for the year / period can be reconciled to the accounting profit as follows:

Amount in ₹

Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
Profit before Tax	12,938,968	(20,265,847)
Enacted/effective tax rate	25.17%	33.38%
Income tax expense calculated at enacted/effective tax rate	**3,256,479**	(6,765,550)
Effect of expenses/income that are not admissible in determining taxable profit	-	6,765,550
Effect of utilisation of carried forward losses	3,256,479	-
Income tax expense recognised in profit or loss	**-**	-

32 Deferred Tax:

The following is the analysis of deferred tax assets presented in the balance sheet:

Amount in ₹

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	1,250,562	-
Deferred tax liabilities	-	-
Deferred tax assets (net)	**1,250,562**	-

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

Amount in ₹

Particulars	**For the year ended March 31, 2022**			
	Opening balance	**Recognized in Profit and loss**	**Recognized in OCI**	**Closing balance**
Provision for employee benefits		**392,836**	**100,273**	**493,109**
Brought forward business losses	**-**	**757,453**		**757,453**
Net Deferred Tax Assets	**-**	**1,150,289**	**100,273**	**1,250,562**

33 Code of Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on November 13, 2020 and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Company will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

34 Analytical ratios

Sr. No.	**Particulars**	**As at March 31, 2022**	**As at March 31, 2021**	**Varinace %**
1	Current Ratio (in times)^	**3.01**	2.32	102%
2	Debt-Equity Ratio (in times)^^	**0.21**	-	100%
3	Debt Service Coverage Ratio (in times)^^	**217.25**	-	100%
4	Return on Equity Ratio (in %)^^^	**37%**	-548%	-541%
5	Trade Receivables turnover ratio (in times)^^^^	**2.00**	-	100%
6	Trade payables turnover ratio (in times)^^^^^	**3.42**	2.24	71%
7	Net capital turnover ratio (in times)^^^^^^	**1.40**	-	100%
8	Net profit ratio (in %)^^^^^^	**14%**	0%	100%
9	Return on Capital employed (in %)^^^	**16%**	-548%	-545%

The basis of computation of above parameters is provided in the table below:

1	Current Ratio	Current assets / current liabilities
2	Debt-Equity Ratio	(Non-current borrowings (+) current borrowings) / Equity * including lease liabilities
3	Debt Service Coverage Ratio	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. / (interest expenses (+) principal repayments of long-term debt (+) payment of lease liabilities)
4	Return on Equity Ratio	Net Profits after taxes / Average Shareholder's Equity
5	Trade Receivables turnover ratio	(Gross credit sales (-) sales return) / (Opening Trade receivables (+) Closing Trade receivables) / 2
6	Trade payables turnover ratio	(Gross credit purchases (-) purchase return) / (Opening Trade payables (+) Closing Trade payables) / 2
7	Net capital turnover ratio	(Total sales (-) sales returns) / (current assets (-) current liabilities.)
8	Net profit ratio	Net Profits after taxes / (Total sales (-) sales returns)
9	Return on Capital employed	Earning before interest and taxes / (Tangible Net Worth (+) Total Debt (+) Deferred Tax Liability)

^Variance is mainly on account of increase in trade receivables outstanding as at the year ended March 31, 2022

^^Variance is on account of borrowings availed during the year

^^^Variance is on account of shares issued during the year and profit for the year

^^^^Variance is mainly on account of increase in trade receivables outstanding as at the year ended March 31, 2022

^^^^^Variance is on account of increase in expenses and turnover during the year

^^^^^^Variance is on account of turnover for the year

35 Employee Stock Option Scheme

ESOP 2021 scheme

The Company has two different share based employee benefit program i.e. 2020 Employee stock options plan – ESOP scheme 1 and ESOP scheme 2 that allows employees to acquire shares of the Company subject to vesting and performance conditions. A share option scheme for employees was approved on 15th September 2020 by the shareholders of the Company under which the employees of the Company were granted stock options that vest in a granted manner over a period of 3 years. An exercise price of INR 10 was fixed for this purpose.

These schemes have been awarded during the period ended 31 March 2022, whose details are given as under:-

Particulars	**ESOP scheme 1**	**ESOP scheme 2**
Maximum number of options granted under the plan	4,279,765	1,775,000
Method of settlement	Equity settled plans	Equity settled plans
Vesting period	3 years	1 years
Vesting conditions	Service period and performance based conditions	Service period

The vesting percentage basis period, of above schemes are as follows:-

Particulars	**ESOP scheme 1**	**ESOP scheme 2**
With in 1 year	20%	100%
1 to 2 years	40%	-
2 to 3 years	40%	-

Movement in respect of stock options granted to employees of the Company during the year and outstanding as at the year end is set out below:

ESOP scheme 1:-

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at beginning of the year	**3,301,925**	**-**	-	-
Options granted during the year	**977,840**	**10**	3,301,925	10
Exercised during the year	**13,831**	**-**	-	-
Forfeited/lapsed during the year	**534,397**	**-**	-	-
Outstanding at the end of the year	**3,731,537**	**10**	3,301,925	10
Vested options at the end of the year	**246,773**		-	10
Unvested options at the end of the year	**3,484,764**		3,301,925	10

ESOP scheme 2:-

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at beginning of the year	**1,775,000**	**-**	-	-
Options granted during the year	**-**	**10**	1,775,000	10
Exercised during the year	**-**	**-**	-	-
Surrendered during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**-**	-	-
Outstanding at the end of the year	**1,775,000**	**10**	1,775,000	10
Vested options at the end of the year	**1,775,000**	**10**	-	10
Unvested options at the end of the year	**-**	**10**	1,775,000	10

The employee stock compensation cost for the Employee stock options plan – ESOP scheme 1 and ESOP scheme 2 has been computed by reference to the fair value of share options granted and amortized over each vesting period. For the period ended March 31, 2021, the Company has accounted for employee stock compensation cost (equity settled) amounting to ₹ 3,923,707.

Particulars	**For the year ended March 31, 2022**		**For the period ended March 31, 2021**	
	ESOP scheme 1	**ESOP scheme 2**	**ESOP scheme 1**	**ESOP scheme 2**
Fair value of options	**2.17 to 3.24**	**1.64**	2.17 to 3.24	1.64
Exercised price	**10**	**10**	10	10
Expected Volatility (%)	**32.39%**	**32.39%**	32.39%	32.39%
Expected Life (in years)	**2.00 to 3.71**	**1.04 to 2.04**	2.00 to 3.71	1.04 to 2.04
Expected Dividend (%)	**-**	**-**	-	-
Risk free interest rate (%)	**4.44 to 5.14**	**3.83 to 4.44**	4.44 to 5.14	3.83 to 4.44

36 The Company has been incorporated on July 15, 2020 thereby the previous year represents the period from 15 July, 2020 to March 31, 2021.

37 Previous year’s figures have been re-classified to conflrm to this year’s classification.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Ashish Gupta
Partner
Membership No.: 215165
Pune

Date: 02 May 2022

For and on behalf of the Board of Directors of
Yabx India Private Limited

Ramutar Goel
Director
Delhi

Neeraj Jain
Director
Gurugram

Date: 02 May 2022

COMVIVA TECHNOLOGIES AMERICAS INC.

Directors:
Neeraj Jain
Amit Sanyal
Manoranjan Mohapatra

Registered No:
6367113

Registered Office:
251 Little Falls Drive, Wilmington, Delaware,
19808, New Castle County.

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022

The directors submit their report together with the management accounts of Comviva Technologies Americas Inc. ("The Company"), for the year ended 31st March, 2022.

Principal activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2022 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interests

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Neeraj Jain

Amit Sanyal

Manoranjan Mohapatra

On behalf of the Board of Directors,

Neeraj Jain **Director**	**Amit Sanyal** **Director**	**Manoranjan Mohapatra** **Director**

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	Amount in USD As at March 31, 2022
Assets		
Non current assets		
(a) Property, plant and equipment	1A	**820,167**
(b) Other intangible assets	1B	**12,435,714**
(c) Goodwill		**6,532,000**
Total non-current assets		**19,787,881**
Current Assets		
(a) Financial Assets		
(i) Trade receivables	2	
Billed		**-**
Unbilled		**1,668,939**
(ii) Cash and cash equivalents	3	**155,000**
Total current assets		**1,823,939**
TOTAL ASSETS		**21,611,820**
Equity and Liabilities		
Equity		
(a) Equity Share capital		**-**
(b) Other Equity	4	**9,727**
Equity attributable to owners of the company		**9,727**
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	5	**20,000,000**
Total non-current liabilities		**20,000,000**
Current Liabilities		
(a) Financial Liabilities		
(ii) Trade Payables	6	**1,412,328**
(iii) Others financial liabilities	7	**185,655**
(b) Current tax liabilities (Net)		**4,110**
Total current liabilities		**1,602,093**
TOTAL EQUITY AND LIABILITIES		**21,611,820**
See accompanying notes forming part of the financial statements	1-9	

For and on behalf of Comviva Technologies Americas Inc

Neeraj Jain Manoranjan Mohapatra Amit Sanyal

COMVIVA TECHNOLOGIES AMERICAS INC

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022

Amount in USD

Particulars	Note No.	For the period ended March 31, 2022
Revenue from operations	8	**1,668,939**
Other income		**-**
Total income		**1,668,939**
Expenses		
(a) Cost of goods sold		**1,412,328**
(b) Employee benefits expense		**-**
(c) Subcontracting cost		**-**
(d) Finance costs	9	**30,655**
(e) Depreciation and amortization expense	1	**212,119**
(f) Other expenses		**-**
Total expenses		**1,655,102**
Profit before tax		**13,837**
Tax expenses		
(a) Current tax		**4,110**
(b) Deferred tax		**-**
		4,110
Profit after tax		**9,727**
See accompanying notes forming part of the financial statements	1-9	

For and on behalf of Comviva Technologies Americas Inc

Neeraj Jain Manoranjan Mohapatra Amit Sanyal

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1A - Property, Plant and Equipment

Amount in USD

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2021	Additions on Acquisition	Disposal	As at March 31, 2022	As at 1st April, 2021	For during the period	Disposal	As at March 31, 2022	As at March 31, 2022	As at 1st April 2021
Furniture and Fixtures	-	95,000	-	**95,000**	-	1,583	-	**1,583**	93,417	-
Office Equipment	-	395,000	-	**395,000**	-	6,583	-	**6,583**	388,417	-
Computers	-	348,000	-	**348,000**	-	9,667	-	**9,667**	338,333	-
Total	-	838,000	-	**838,000**	-	17,833	-	**17,833**	820,167	-

Note 1B - Intangible Assets (Other than internally generated)

Amount in USD

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2021	Additions on Acquisition	Disposal	As at March 31, 2022	As at 1st April, 2021	For during the period	Disposal	As at March 31, 2022	As at March 31, 2022	As at 1st April 2021
Computer Software	-	30,000	-	**30,000**	-	30,000	-	**30,000**	-	-
Intellectual Property Rights (IPR)	-	7,200,000	-	**7,200,000**	-	100,000	-	**100,000**	7,100,000	-
Intangible assets- commercial agreement	-	5,400,000	-	**5,400,000**	-	64,286	-	**64,286**	5,335,714	-
Total	-	12,630,000	-	**12,630,000**	-	194,286	-	**194,286**	12,435,714	-

COMVIVA TECHNOLOGIES AMERICAS INC

Note 2 - Trade receivables :

Particulars	Amount in USD **As at 31-Mar-22**
-Considered good – Unsecured	**-**
Less: Allowance for doubtful trade receivables	**-**
	-
Trade receivables -Billed (A)	**-**
Trade receivables -Unbilled (B)	**1,668,939**
Total (A+B)	**1,668,939**

Note 3 - Cash and cash equivalents :

Particulars	Amount in USD **As at 31-Mar-22**
Balances with banks:	
- In current accounts	**155,000**
Total	**155,000**

Note 4- Other Equity :

Particulars		Amount in USD **As at 31-Mar-22**
Surplus in the statement of profit and loss		
Opening balance	**-**	
Add: profit for the period	**9,727**	
Closing balance		**9,727**
Total		**9,727**

Note 5 -Borrowings :

Long-term borrowings

Particulars	Amount in USD **As at 31-Mar 22**
Loan from related party	**20,000,000**
Total	**20,000,000**

Note 6 - Trade payables :

Particulars	Amount in USD **As at 31-Mar-22**
Trade payables	**1,412,328**
Total	**1,412,328**

Note 7 - Other Financials liabilities:

Other Financial Liabilities : Current

Particulars	Amount in USD **As at 31-Mar-22**
Accrued salary and benefits	**155,000**
Interest accrued	**30,655**
Total	**185,655**

Note 8 - Revenue from operations :

Particulars	Amount in USD **For the period ended March 31, 2022**
Revenue from operations	**1,668,939**
Total	**1,668,939**

Note 9 - Finance cost :

Particulars	Amount in USD **For the period ended March 31, 2022**
Interest expense on borrowings	**30,655**
Total	**30,655**

SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED

Board of Directors
Mr. Basanta Kumar Mishra- Director w.e.f. 8th May, 2021
Mr. Jayaraman Ganapathy- Director
Ms. Krishna Kumari Palle- Director
Mr. V. Venkata Kumar Raju- Director
Mr. Venkateswara Rao Gajjala – Director
Mr. Subramanyam Reddy Chelikam- Independent Director
Mr. Venkateswarlu Jonnalagadda- Independent Director
Mr. Narasimham Venkata Rachakonda- Director w.e.f. 17th January, 2022
Mr. Rakesh Soni- Director, upto 18th November, 2021

Committees of the Board
Audit Committee
Mr. Venkateswarlu Jonnalagadda, Chairman
Mr. Subramanyam Reddy Chelikam
Mr. V. Venkata Kumar Raju

Nomination and Remuneration Committee
Mr. Basanta Kumar Mishra, Chairman
Mr. Rakesh Soni (upto 18th November, 2021)
Mr. Venkateswarlu Jonnalagadda
Mr. Subramanyam Reddy Chelikam
Mr. Narasimham Venkata Rachakonda- w.e.f. 17th January, 2022

Corporate Social Responsibility Committee
Mr. Basanta Kumar Mishra, Chairman
Mr. Jayaraman Ganapathy
Mr. V. Venkata Kumar Raju
Mr. Venkateswarlu Jonnalagadda

Key Managerial Personnel
Mr. Rao S. Vadlamudi – C.E.O.
Mr. Srinivas Ramancherla- C.F.O.
Ms. Aradhana Rewatkar- Company Secretary

Auditors
M/s. M. Bhaskara Rao & Co.,
Chartered Accountants
5-D, Fifth Floor, 'Kautilya'
6-3-652, Somajiguda
Hyderabad-500082

Bankers
ICICI Bank Limited
HSBC Bank Limited

Registered Office:
1-8-301-306, 3rd Floor, Ashoka MyHome Chambers,
S. P Road, Secunderabad- 500 003,
Telangana, INDIA

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the Twenty Second Annual Report together with audited Financial Statements of the Company for the year ended March 31, 2022.

The Company's Standalone financial results for the year under review along with previous year's results are presented hereunder:

Financial Highlights

Rs. in Millions

Particulars	**2021-22**	**2020-21**
Income	3,390.33	3,370.74
Other Income	123.38	171.63
Total Income	3,513.71	3,542.36
Operating Profit (EBITDA)	518.38	423.03
Operating Margin *(after considering Forex loss & Provision for doubtful debts)	15.29%	12.55%
Depreciation	81.23	85.69
EBT	560.54	508.09
Net Income (PAT)	405.14	375.84
Current Tax	160.61	108.07
Tax relating to earlier years	-0.16	2.30
Deferred Tax	-5.05	21.88
Cash & Cash Equivalent	299.14	233.50
Long Term Debt	-	-
Capital Expenditure	52.50	72.75

Business Overview

During the year under review, the Company secured business orders from 11 new Customers. Key additions include:

- One OEM as a customer in Japan
- Started supporting new location with good growth potential for an EV OEM in USA
- Expanded business to Brazil with offshore work for a customer
- Entered a new geography in Europe (Sweden) by tying up with a local partner
- Extended styling services to a luxury sports car OEM in UK

The Company continued to enjoy 98% repeat business based on its quality of services and value addition. The top 15 customers accounted for 87% of the Company's revenues in FY22.

The Company revenue increased by 2% in FY22 (Compared to FY21) in USD terms and 1.6% in Rupee terms despite heavy headwinds experienced by the global automotive industry in FY22 as given below:

- Cancellation of programs and delay in new programs due to continued semiconductor shortages worldwide
- Continued COVID-19 related restrictions in key cities like Shanghai in China
- Continued pressure on rates at offshore and onsite due to budget cuts by customers
- Inability to fulfill onsite requirements in China, Japan, and USA due to travel restrictions and non-availability of resources in local markets due to scarcity and competition
- Loss of billable positions / trained talent due to increased attrition in the Indian IT/ITES industry. Total number of associates resigned during FY22 is 615, which created negative impact on the current business revenues & resulted in non- fulfilment of new requirements of the customers.

- Change of strategy (like in-sourcing the work, moving the work to own LCC locations among others) by some of the key customers accounted for about $ 3.7M reduction in revenue in FY22

The Company had recovered ground with key customers by increasing the revenue in FY22 with a total addition of $ 8.0M. But there was a reduction in revenue of $ 7.2M due to the headwinds mentioned above, thus limiting the overall growth of the company in FY22.

Automotive industry continues to face challenges in the form of semiconductor shortages worldwide, on-going COVID-19 related restrictions in China and Europe, and the war in Ukraine affecting key supply chain.

The Company continued majority of the projects in WFH mode with about 90% of the associates working from home.

The Company continued its focus on various cost optimization measures throughout the year.

The Company's Data Privacy and Info Sec Policy is at a higher level and strong compliance was demonstrated. The Company is working on TISAX certification for its Offsite Centre in Germany.

One Satven associate from Ford team co-authored a patent on 'Rotating lidar gutter system for air leakage and water drainage management' related to autonomous cars. This patent was filed in USA and India.

The Company continues to invest in its associates when it comes to their Training & Development and is also actively supporting EHSMS (Environment, Health & Safety Management Systems) initiatives across various locations.

Several of the Company's engineers received Achievement and Champion awards directly from customer senior leadership teams.

Marketing & Communication

The Company participated in various Industry Events to increase its visibility in the Automotive Market and also understand technology trends.

Academia Connect Initiatives

The Company collaborated with Hiroshima University, Japan to improve the performance of battery pack using Data Driven PID control method continued in FY22 with finalization of the software model development.

Future Prospects

For long term sustenance and growth, the Company plans to develop more Offsite Engineering Centers in developed markets and expand presence in Mexico, China, Vietnam among others.

The Company is working on the new technology initiatives in the following areas to help achieve higher growth targets for FY23 and beyond and also meet the requirements of existing Customers and Business:

- **Mechatronics :**
  - o Software-in-Loop (SIL) testing and automation, Hardware-in-Loop (HIL) testing and automation, Battery Management System (BMS), Functional Safety, Model Based Design (MBD)
- **Electric Vehicles**
  - o Electric Vehicle Teardown & Benchmarking, Design of EV Motor & 2 Speed transmission to improve Range and Top Speed, 1D- Structural & CFD simulations, Transient & flow studies
- **Automation / AI / ML**
  - o AI, ML, and DL for safety applications, ML Application for NVH simulations, Automation & Customization – Design processes, Augmented Reality / Virtual Reality (AR / VR), Manufacturing Process Automation using AR/VR technology
- **Systems Modeling**

  The Company is also planning to invest in the acquisition of a company to complement its technology initiatives and customer reach in the markets such as NA, Europe, and APAC.

Auditors

M/s. M. Bhaskara Rao & Co, Chartered Accountants, Hyderabad were appointed as Statutory Auditors of the Company for a period of five (5) years from the conclusion of 19th AGM held on 23rd July, 2019, on such remuneration as may be determined by the Board of Directors.

The auditors have confirmed their eligibility under Section 139 of the Companies Act, 2013 and the Rules framed thereunder for continuing in the office of Auditors for the Financial Year 2022-23.

Auditors' Report

There are no qualifications, reservations or adverse remarks made by the Auditor's in their Report.

In respect of Emphasis of Matters (EOM) made in the Auditors' Report, the Disclosures made at Note No. 27.2 and 28 in notes to Accounts are self-explanatory.

Internal Financial Controls

During the year under review, the external consultant appointed by the Company conducted periodic review of IFC Framework.

They reported that the controls are adequate for ensuring the orderly and efficient conduct of the business including adherence to the Company's policies, the safe guarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information.

Fixed Deposits

Your Company has not accepted any deposit.

Dividends

No dividend is recommended by the Board of Directors for F.Y. 2021-22. No amount was required to be transferred to reserves.

Meetings of the Board

During the year ended 31st March, 2022, five Board Meetings were held on, 16h April, 2021, 16th July, 2021, 23rd September, 2021, 16th October, 2021 and 17th January, 2022 respectively. The intervening gap between the meetings was within the time allowed under the Companies Act, 2013.

The dates of the Committee Meetings are as follows:

Audit Committee: 16h April, 2021, 16th July, 2021, 10th August, 2021 (adjourned and resumed on 12th August, 2021), 16th October, 2021 and 17th January, 2022

CSR Committee: 16h April, 2021, 16th July, 2021 and 17th January, 2022

NRC Committee: 16h April, 2021, 16th October, 2021 and 17th January, 2022

Directors

The Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 for F.Y. 2022-23.

Pursuant to the provisions of Section 152(6) (c) of the Companies Act 2013, Mr. Jayaraman Ganapathy (DIN 01461157) & Mr. Venkateswara Rao Gajjala (DIN 08733877), Directors, are liable to retire by rotation and being eligible, offer themselves for reappointment.

Mr. Rakesh Soni resigned on 18th November, 2021. The Board places on record its sincere appreciation for the valuable advice and guidance given by him during his tenure.

Number of Board & Committee Meetings attended by the Board Members

Directors	Board Meeting	Audit Committee	CSR Committee	NRC Committee
Mr. Subramanyam Reddy Chelikam	5	5	NAP	3
Mr. Jayaraman Ganapathy	5	NAP	3	NAP
Ms. Krishna Kumari Palle	5	NAP	NAP	NAP
Mr. Narasimham Venkata Rachakonda (w.e.f. 17th Jan, 2022)	NAP	NAP	NAP	NAP
Mr. V. Venkata Kumar Raju	5	5	3	NAP
Mr. Venkateswara Rao Gajjala	5	NAP	NAP	NAP
Mr. Venkateswarlu Jonnalagadda	5	5	3	3
Mr. Rakesh Soni (upto 18th November, 2021)	3	NAP	NAP	2
Mr. B. K. Mishra (w.e.f. 8th May, 2021)	4	NAP	1	1

Internal Auditor

Pursuant to Sec 138 of the Companies Act, 2013, the Company had appointed Mr. J. S. S. Sivarama Prasad, Chartered Accountants as the Internal Auditors of the Company.

Board Evaluation

Pursuant to the provisions of Sec 178 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, the Directors have reviewed the performance of the Board for F.Y. 2021-22.

Remuneration Policy

The Board upon the recommendations of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration during F.Y. 2014-15. Extract of the Remuneration Policy is annexed as **Annexure 'B'**.

Corporate Social Responsibility (CSR)

The CSR vision of the Company is "Community Development through Education".

Pursuant to the guidelines prescribed under section 135 of the Companies Act, 2013, the Board has formed a Committee viz, Corporate Social Responsibility (CSR) Committee. The Board of Directors of the Company laid down the CSR Policy, covering the Objectives, Focus Areas, Governance Structure and Monitoring & Reporting Framework among others. Subsequently the CSR Policy as recommended by the CSR Committee was approved by the Board.

The Company has spent more than 2% of the average net profits of the Company during the three immediately preceding financial years on CSR.

The policy is available at https://satyamventure.com/csr/

The Company's social initiatives are carried out by Tech Mahindra Foundation, Section 8 (erstwhile Section 25) Companies promoted by Tech Mahindra Limited. The Annual Report on CSR Activities is annexed as an **Annexure C**.

Related Party Transactions

All related party transactions that were entered into during the Financial Year were at arm's length basis and were in the ordinary course of business. No material related party transactions were made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions for the period under review are placed before the Audit Committee and the Board for its approval. Pursuant to clause (h) of subsection (3) of Sec 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, Form **AOC 2 is annexed to this Report as Annexure D.**

Risk Management

The Company has developed its Risk Assessment Framework and is being implemented under the ISO standards and IFC Framework.

The Company's Risk Management is also forming part of the Risk Management Framework adopted by the Holding Company wherein the elements of risks are overviewed for the Organization as a whole including its Subsidiaries.

Risk Management - COVID-19

Risk assessment & mitigation plans in perspective of the following parameters has been done:

- Customers (Revenue, Receivables, Delivery & Communication)
- Profitability Impact
- Cash flows
- Work from Home (productivity & cyber security)
- Associate engagement & wellbeing
- Vendor management
- Statutory Compliances

Whistle Blower Mechanism

Whistle Blower Mechanism is a part of the Company's Code of Ethical Business Conduct Policy which is applicable to all its Subsidiaries & Branches. The Policy sets out ways through which the stakeholders can raise concerns that relate to actual or suspected violations to the Corporate Ombudsman Office. No complaints were received during the period under review.

Fraud Reporting

No frauds were reported during the period under review.

Sustainability

The Company has taken several steps to support the Green Initiatives including "Disposal of E-waste through Government authorized Agency".

Prevention of Sexual Harassment Policy

The Company has Prevention of Sexual Harassment Policy in which it formalized a free and fair enquiry process with clear timeline. Also the Company has formed an Internal Redressal Committee to which employees can write their complaints. During the year under review, the Company has not received any such complaint in this regard and no cases were filed pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Annual Return

The Annual Return in Form MGT 7 will be hosted on website at https://satyamventure.com/investors/ after necessary certification and filing the same with the authority.

Particulars of Employment

Section 197 (12) of the Companies Act, 2013, read with the Rule 5(1) of the Companies (Remuneration of Managerial Personnel), 2013 are not applicable for your Company.

Form of Statement containing salient features of financial statements of subsidiaries

The statement containing the salient features of the financial statement of a Company's Subsidiary or Subsidiaries, Associate Company or Companies and joint venture or ventures under the first proviso to sub-section (3) of section 129 in Form AOC-1 is annexed herewith as **Annexure 'E'**

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. M. Gayathri, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure 'F'**.

Details of Subsidiaries:

During the year under review, Company had two Subsidiaries, namely, Satven GmbH at Germany and Satyam Venture Engineering Services (Shanghai) Co., Ltd. at China.

Company has not incorporated any new Subsidiary during the year under review.

Particulars of loans, guarantees or investments under Section 186:

Company did not provide/give any loans, guarantees or investments under Section 186.

Conservation of Energy, Technology Absorption and Foreign Exchange

The particulars prescribed as per Sec 134 (3) (m) of Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules 2014.

A. Conservation of Energy:

Company uses electrical energy for its equipment, such as, air-conditioners, computer terminals, lighting and utilities at work places. As an on -going process, the Company continued to undertake the following measures to conserve energy:

- Implemented LED lighting systems to optimize power consumption.
- Implementation of Sensor lighting system in cabins
- Identification and replacement of low efficient computers and peripherals.
- Conducting continuous energy conservation awareness and training sessions.
- Periodical maintenance of electrical equipment, Air conditioners & other computer peripherals.

Capital investment on energy conservation equipment: NIL

B. Technology Absorption: The Company has continued its endeavor to adopt technologies for its services to meet the requirements of a globally competitive market. The Company is compliant with the prevalent regulatory norms. Company collaborates with the Customers and develops the technology and register the patents from the project outcome. The Company also participates in various Global Automotive Forums to acquaint with the latest trends in the technology areas. These initiatives are providing additional revenue streams to the Company apart from higher visibility in the Market.

During the last three years, the Company did not import any technology.

No cost has been incurred towards **Research and Development** .

D. Foreign Exchange Earnings and outgo

(Rs. In Million)

	March 31, 2022	**March 31, 2021**
I) Foreign Exchange Earnings	2,141.34	2,326.42
II) Foreign Exchange outgo	1,587.58	1,555.60

Directors' Responsibility Statement

As required by the provisions of Section 134 of the Companies Act, 2013, Directors' Responsibility Statement is attached as **Annexure 'A'**.

Acknowledgement

Directors take this opportunity to place on record the valuable contribution and support received from the Customers, Members, Banks, Suppliers, Consultants and Associates and also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors

Basanta Kumar Mishra
Chairman

Place: Hyderabad
Date: 19th April, 2022

ANNEXURE 'A'

Directors' Responsibility Statement

To the Members,

We, the Directors of Satyam Venture Engineering Services Private Limited, confirm the following:

i. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. that the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;

iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;

iv. That the Directors had prepared the Annual Accounts on a going concern basis.

v. The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board of Directors

Basanta Kumar Mishra
Chairman

Place: Hyderabad
Date: 19th April, 2022

ANNEXURE B

Nomination and Remuneration Committee Policy

1. OBJECTIVE

In compliance with the provisions of Section 178 of Companies Act 2013, following policies are formalized. :

1.1 Policy on appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel;

1.2 Policy on Remuneration to the Directors, Key Managerial Personnel, Senior Management Personnel and other Employees

1.3 Policy on Evaluation of performance of the individual Directors.

2. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"**Board**" means Board of Directors of the Company.

"**Company**" means **Satyam Venture Engineering Services Private Limited**.

"**Committee(s)**" means Committees of the Board for the time being in force.

"**Employee**" means employee of the Company whether employed in India or outside India.

"**HR**' means the Human Resource department of the Company.

"Key Managerial Personnel" means KMP defined under section 2(51) of the Companies Act, 2013 i.e. Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS).

"Nomination and Rem uneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Ma nagement Personnel" means personnel of the company who are members of its core management team comprising of the HODs excluding Board of Directors & KMP. HODs refers to Heads of HR, Sales & Marketing, Commercial, Corporate Services, Legal, Delivery Heads, ERP & Quality.

3. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL

3.1 Directors

- The NRC determines the criteria for appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of individual Board member, the NRC will take into account multiple factors, including general understanding of the business, education, professional background, personal achievements, professional ethics and integrity.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made there under.

3.2 Key Managerial Personnel (KMP)

- The NRC determines the criteria for appointment of KMP and is vested with the authority to identify candidates for appointment of KMP. In evaluating the suitability of individual KMP, the NRC will take into account multiple factors, including general understanding of the business, education, professional background & experience, personal achievements, professional ethics, integrity and applicable statutory / regulatory requirements.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate Personnel.

3.3 Senior Management Personnel

- The CEO determines the criteria for appointment of the Senior Management Personnel supported by HR and is also vested with the authority to appoint Senior Management Personnel. In evaluating the suitability of Senior Management Personnel, the CEO will take into account multiple factors, including general understanding of the business, education, professional background & experience, personal achievements, professional ethics and integrity.

  The details of the appointment (s) made and the personnel removed / relieved during a quarter shall be presented to the Board.

3.4 Removal of Board of Directors

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non-adherence to the applicable policies of the company, the NRC may recommend to the Board for removal of a Director.

4. REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT PERSONNEL:

4.1 Directors:

The sitting fee for the Board and Committee meetings will be recommended by NRC to the Board.

The members on the Board, who are employees of the Holding Company, will not be paid any sitting fee for the Board and Committee meetings.

However, if necessary, NRC may recommend to the Board for such payments to any of the Directors.

4.2 Remuneration to Key Managerial Personnel & Senior Management Personnel

4.2 (a) Key Managerial Personnel:

- The initial remuneration of KMP will be approved by the Board of Directors based on the recommendations of NRC. Subsequent revision will be made by NRC.
- Any foreign travels of C.E.O. to be with the consent of Chairman of the Board.

4.2 (b) Senior Management Personnel:

- CEO supported by HR, to review and consider revision of the remuneration of Senior Management Personnel from time to time. The Company follows an extensive Performance Management System to review the performance of the Senior Management Personnel and provide rewards on the basis of meritocracy.
- CEO shall make a presentation to the NRC on the proposed annual increments based on the performance of the company, general trends in the Industry etc. the annual performance appraisal process of the employees conducted by the Human Resources department. Eligible employees will be rewarded with the annual increment. Before taking the proposal to the NRC, the CEO shall obtain the approval of Chairman of NRC.
- However, if any internal candidate is deputed by Holding Company from their rolls for any of these positions, the remuneration for such candidate(s) will be fixed by the holding company.
- The initial remuneration of HOD HR will be approved by the Board of Directors based on the recommendations of NRC. Subsequent revision will be made by NRC.

5. EVALATION FRAMEWORK

5.1 Performance Evaluation Individual Board members including Independent Directors:

- Evaluation for the Individual Directors, including Independent Directors will be carried out in the first month of each financial year i.e. April. The process will be initiated each year by the chairman of NRC assisted by the Company Secretary or any other person authorized by the NRC. Each Board Member will get an evaluation forms as given in Annexure-I & II in the first week of April of each year. The members shall complete the form and return it to the Chairman of NRC.

ANNEXURE 'C'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **Brief outline on CSR Policy of the Company:**

   The CSR vision of the Company is "Community Development through Education".

   The Board of Directors of the Company laid down the CSR Policy, covering the Objectives, Focus Areas, Governance Structure and Monitoring & Reporting Framework among others. Subsequently, Board approved the CSR Policy as recommended by the CSR Committee.

   The policy is available at https://satyamventure.com/csr/

   The Company's social initiatives are carried out by Tech Mahindra Foundation and Mahindra Educational Institutions, Section 8 (erstwhile Section 25) Companies in the Tech Mahindra group.

2. **Composition of CSR Committee:**

INR

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. B. K. Mishra (w.e.f. 8th May, 2021)	Director	3	1
2	Mr. Jayaraman Ganapathy	Director	3	3
3	Mr. V Venkata Kumar Raju	Director	3	3
4	Mr. Venkateswarlu Jonnalagadda	Independent Director	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. https://satyamventure.com/csr/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).
   Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any Not Applicable

Sl. No.	Financial Year	Amount required to be setoff for the financial year, if any (in Rs)	Amount required to be setoff for the financial year, if years (in Rs)
1	2020-21	NIL	NIL
2	2019-20	NIL	NIL
3	2018-19	NIL	NIL
	TOTAL	NIL	NIL

6. Average net profit of the company as per section 135(5): Rs. 32,62,82,329 /-

7. (a) Two percent of average net profit of the company as per section 135(5) Rs. 65,25,647 /-

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL

   (c) Amount required to be set off for the financial year, if any NIL

   (d) Total CSR obligation for the financial year (7a+7b-7c). Rs. 65,25,647 /-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer.	Name of the Fund	Amount	Date of transfer.
Rs. 66,00,000/-	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	TOTAL											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	SMART	(ii)*	Yes	Telangana	Hyderabad	1 year	2499788	2499788	NIL	NO	Tech Mahindra Foundation	CSR00001814
2	SMART+	(ii)*	Yes	Telangana	Hyderabad	1 year	2486743	2486743	NIL	NO	Tech Mahindra Foundation	CSR00001814
3	SMART	(ii)*	Yes	Telangana	Hyderabad	1 year	1613469	1613469	NIL	NO	Tech Mahindra Foundation	CSR00001814
	TOTAL						6600000	6600000				

*(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(d) Amount spent in Administrative Overheads NIL

(e) Amount spent on Impact Assessment, if applicable NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) 66,00,000/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	65,25,647/-
(ii)	Total amount spent for the Financial Year	66,00,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	74,353/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	74,353/-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. NO	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
			Name of the Fund	Amount	Date of transfer.	
1	NIL	NIL	NIL	NIL	NIL	NIL
2	NIL	NIL	NIL	NIL	NIL	NIL
	TOTAL	**NIL**	**NIL**	NIL	**NIL**	**NIL**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in Rs.).**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed / Ongoing.**
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

Rao S. Vadlamudi
(Chief Executive Officer)

Basanta Kumar Mishra
(Chairman CSR Committee)

For and on behalf of the Board of Directors

Basanta Kumar Mishra
Chairman

Place: Hyderabad
Date: 19th April, 2022.

ANNEXURE 'D'

FORM AOC 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis**

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis are as follows:**

   (a) Name(s) of the related party and nature of relationship

   Holding Company - Tech Mahindra Limited

   Subsidiaries of Holding Company–

   - Tech Mahindra GmbH
   - Tech Mahindra Foundation

   Subsidiaries-

   - Satyam Venture Engineering Services (Shanghai) Co. Ltd, China
   - Satven GmbH, Germany

   Associate Companies-

   - Mahindra & Mahindra Ltd

   Key Managerial Personnel-

   - Rao S. Vadlamudi, C.E.O.
   - Srinivas Ramancherla, C.F.O.
   - Aradhana Rewatkar, Company Secretary

   (b) Nature of contracts/arrangements/transactions: Providing IT enabled Engineering Services & contribution towards CSR

   (c) Duration of the contracts / arrangements/transactions: Varies from 1 to 3 years and arrangement is through Master Service Agreements and Purchase orders.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Description	Transactions during the year ended March 31, 2021 (INR in MN)					Transactions during the year Ended March 31, 2020 (INR in MN)				
	Holding Company	Subsidiaries Company	Associate Company	Subsidiaries of Holding Company	Key Management Personnel	Holding Company	Subsidiaries Company	Associate Company	Subsidiaries of Holding Company	Key Management Personnel
Sales / Services rendered to	472.96	55.01	16.20	-	-	329.38	31.82	13.29	-	-
Dividend received	-	30.33	-	-	-	-	-	-	-	-
Directors' Sitting Fees					0.71					0.59
Remuneration	-	-	-	-	19.29	-	-	-	-	19.10
Stock options perquisite	-	-	-	-	10.94	-	-	-	-	-
Staff Loan/Salary Advance paid during the period					2.31					1.54
Advances from /(to)	-	-	-	-	-	-	1.54	-	-	-
Services received / Purchases #	13.84	-	-	-	-	4.71	-	-	-	-
CSR Expenses	-	-	-	6.60	-	-	-	-	6.73	-

(e) Date(s) of approval/discussion by the Board, if any: 16h April, 2021, 16th July, 2021, 16th October, 2021 and 17th January, 2022

(f) Amount paid as advances, if any: NA

Reimbursement of Salary Cost & Other Expenditure

For and on behalf of the Board of Directors

Basanta Kumar Mishra
Chairman

Place: Hyderabad
Date: 19th April, 2022

ANNEXURE 'E'

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. Sl. No. **1**
2. Name of the subsidiary: **Satven GmbH**
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: **Same as Holding Company**
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. **EURO (84.033)**
5. Share capital: **Rs. 3,57,14,025**
6. Reserves & surplus: **Rs. 1,31,01,938**
7. Total assets: **Rs. 5,85,23,964**
8. Total Liabilities: **Rs. 97,08,001**
9. Investments: **NIL**
10. Turnover: **Rs. 9,41,37,673**
11. Profit before taxation: **Rs. 65,03,904**
12. Provision for taxation: **Rs. 6,53,803**
13. Profit after taxation: **Rs. 58,50,101**
14. Proposed Dividend: **NIL**
15. % of shareholding: **100%**

1. Sl. No. **2**
2. Name of the subsidiary: **Satyam-Venture Engineering Services (Shanghai) Co., Ltd.**
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: **January 1st to December 31st**
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. **CNY (11.706)**
5. Share capital: **Rs. 66,672,724**
6. Reserves & surplus: **Rs. 11,572,920**
7. Total assets: **Rs. 95,833,906**
8. Total Liabilities: **Rs. 17,588,263**
9. Investments: **NIL**
10. Turnover: **Rs. 99,697,938**
11. Profit before taxation: **Rs. 10,453,701**
12. Provision for taxation: **Rs. 1,971,497**
13. Profit after taxation: **Rs. 8,482,204**
14. Proposed Dividend: **NIL**

15. % of shareholding: **100%**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	-	-	-
2. Shares of Associate/Joint Ventures held by the company on the year end	-	-	-
No. of shares	-	-	-
Amount of Investment in Associates/Joint Venture	-	-	-
Extend of Holding %	-	-	-
3. Description of how there is significant influence	-	-	-
4. Reason why the associate/joint venture is not consolidated	-	-	-
6. Networth attributable to Shareholding as per latest audited Balance Sheet	-	-	-
7. Profit / Loss for the year	-	-	-
i. Considered in Consolidation	-	-	-
ii. Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations. **NIL**
2. Names of associates or joint ventures which have been liquidated or sold during the year. **NIL**

For and on behalf of the Board of Directors

Basanta Kumar Mishra
Chairman

Place: Hyderabad

Date: 19th April, 2022

ANNEXURE 'F'

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED

1-8-301-306, 3rd Floor

Ashoka My Home Chambers

Secunderabad, Telangana- 500003

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED (CIN: U72200AP2000PTC033213) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the period covering the financial year ended on 31st March, 2022 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;
2) The Secretarial Standards issued by the Institute of Company Secretaries of India.
3) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investments, Overseas Direct Investments and External commercial Borrowings, as applicable to the Company.
4) The Depositories Act, 1996 and the Regulations and Bye-law framed there under;
5) Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are not applicable to the Company as the Company's Equity Shares are not listed in any Stock Exchanges in India

I further report that:

The Company was not required to comply with the following laws/regulations/agreements/ guidelines and consequently not required to maintain any books, papers, minutes books or other records or file any form / returns under:

a) The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
b) Listing agreement, since the company is not listed entity

I further report that, management has identified and made internal control mechanism for complying the following laws and other laws as being specifically applicable to the Company:

i. The Employee Provident Fund and Miscellaneous Provisions Act, 1952
ii. The Payment of Bonus Act, 1965
iii. The Payment of Gratuity Act, 1972
iv. The Contract Labour (Regulation and Abolition) Act, 1970
v. The Maternity Benefits Act, 1961
vi. The Income Tax Act, 1961
vii. Shops and Establishments Act, 1948
viii. The Environment (Protection) Act, 1986

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, Independent Directors and woman Director. The changes in the composition of the Board of Directors that took place during the year under review were carried out in the compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- Shareholders of the company have not adopted financial statements at Annual General Meeting held on 24/07/2021 and the same was recorded as part of the Annual General Meeting minutes. The provisional un-adopted financial statements are filed with Registrar of Companies, Hyderabad.
- There were Related Party transactions which in the opinion of the management, are within the Arm's Length basis and in the normal course business, approved by Audit Committee and Board of Directors of the Company.
- As per the minutes of the Board Meetings and Committee Meetings, all the decision of the Board and Committee thereof were carried out with requisite majority and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

(Motati Gayathri)
Practicing Company Secretary
ACS: 24428
CP: 8947
UDIN:
Place: Hyderabad
Date: 19th April, 2022

Note: This report is to be read with our letter of even date which is annexed as **"ANNEXURE 1"** and forms an integral part if this report.

“ANNEXURE 1”

To,
The Member,
SATYAM VENTURE ENGINEERING SERVICESPRIVATE LIMITED

1-8-301-306, 3rd Floor

Ashoka My Home Chambers

Secunderabad, Telangana- 500003

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records produced for audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. I have conducted verification & examination of records, as facilitated by the Company for the purpose of issuing this report.
7. Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

(Motati Gayathri)
Practicing Company Secretary
ACS: 24428
CP: 8947
UDIN:
Place: Hyderabad
Date: 19th April, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
Satyam Venture Engineering Services Private Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Satyam Venture Engineering Services Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 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 then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (here after 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, the profit and total comprehensive income, the changes in equity and its cash flows for the year then ended.

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 Act. 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 Act and the Rules issued thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following notes in the standalone financial statements:

a) Note 27.2 regarding reckoning of Rs.28,253.90 Lakhs as contingent liability, towards any possible charge that may arise in respect of ongoing dispute between the promoters, for the period from 01 April 2012 to 31 March 2022 based on legal advice and for reasons stated in the said note notwithstanding the status of litigation between the promoters on various issues relating to the Shareholders Agreement, the outcome of which is not determinable at this stage.

b) Note 28 regarding drawing up of accounts for the year incorporating opening balances based on the financial statements of earlier years which have not been adopted by the shareholders.

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 preparation of other information. The other information comprises the information included in the Directors 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 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, 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 read with the Rules issued thereunder. 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 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.

Those 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 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 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 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 upto 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 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 paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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 standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the rules issued thereunder;

e. the matter relating to contingent liability described in paragraph (a) under the Emphasis of Matters above, in our opinion, may have an adverse effect on the functioning of the Company;

f. on the basis of 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;

g. 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

h. 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 provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company.

i. 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of all pending litigations on its financial position in its standalone financial statements - Refer note 27 to the standalone financial statements;

   ii. The Company does not have any material foreseeable losses relating to long term contracts including derivate contracts as on 31 March 2022. No provision is made in respect of the contingent liability described under note 27.2 since the matters involving these litigations are sub-judice at present, the impact of these pending litigations on its financial position could not be stated in the standalone financial statements;

   iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended 31 March 2022.

   iv. (a) the Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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;

   (b) the Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, 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

   (c) Based on audit procedures 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 mis-statement.

   v. The Company has not declared or paid any dividend during the year for

M.Bhaskara Rao & Co.,
Chartered Accountants
Firm's Registration No.000459S

K.S. Mahidhar
Partner
Membership No. 220881
UDIN : 22220881AHJRHB6480

Hyderabad, 19 April 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Satyam Venture Engineering Services Private Limited)

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) (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 during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of their assets, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) The Company does not have any immovable properties and accordingly, paragraph 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year and accordingly, paragraph 3(i)(d) of the Order is not applicable.

(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 and rules made thereunder.

(ii) (a) The Company does not have any inventory and accordingly, paragraph 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assts and accordingly, paragraph 3(ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments, 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 other parties during the year and accordingly paragraph 3(iii) of the Order is not applicable, at present.

(iv) The Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, investments made and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits to which the directions issued by the Reserve Bank of India and provisions of Section 73 to Section 76 or any other relevant provision of the Act and the Rules made there under, where applicable. Further no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal and accordingly paragraph 3(v) of the Order is not applicable, at present.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section(1) of section 148 of the Act, for the business activities carried out by the Company.

(vii) In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year;

There were no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax and cess which were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable; and

(b) Details of dues of income tax, provident fund and service tax which have not been deposited as on 31 March 2022 on account of disputes are given below:

Statute	**Nature of dues**	**Forum where dispute is pending**	**Period to which the amount relates**	**Amount involved** (Rupees in Lakhs)
Income Tax Act 1961	Income Tax	CIT (Appeals)	AY 2014-15, 2016-17, 2017-18 and 2018-19	1154.73
Finance Act, 1994	Service tax and penalty	CESTAT	2007-08 to 2016-17	888.95
Employees Provident Fund & Miscellaneous Provisions Act,1952	Provident Fund	Central Government Industrial Tribunal Cum Labour Court	2014-15 and 2015-16	125.96

(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) The Company did not avail or raise any loans or other borrowings from any lender; accordingly, paragraph 3(ix) 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. Accordingly, paragraph 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, partially or optionally convertible), and accordingly, paragraph 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and other records of the Company carried out in accordance with the generally accepted auditing practices in India, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management. Accordingly, paragraph 3(xi)(a) of the Order is not applicable.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-14 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) As represented to us by the management, there are no whistle blower complaints received by the company during the year

(xii) 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 standalone financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with them and hence provisions of Section 192 of the Act, are not applicable.

(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. Accordingly, paragraph 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) Directors, 2016) and accordingly, paragraph 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred any 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 during the year, accordingly paragraph 3(xviii) of the Order is not applicable.

(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, the 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 form the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section(5) of Section 135 of the said Act.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no unspent amount in respect of ongoing projects, under sub-section(5) of section 135 of the Companies Act. Accordingly, paragraph 3(xx)(b) is not applicable.

(xxi) The Company does not have subsidiaries incorporated in India to which reporting under Companies (Auditor's Report) Order is applicable, accordingly, paragraph 3(xxi) is not applicablefor

M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No. 000459S

K.S. Mahidhar
Partner
Membership No.220881
UDIN: 22220881AHJRHB6480

Hyderabad, 19 April 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Satyam Venture Engineering Services Private Limited)

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

We have audited the internal financial controls over financial reporting of **Satyam Venture Engineering Services Private Limited** ("the Company") as of 31 March 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 ICAI 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 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 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 and according to the information and explanation given to us, the Company has to strengthen the internal financial controls over financial reporting relating to leave management including recording and timely updation of the employee leave records 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. However, considering the size of the Company and nature of its operations during the year, in our opinion, the internal financial controls over financial reporting followed were operating effectively as at 31 March 2022.

for **M.Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No.000459S

K.S. Mahidhar
Partner
Membership No. 220881
UDIN: 22220881AHJRHB6480

Hyderabad, 19 April 2022

SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED

STANDALONE BALANCE SHEET AS AT 31 MARCH 2022

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	**553.11**	630.61
(b) Other intangible assets	5	**387.93**	597.61
(c) Financial assets			
(i) Investments	6	**943.67**	943.67
(ii) Other financial assets	7	**3,875.43**	2,776.15
(d) Deferred tax assets (net)	8	**398.19**	400.43
(e) Non-current tax assets (net)	9	**5,984.45**	5,036.45
Total Non-Current Assets		**12,142.78**	10,384.92
Current Assets			
(a) Financial assets			
(i) Investments	6	**10,838.06**	9,528.62
(ii) Trade receivables	10	**6,574.56**	6,841.82
(iii) Cash and cash equivalents	11	**2,991.39**	2,335.02
(iv) Other bank balances	12	**6,119.54**	5,982.21
(v) Other financial assets	7	**3,565.09**	2,359.53
(b) Other current assets	13	**1,207.62**	823.11
Total Current Assets		**31,296.26**	27,870.31
Total Assets		**43,439.04**	38,255.23
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	**708.90**	708.90
(b) Other equity	15	**32,965.33**	28,759.59
Total Equity		**33,674.23**	29,468.49
LIABILITIES			
Non-Current Liabilities			
(a) Provisions	16	**1,316.04**	1,461.31
(b) Other Financial Liabilities	17	**0.08**	0.42
Total Non-Current Liabilities		**1,316.12**	1,461.73
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	18		
(A) Total outstanding dues of micro enterprises and small enterprises; and		**3.86**	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		**604.60**	546.54
(ii) Other financial liabilities	17	**667.18**	410.38
(b) Other current liabilities	19	**577.14**	592.30
(c) Provisions	16	**5,577.92**	5,491.46
(d) Current tax liabilities (Net)	20	**1,017.99**	284.33
Total Current Liabilities		**8,448.69**	7,325.01
Total Equity and Liabilities		**43,439.04**	38,255.23

See accompanying notes to the financial statements

In terms of our report attached	**for and on behalf of the Board of**		
for M. Bhaskara Rao & Co.	Satyam Venture Engineering Services Private Limited		
Chartered Accountants	CIN: U72200TG2000PTC033213		
Firm Registration No.000459S			
K.S.Mahidhar	**B.K. Mishra**	**J. Venkateshwarlu**	
Partner	Director	Director	
Membership NO.220881	DIN :09163831	DIN : 00051001	
	Rao.S.Vadlamudi	**Srinivas R**	**Aradhana R.**
	CEO	CFO	Company Secretary

Hyderabad, 19 April 2022

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE THE YEAR ENDED 31 MARCH 2022

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Income from operations	21	**33,903.32**	33,707.37
Other income	22	**1,233.82**	1,716.25
Total Income		**35,137.14**	**35,423.62**
Expenses			
Sub contracting costs		**129.00**	92.84
Employee benefits expense	23	**24,240.60**	25,035.15
Finance costs		**-**	8.72
Depreciation and amortisation expense	24	**812.27**	856.90
Other expenses	25	**4,352.42**	4,349.08
Total Expenses		**29,534.29**	**30,342.69**
Profit before tax		**5,602.85**	5,080.93
Tax Expense	26		
Current tax		**1,606.11**	1,080.70
Earlier years tax		**(1.64)**	23.04
Deferred tax		**(50.52)**	218.79
Total tax expense		**1,553.95**	1,322.53
Profit for the year		**4,048.90**	**3,758.40**
Other comprehensive income / (loss)			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		**142.31**	309.35
Income tax on above items	26	**(35.82)**	(77.86)
		106.49	**231.49**
B. Items that may be reclassified to profit or loss			
Effective portion of gain / (loss) on Designated Portion of Hedging Instruments in a Cash Flow Hedge (net)		**67.29**	10.24
Income tax on above items	26	**(16.94)**	(2.58)
		50.35	**7.66**
Other comprehensive income / (loss) for the year		**156.84**	239.15
Total comprehensive income for the year		**4,205.74**	**3,997.55**
Earnings per equity share	37		
Basic and Diluted - (In Rs. per share)		**57.12**	**53.02**

See accompanying notes to the financial statements

In terms of our report attached
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Firm Registration No.000459S

for and on behalf of the Board of
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Rao.S.Vadlamudi
CEO

Srinivas R
CFO

Aradhana R.
Company Secretary

Hyderabad, 19 April 2022

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

All amounts are Rupees in lakhs unless otherwise stated

		Year ended 31 March 2022	Year ended 31 March 2021
A.	**Cash flow from operating activities**		
	Profit for the year	**5,602.85**	5,080.93
	Adjustments for		
	Interest income recognised in profit or loss	**(488.45)**	(411.58)
	Dividend Income on Non Current Investment recognised in profit or loss	**(303.28)**	-
	Loss / (Profit) on sale of fixed assets	**(1.57)**	(0.83)
	Depreciation and amortisation of non-current assets	**812.27**	856.90
	Net foreign exchange (gain) / loss	**63.70**	56.16
	Net (Gain) / Loss on sale of investments	**(42.56)**	(12.31)
	Provision for doubtful receivables	**6.08**	0.30
	Fair value measurements	**(319.89)**	(364.04)
	Operating profit / (loss) before working capital changes	**5,329.15**	**5,205.53**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Trade Receivables	**261.18**	897.05
	Other Non-Current Assets	**-**	-
	Other Non Current Financial Assets	**48.53**	3.45
	Other Current Financial Assets	**(1,094.87)**	1,436.37
	Other Current Assets	**(384.51)**	331.22
	Adjustments for increase / (decrease) in operating liabilities:		
	Non-Current Provisions	**(145.27)**	(193.97)
	Trade Payables	**61.88**	(295.15)
	Current Provisions	**228.77**	89.62
	Other Financial Liabilities	**256.80**	(348.91)
	Other Current Liabilities	**(15.16)**	96.49
	Cash generated from operations	**4,546.50**	**7,221.71**
	Income Tax paid (Net)	**(1,818.81)**	(1,270.23)
	Net cash flow from operating activities (A)	**2,727.69**	**5,951.48**
B.	**Cash flow from investing activities**		
	Payments for property, plant and equipment (including Capital Work in Progress)	**(524.98)**	(727.49)
	Proceeds from disposal of property, plant and equipment	**1.51**	(4.71)
	Bank balances (Deposits) not considered as cash and cash equivalents		
	- Placed	**(7,250.51)**	(7,502.89)
	- Matured	**5,993.66**	5,162.34
	Current Investments		
	- Purchased	**(11,799.41)**	(5,899.80)
	- Proceeds from sale / redemption	**10,852.42**	2,425.19
	Interest received	**416.40**	442.16
	Dividend received	**303.28**	-
	Net cash flow used in investing activities (B)	**(2,007.63)**	**(6,105.20)**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

All amounts are Rupees in lakhs unless otherwise stated

	Year ended 31 March 2022	Year ended 31 March 2021
C. Cash flow from financing activities	**-**	-
Net cash flow from / (used in) financing activities (C)	**-**	**-**
Net increase / (decrease) in cash and cash equivalents	**720.06**	**(153.73)**
Cash and cash equivalents at the beginning of the period	**2,335.02**	2,544.91
Effect of exchange difference on cash and cash equivalents held in foreign currency	**(63.70)**	(56.16)
Cash and cash equivalents at the end of the period (Refer Note 11)	**2,991.39**	**2,335.02**

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants
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for and on behalf of the Board of
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DIN : 00051001

Rao.S.Vadlamudi
CEO

Srinivas R
CFO

Aradhana R.
Company Secretary

Hyderabad, 19 April 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

All amounts are Rupees in lakhs unless otherwise stated

A. Equity Share Capital

	As at 31 March 2022	As at 31 March 2021
Issued and paid up equity share capital		
Balance at the beginning of the current reporting period	**708.90**	708.90
Changes in Equity Share Capital due to prior period errors	**-**	-
Restated balance at the beginning of the current reporting period	**708.90**	708.90
Changes in equity share capital during the current year	**-**	-
Balance at the end of the current reporting period	**708.90**	708.90

B. Other Equity

Particulars	Reserves & Surplus		Items of other comprehensive income / (loss)		Total
	General Reserve	Retained Earnings	Reameasurement of defined benefit plan	Cash Flow Hedge Reserve	
Balance as at 31 March 2020	**12.50**	**24,732.08**	**17.46**	**-**	**24,762.04**
Profit for the year	-	3,758.40	-		3,758.40
Other Comprehensive Income (net of tax)	-	-	231.49	7.66	239.15
Total comprehensive income for the year	**-**	**3,758.40**	**231.49**	**7.66**	**3,997.55**
Balance as at 31 March 2021	**12.50**	**28,490.48**	**248.95**	**7.66**	**28,759.59**
Profit for the year	-	4,048.90	-		4,048.90
Other Comprehensive Income (net of tax)	-	-	106.49	50.35	156.84
Total comprehensive income for the year	**-**	**4,048.90**	**106.49**	**50.35**	**4,205.74**
Balance as at 31 March 2022	**12.50**	**32,539.38**	**355.44**	**58.01**	**32,965.33**

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No.000459S

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200TG2000PTC033213

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Company Secretary

Hyderabad, 19 April 2022

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

All amounts are Rupees in lakhs unless otherwise stated

1. Corporate Information

Satyam Venture Engineering Services Private Limited ("the Company") was incorporated in March 2000 as a 50:50 joint venture between erstwhile Satyam Computer Services Limited (SCSL) and Venture Global Engineering LLC. SCSL was merged with Tech Mahindra Limited in the year 2013, consequent to a scheme of amalgamation and arrangement as approved by the then Hon’ble High Court of Judicature Andhra Pradesh and Hon’ble High Court of Bombay.

The Company provides engineering services such as product design, tool design and computer aided engineering simulation services to automotive industry across the globe, through its Indian operations and through its foreign branches in USA, Germany, Canada, United Kingdom, Japan and Mexico. The standalone financial statements reflect the results of its operations carried on by Indian operations and overseas branches.

The financial statements for the year ended 31 March 2022 were approved by the Board of Directors and authorised to issue on 19 April, 2022.

2. Significant accounting policies:

2.1 Statement of Compliance:

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments issued thereafter.

2.2 Basis for preparation of financial statements:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or 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. Fair value for measurement and / or disclosure purpose in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

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:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of Estimates:

The preparation of these standalone financial statements requires the management of the Company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

2.4 Property, Plant & Equipment and Other Intangible assets:

Property, Plant & Equipment and Other intangible assets are stated at actual cost less accumulated depreciation/ amorisation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciation / amortization of Property, Plant & Equipment and Other Intangible assets:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as assessed based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and Machinery (including Computers)	3 years
Office Equipment	3 years
Furniture, Fixtures and Interiors	3 years
Vehicles	3 years
Intangible Assets – Software	License period or 3 years whichever is lower

The estimated useful lives and residual values of the tangible and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.5 Leases:

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee :

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves:

(a) the use of an identified asset,

(b) the right to obtain substantially all the economic benefits from use of the identified asset, and

(c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right- of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Company applies Ind AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

2.6 Impairment of Assets:

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortised cost is measured at 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. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss

2.7 Revenue recognition:

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 products or services. Arrangements with customers for services are either on a time bound fixed price or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, 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 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 (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for engineering services with customers, the company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering engineering services and other related services as distinct performance obligations. For allocating the transaction price, the company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For time and material related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The company accounts for volume discounts and pricing incentives , if any, to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract 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 presents revenues net of indirect taxes in its statement of Profit and loss.

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet. Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

2.8 Foreign currency transactions:

The functional currency of the Company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities of foreign operations are restated into the functional currency using exchange rates prevailing on the date of the Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the profit or loss.

2.9 Financial Instruments

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

Financial assets and 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 measured on initial recognition of financial asset or financial liability.

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

i) Non-derivative financial instruments

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Investment in subsidiaries

Investment in subsidiaries is carried at cost as per Ind AS 27 in Separate Financial Statements.

Financial liabilities

Financial liabilities at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and 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) Derivative financial instruments and hedge accounting

The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these forward contracts / options as hedge instruments and account for as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The use of foreign currency forward contracts / options is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/ option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under effective portion of cash flow hedges and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the Statement of Profit or Loss in the same period in which gains/ losses on the item hedged are recognised in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are transferred from effective portion of cash flow hedges and included in the initial measurement of the cost of the nonfinancial asset or non-financial liability.

Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal occurs. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified in effective portion of cash flow hedges is retained there and is classified to Statement of Profit and Loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in effective portion of cash flow hedges is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

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.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

2.11 Employee Benefits:

a) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for the Company. Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur.

b) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company. The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

c) Compensated absences:

The Company provides for the encashment of leave subject to Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for the Company, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries. The Company does not expect the difference on account of varying methods to be material.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The Company also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

d) Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service

2.12 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, 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.

Deferred income tax assets are recognised 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.

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.13 Earnings per Share:

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued if any, during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings / (loss) per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless issued at a later date.

2.14 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.

2.15. Critical judgements in applying accounting policies:

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statement

Key sources of estimation uncertainty:

The following are the key assumptions concerning the future , and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Useful lives of property, plant and equipment:

The company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets

Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1inputs are not available, the Company engages third party qualified valuers to perform the valuation . Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Executive Officer reports to the board of fluctuations in the fair value of the assets and liabilities.

Provision for doubtful receivables:

The Company has adopted Expected credit loss model for provisioning of receivables,apart from this the company also monitors long outstanding balances and make additional provision where required.

Provision for employee benefits:

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

Provision for taxes:

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

3. 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 March 23, 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 recognised 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 April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

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 labour, 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 April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

	As at 31 March 2022	As at 31 March 2021
4. Property, Plant and Equipment		
Carrying amounts of		
Plant and Equipment	**509.74**	517.70
Office Equipments	**30.37**	51.07
Furniture and Fixtures	**4.23**	41.64
Vehicles	**8.77**	20.20
Total	**553.11**	630.61

	As at 31 March 2022	As at 31 March 2021
5. Other Intangible assets		
Carrying amounts of:		
Computer Software	**387.93**	597.61
(other than internally generated)		
Total	**387.93**	597.61

4A Property, Plant and Equipment

	Gross Block (At Cost)				Depreciation				Net Block
	As at 1 April 2021	Additions	Deletion / Adjustment	Balance as at 31 March 2022	Upto 01 April 2021	For the year	Deletion / Adjustment	Upto 31 March 2022	As at 31 March 2022
Tangible Assets									
Plant and Machinery	2,456.03	338.29	2.80	**2,791.52**	1,938.33	346.25	2.80	**2,281.78**	**509.74**
Office Equipment	417.88	15.80	0.60	**433.08**	366.81	36.55	0.60	**402.76**	**30.32**
Furniture, Fixtures & Interiors	383.31	1.64	9.99	**374.96**	341.67	39.11	10.05	**370.73**	**4.23**
Vehicles	53.37	-	-	**53.37**	33.17	11.43	-	**44.60**	**8.77**
Total	**3,310.59**	**355.73**	**13.39**	**3,652.93**	**2,679.98**	**433.34**	**13.45**	**3,099.87**	**553.06**

	Gross Block (At Cost)				Depreciation				Net Block
	As at 1 April 2020	Additions	Deletion / Adjustment	Balance as at 31 March 2021	Upto 01 April 2020	For the year	Deletion / Adjustment	Upto 31 March 2021	As at 31 March 2021
Tangible Assets									
Plant and Machinery	2,085.65	390.15	19.77	2,456.03	1,663.94	292.09	17.70	1,938.33	517.70
Office Equipment	405.22	26.00	13.34	417.88	338.10	42.23	13.52	366.81	51.07
Furniture, Fixtures & Interiors	392.40	5.93	15.02	383.31	314.42	46.03	18.78	341.67	41.64
Vehicles	52.51	0.86	-	53.37	21.95	11.22	-	33.17	20.20
Total	**2,935.78**	**422.94**	**48.13**	**3,310.59**	**2,338.41**	**391.56**	**49.99**	**2,679.98**	**630.61**

5A Other Intangible assets

	Gross Block (At Cost)				Amortisation				Net Block
	As at 1 April 2021	Additions	Deletion / Adjustment	Balance as at 31 March 2022	Upto 01 April 2021	For the year	Deletion / Adjustment	Upto 31 March 2022	As at 31 March 2022
Software	4,997.25	169.25	-	**5,166.50**	4,399.64	378.93	-	**4,778.57**	**387.93**
Total	**4,997.25**	**169.25**	**-**	**5,166.50**	**4,399.64**	**378.93**	**-**	**4,778.57**	**387.93**

	Gross Block (At Cost)				Amortisation				Net Block
	As at 1 April 2020	Additions	Deletion / Adjustment	Balance as at 31 March 2021	Upto 01 April 2020	For the year	Deletion / Adjustment	Upto 31 March 2021	As at 31 March 2021
Software	4,915.61	304.55	222.91	4,997.25	4,160.89	465.34	226.59	4,399.64	597.61
Total	**4,915.61**	**304.55**	**222.91**	**4,997.25**	**4,160.89**	**465.34**	**226.59**	**4,399.64**	**597.61**

6. Investments

		As at 31 March 2022		As at 31 March 2021	
		Number of Shares	Amount	Number of Shares	Amount
I	**Non-Current Investments**				
A	**Investments in Equity Instruments**				
	In subsidiaries (at cost)				
	Satyam Venture Engineering Services (Shanghai) Co. Ltd [Refer note (i) below]	**-**	**584.17**	-	584.17
	Satven GmbH	**-**	**359.50**	-	359.50
	Total		**943.67**		**943.67**
(a)	Aggregate amount of quoted investments and market value thereof;		**-**		-
(b)	Aggregate amount of unquoted investments; and		**943.67**		943.67
(c)	Aggregate amount of impairment in value of investments		**-**		-

Note :

(i) Investment in this entity is not denominated in number of shares as per laws of the People's Republic of China.

		As at 31 March 2022		As at 31 March 2021	
		Units	Amount	Units	Amount
II	**Current Investments**				
A	**Investment in Mutual Funds**				
	(at fair value)				
	ICICI Prudential Savings Fund- Growth	**-**	**-**	193994	807.02
	ICICI Prudential Savings Fund - DP Growth	**681148**	**2,981.48**	972995	4,083.55
	ICICI Prudential Liquid Fund - DP Growth	**-**	**-**	429269	1,308.14
	ICICI Prudential Overnight Fund - DP Growth	**-**	**-**	3000422	3,329.91
	Mahindra Manulife Liquid Fund Direct Growth	**186410**	**2,580.26**	-	-
	HSBC Cash Fund Direct Growth Plan	**111520**	**2,363.98**	-	-
	HSBC Ultra Short Duration Fund Direct Growth	**27822**	**306.69**	-	-
	Kotak Liquid Fund Direct Plan Growth	**60553**	**2,605.66**	-	-
	Total		**10,838.06**		**9,528.62**
(a)	Aggregate amount of quoted investments and market value thereof;		**10,838.06**		9,528.62
(b)	Aggregate amount of unquoted investments		**-**		-
(c)	Aggregate amount of impairment in value of investments		**-**		-

6.1 Details of material subsidiaries

Name of the Subsidiary	**Satyam Venture Engineering Services (Shanghai) Co. Ltd**	**Satven GmbH**
Principal activity	Engineering Services	Engineering Services
Place of incorporation and principal place of business	China	Germany
Proportion of ownership interest / voting rights held by the Company	100%	100%

6.2 Summarised financial information of material subsidiaries

	Satyam Venture Engineering Services (Shanghai) Co. Ltd		**Satven GmbH**	
	As at			
	31-Mar-22	**31-Mar-21**	**31-Mar-22**	**31-Mar-21**
Non-Current Assets	3.60	1.13	84.93	58.57
Current Assets	973.56	1,120.45	500.31	546.25
Non-Current Liabilities	4.01	-	-	-
Current Liabilities	121.94	116.85	97.08	164.29

	Year ended			
	31-Mar-22	**31-Mar-21**	**31-Mar-22**	**31-Mar-21**
Revenue	1,044.36	679.09	941.38	722.03
Expenses	933.36	550.77	876.34	825.57
Tax Expense	18.43	14.79	6.54	(14.19)
Profit / (loss) for the year	92.57	113.53	58.50	(89.35)
Other Comprehensive income for the period	19.38	14.26	(3.29)	6.79
Total Comprehensive income for the period	111.95	127.80	55.22	(82.55)

	As at 31 March 2022	As at 31 March 2021
7. Other financial assets measured at amortised cost		
I. Non-Current		
(Unsecured, considered good)		
Other bank balances - in deposit accounts	**3,499.54**	2,380.31
Security Deposits [Refer note 7.2]	**336.93**	385.18
Foreign Currency Derivative Assets	**38.96**	10.66
Total	**3,875.43**	2,776.15
II. Current		
(Unsecured, considered good)		
Unbilled revenue [Refer note 7.1]	**3,262.91**	2,168.04
Interest Receivable on deposits	**263.54**	191.49
Foreign currency Derivative Assets	**38.64**	-
Total	**3,565.09**	2,359.53
7.1 Of the above, Unbilled revenue from:		
(a) Related parties [Refer note 31]	**513.56**	797.88
(b) Others	**2,749.35**	1,370.15
	3,262.91	2,168.03

7.2 Include deposit of Rs.67.83 Lakhs [31 March 2021 : Rs.67.83 Lakhs] with CGITCLC and Rs.58.24 Lakhs [31 March 2021: Rs.58.24 Lakhs Lakhs] with CESTAT in respect of the ongoing disputes [Refer note 27A(ii) & (iv)]

7.2 Ageing of unbilled revenue

	As on 31 March 2022						
	Not Due	**Less than 6 months**	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
a) Undisputed unbilled revenue - considered good	-	3,255.96	6.95	-	-	-	3,262.91
b) Undisputed unbilled revenue - which have significant increase in credit risk	-	-	-	-	-	-	-
c) Undisputed unbilled revenue - credit impaired	-	-	-	-	-	-	-
d) Disputed unbilled revenue - considered good	-	-	-	-	-	-	-
e) Disputed unbilled revenue - which have significant increase in credit risk	-	-	-	-	-	-	-
f) Disputed unbilled revenue - credit impaired	-	-	-	-	-	-	-

		As on 31 March 2021						
		Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
a)	Undisputed unbilled revenue - considered good	-	2,168.04	-	-	-	-	2,168.04
b)	Undisputed unbilled revenue - which have significant increase in credit risk	-	-	-	-	-	-	-
c)	Undisputed unbilled revenue - credit impaired	-	-	-	-	-	-	-
d)	Disputed unbilled revenue - considered good	-	-	-	-	-	-	-
e)	Disputed unbilled revenue - which have significant increase in credit risk	-	-	-	-	-	-	-
f)	Disputed unbilled revenue - credit impaired	-	-	-	-	-	-	-

	As at 31 March 2022	As at 31 March 2021
8. Deferred tax assets (Net)		
Deferred tax assets	**653.67**	661.41
Deferred tax liabilities	**(255.48)**	(260.98)
Total	**398.19**	400.43

8.1 The tax effect of significant temporary differences that has resulted in deferred tax assets are given below:

	For the year ended 31 March 2022						
	PPE and Intangible assets	Provision for doubtful debts	Provision for defined benefit obligations	ICDS Adjustments: Interest on Income Tax	Cash Flow Hedging Reserve	Fair value gain on Mutual funds	Total
Opening balance	243.29	-	418.12	(99.19)	(2.58)	(159.21)	400.43
Recognised in profit or loss	7.47	(0.40)	21.01	-	-	22.44	50.52
Recognised in other comprehensive income	-	-	(35.82)		(16.94)	-	(52.76)
Reclassified from equity to profit or loss	-	-	-	-	-	-	-
Closing Balance	**250.75**	**(0.40)**	**403.32**	**(99.19)**	**(19.52)**	**(136.77)**	**398.19**

	For the year ended 31 March 2021						
	PPE and Intangible assets	Provision for doubtful debts	Provision for defined benefit obligations	ICDS Adjustments: Interest on Income Tax	Cash Flow Hedging Reserve	Fair value gain on Mutual funds	Total
Opening balance	242.49	13.64	522.25	-	-	(78.71)	699.66
Recognised in profit or loss	0.79	(13.64)	(26.26)	(99.19)	-	(80.50)	(218.79)
Recognised in other comprehensive income	-	-	(77.86)		(2.58)	-	(80.44)
Reclassified from equity to profit or loss	-	-	-	-	-	-	-
Closing Balance	**243.29**	**-**	**418.12**	**(99.19)**	**(2.58)**	**(159.21)**	**400.43**

		As at 31 March 2022	As at 31 March 2021
9.	**Non-current tax assets (net)**		
	Advance income tax and tax deducted at source	**5,984.45**	5,036.45
	(net of provisions Rs.14,565.23 Lakhs [31 March 2021: Rs.11,422.07 Lakhs])		
	Total	**5,984.45**	5,036.45
10.	**Trade receivables**		
	(a) Considered good - Secured	**-**	-
	(b) Considered good - Unsecured	**6,574.56**	6,841.82
	(c) Receivables which have significant increase in credit risk	**-**	-
	(d) Credit impired	**1.59**	-
	Less: allowance for expected credit loss	**(1.59)**	-
	Total	**6,574.56**	6,841.82
10.1	**Of the above, trade receivables from:**		
	(a) Related parties [Refer note 31]	**1,768.85**	2,178.25
	(b) Others	**4,805.71**	4,663.57
	Total	**6,574.56**	6,841.82

10.2 Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for trade receivables (other than receivables from related parties) that do not constitute a financing transaction. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Before accepting any new customer, the Company assesses the potential customer's credit quality.

The Average credit period on Sale of Services 60 days .

10.3 Age of Trade Receivables

	Outstanding for following periods from due date of payment as on 31 March 2022						
	Not Due	**Less than 6 months**	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(a) Undisputed trade receivables - considered good	5,763.93	708.98	85.25	16.40	-	-	6,574.56
(b) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Undisputed trade receivables - credit impaired	-	-	-	1.59	-	-	1.59
(d) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(e) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(f) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-

		Outstanding for following periods from due date of payment as on 31 March 2022						
		Not Due	**Less than 6 months**	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(a)	Undisputed trade receivables - considered good	5,492.06	1,326.93	19.65	3.18	-	-	6,841.82
(b)	Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(c)	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(d)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(e)	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(f)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-

		As at 31 March 2022	As at 31 March 2021
10.4	**Classification of trade receivables**		
	(a) Non-Current	**-**	-
	(b) Current	**6,574.56**	6,841.82
	Total	**6,574.56**	6,841.82
11.	**Movement in the allowance for expected credit loss**		
	(i) Balance at the beginning of the year	**-**	-
	(ii) Add: Allowance for expected credit loss	**6.08**	54.49
	(iii) Less: Provision write back	**-**	-
	(iv) Less: Receivables written off	**4.49**	54.49
	(v) Balance at the end of the year	**1.59**	-
11.1	**Cash and cash equivalents**		
	Balances with Banks		
	(a) with Scheduled banks		
	in Current account	**127.28**	80.07
	in Deposit account	**1,212.00**	869.00
	(b) with Other banks		
	in Current account	**1,652.11**	1,385.95
	Cash on hand	**-**	-
	Total	**2,991.39**	2,335.02

	As at 31 March 2022	As at 31 March 2021
12. Other Bank Balances		
Balances with Banks		
with Scheduled banks		
in Deposit account	**6,119.54**	5,982.21
Total	**6,119.54**	5,982.21

	As at 31 March 2022	As at 31 March 2021
13. Other assets		
I. Current		
(Unsecured, considered good)		
Loans and advances to employees	**177.16**	102.09
Balance with government authorities	**333.90**	121.01
Prepaid expenses	**646.03**	460.84
Contract asset	**30.74**	34.80
Others	**19.79**	104.37
Total	**1,207.62**	823.11

13.1 Of the above, Other assets from:		
(a) Related parties [Refer note 31]	**0.83**	0.83
(b) Others	**1,206.79**	822.29
	1,207.62	823.11

14. Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amounts	Number of Shares	Amounts
Authorised Share Capital				
Equity share capital of Rs.10 each	**7,500,000**	**750.00**	7,500,000	750.00
Issued, Subscribed and Fully Paid up				
Equity share capital of Rs.10 each	**7,088,960**	**708.90**	7,088,960	708.90

14. 1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amounts	Number of Shares	Amounts
Equity share capital of Rs.10 each				
Balance as at beginning of the year	**7,088,960**	**708.90**	7,088,960	708.90
Issued during the year	**-**	**-**	-	-
Balance as at end of the year	**7,088,960**	**708.90**	7,088,960	708.90

14. 2 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amounts	Number of Shares	Amounts
Equity shares of Rs.10 each fully paid held by				
Tech Mahindra Limited	**3,544,480**	**354.45**	3,544,480	354.45
Venture Global Engineering Services LLC	**3,544,480**	**354.45**	3,544,480	354.45

14. 3 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amounts	Number of Shares	Amounts
Equity shares of Rs.10 each fully paid held by				
Tech Mahindra Limited	**3,544,480**	**50%**	3,544,480	50%
Venture Global Engineering Services LLC	**3,544,480**	**50%**	3,544,480	50%

14. 4 Details of shares held by promoters

	As at 31 March 2022		
	Number of Shares	% of total shares	% Change during the year
Equity shares of Rs.10 each fully paid held by			
Tech Mahindra Limited	3,544,480	50%	-
Venture Global Engineering Services LLC	3,544,480	50%	-

14. 5 Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The percentage of shareholding shall be maintained as set out in Article 4 of Articles of Association and the fresh issue to be offered to both the shareholders in proportion to their shareholding. Any shares not accepted shall in the first instance be offered to the other remaining member and affiliates nominated by thereof.

	As at 31 March 2022	As at 31 March 2021
15. Other equity		
General Reserve	**12.50**	12.50
Retained Earnings	**32,539.38**	28,490.48
Other Components of Equity		
Remeasurement of the defined benefits plans	**355.44**	248.95
Cash Flow Hedging Reserve (Net of tax)	**58.01**	7.66
Total	**32,965.33**	28,759.59
15.1 General Reserve [note 15.4]		
Balance at beginning of year	**12.50**	12.50
Movement during the year	**-**	-
Balance at end of year	**12.50**	12.50

		As at 31 March 2022	As at 31 March 2021
15.2	**Retained Earnings [note 15.5]**		
	Balance at beginning of year	**28,490.48**	24,732.08
	Profit for the year	**4,048.90**	3,758.40
	Balance at end of year	**32,539.38**	28,490.48
15.3	**Other Components of Equity**		
a)	**Remeasurement of the defined benefits plans [note 15.6]**		
	Opening balance	**248.95**	17.46
	Current year charge	**106.49**	231.49
	Balance at end of period	**355.44**	248.95
b)	**Cash Flow Hedge Reserve [note 15.7]**		
	Opening balance	**7.66**	-
	Movement during the period (Net of tax)	**50.35**	7.66
	Balance at end of period	**58.01**	7.66

15.4 The Company has transferred the amount from capital reserve upon fulfilment of the contribution attached to the investment subsidy received in earlier years.

15.5 Retained earning represents the Company's undistributed earnings after taxes.

15.6 Represents the actuarial gain/(loss) recognised on the defined benefit plan and will not be reclassified to retained earnings.

15.7 It represents accumulated effective portion of changes in fair value of the derivative and will be transferred to statement of Profit and Loss upon occurance of related forcasted transaction.

16. Provisions

		As at 31 March 2022	As at 31 March 2021
I	**Non-Current**		
	Provision for Employee Benefits [Refer note 30]		
	Compensated Absences	**273.45**	307.90
	Gratuity	**1,042.59**	1,153.41
	Total	**1,316.04**	1,461.31
II	**Current**		
	Provision for Employee Benefits [Refer note 30]		
	Compensated Absences	**72.49**	53.44
	Gratuity	**214.01**	146.60
	Provision for Contingencies [Refer note 27.2]	**5,291.42**	5,291.42
	Total	**5,577.92**	5,491.46

17. Other Financial Liabilities

I	**Non-Current**		
	Foreign Currency Derivatives Liabilities	**0.08**	0.42
		0.08	0.42

II	**Current**		
	Other Financial Liabilities		
	Dues for Capital assets	**7.82**	6.58
	Accrued Salaries and Benefits	**659.36**	403.80
	Total	**667.18**	410.38
18.	**Trade Payables**		
	Amounts due to micro and small enterprises (Refer note 18.3)	**3.86**	-
	Others	**604.60**	546.54
	Total	**608.46**	546.54

18.1 Of the above, Trade payables from:

(a) Related parties [Refer note 31]	**58.23**	-
(b) Others	**550.23**	546.54
	608.46	546.54

18.2 Ageing of Trade Payables

	Outstanding for following periods from due date of payment as on 31 March 2022					
	Not Due	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
MSME	-	3.86	-	-	-	3.86
Others	567.43	37.17	-	-	-	604.60
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

	Outstanding for following periods from due date of payment as on 31 March 2021					
	Not Due	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
MSME	-	-	-	-	-	-
Others	520.54	25.85	-	-	0.16	546.54
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

18.3 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the MSMED Act, 2006) claiming their status as micro or small enterprises. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management and the required disclosures are given below:

		As at 31 March 2022	**As at 31 March 2021**
a)	Principal amount remaining unpaid	**3.86**	Nil
b)	Interest due thereon	**Nil**	Nil
c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	**Nil**	Nil
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	**Nil**	Nil
e)	Interest accrued and remaining unpaid	**Nil**	Nil
f)	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 enterprises.	**Nil**	Nil

		As at 31 March 2022	As at 31 March 2021
19.	**Other Current Liabilities**		
	Statutory payables	**577.14**	592.30
	Total	**577.14**	592.30
20.	**Current tax liabilities**		
	Income tax payables	**1,017.99**	284.33
	(net of advance tax Rs.3686.26 Lakhs [31 March 2021: Rs.6,113.61 Lakhs])		
	Total	**1,017.99**	284.33

		Year ended 31 March 2022	Year ended 31 March 2021
21.	**Income from operations**		
	Income from Services		
	- export of services	**21,564.96**	20,806.32
	- domestic services	**12,338.36**	12,769.02
	Other operating income	**-**	132.03
	Total	**33,903.32**	33,707.37
22.	**Other income**		
	Interest Income		
	Deposits with Banks (at amortised cost)	**488.45**	411.58
	Interest on Income Tax Refund	**0.11**	855.02
	Net Gain / (Loss) on sale of investments	**42.56**	12.31
	Profit on sale of assets (net)	**1.57**	0.83
	Fair value measurements	**319.89**	364.04
	Dividend Income on Non Current Investment	**303.28**	-
	Liability/Provisions no longer required written back	**-**	21.69
	Miscellaneous Income	**77.96**	50.78
	Total	**1,233.82**	1,716.25
23.	**Employee benefits expense**		
	Salaries and Wages	**23,453.58**	24,113.53
	Contribution to Provident and Other Funds	**409.07**	486.49
	Gratuity	**274.23**	344.19
	Staff Welfare	**103.72**	90.94
	Total	**24,240.60**	25,035.15
24.	**Depreciation and amortisation expense**		
	On tangible assets	**433.34**	391.56
	On intangible assets	**378.93**	465.34
	Total	**812.27**	856.90

		Year ended 31 March 2022	Year ended 31 March 2021
25.	**Other expenses**		
	Rent	**426.81**	356.90
	Rates and taxes	**128.44**	123.52
	Power and fuel	**112.57**	119.18
	Travelling and Conveyance	**603.77**	714.86
	Communication	**87.34**	191.87
	Marketing expenses	**111.96**	51.94
	Repair and Maintenance	**214.10**	205.83
	Computer Hire Charges	**194.73**	369.13
	Security Services	**51.09**	55.35
	Recruitment, Training and Development	**95.58**	88.94
	General Office Expenses	**6.97**	9.05
	Legal and professional	**444.33**	471.30
	Office Maintenance	**105.58**	132.11
	Computer Maintenance	**1,418.16**	764.34
	Auditors' Remuneration (Refer note 25.1)	**55.96**	37.35
	Directors Sitting Fees	**7.10**	5.90
	CSR Expenses	**66.00**	67.30
	Provision for doubtful debts	**6.08**	0.30
	Bad Debts Written off	**4.49**	54.49
	Less: Provision	**(4.49)**	(54.49)
	Forex loss	**9.88**	344.49
	Bank Charges	**45.63**	59.53
	Miscellaneous expenses	**160.34**	179.89
	Total	**4,352.42**	4,349.08
25.1	**Auditors' remuneration includes**		
	for statutory audit	**13.50**	11.00
	for quarterly audit	**3.00**	3.00
	for tax audit	**3.50**	3.50
	for GST audit	**-**	7.50
	for taxation matters	**35.96**	12.35
		55.96	37.35
26	**Income taxes relating to continuing operations**		
26.1	**Income tax recognised in profit or loss**		
	Current tax		
	In respect of the current year	**1,606.11**	1,080.70
	In respect of the prior years	**(1.64)**	23.04
		1,604.47	1,103.74
	Deferred tax		
	In respect of the current year	**(50.52)**	218.79
	Deferred tax reclassified from equity to profit or loss	**-**	-
		(50.52)	218.79

		Year ended 31 March 2022	Year ended 31 March 2021
26.2	**Reconciliation of income tax expense for the year to the accounting profit is as follows:**		
	Profit before tax from continuing operations	**5,602.85**	5,080.93
	Income tax expense calculated at 25.168%	**1,410.13**	1,278.77
	Effect of income that is exempt from tax	**(0.40)**	(0.21)
	Effect of expenses that are not deductible in determining taxable profit	**195.75**	(197.86)
		1,605.48	1,080.70
	Adjustment recognised in the current year in relation to the current tax of earlier years	**(1.64)**	23.04
	Income tax expense recognised in profit or loss	**1,603.84**	1,103.74
26.3	**Income tax recognised in other comprehensive income**		
	Deferred tax arising on income and expenses recognised in other comprehensive income		
A.	**Items that will not be recycled to profit or loss**		
	Remeasurements of the defined benefit liabilities / (asset)	**35.82**	77.86
		35.82	77.86
B.	**Items that may be reclassified to profit or loss**		
	Effective portion of gain / (loss) on Designated Portion of Hedging Instruments in a Cash Flow Hedge (net)	**16.94**	2.58
		16.94	2.58
		52.76	80.44

26.4 Current tax for the year ended 31 March 2022 includes tax expense with respect to foreign branches amounting to Rs.775.86 Lakhs [period ended 31 March 2021 Rs.392.57 Lakhs]

26.5 The tax rate used for the above reconciliation is the rate as applicable for the respective period payable by corporate entities in India on taxable profits under the Indian income tax laws. Company has elected to claim benefit given under section 115BAA of Income tax Act,1961 and has applied tax rate of 22% for computation of current tax and deferred tax

		As at 31 March 2022	As at 31 March 2021
27.	**Contingent Liabilities and Commitments**		
A	**Claims against the Company not acknowledged as debt**		
i	Disputed income tax matters [Refer Note 27.1]	2,739.65	2,078.27
ii	Disputed service tax liability for which the Company preferred appeal	947.19	947.19
iii	Disputed interest liability on service tax for which the Company preferred appeal	Not Ascertained	Not Ascertained
iv	Demand from EPFO for which the Company preferred appeal	193.79	193.79
v	Others [Refer Note 27.2]	28,253.90	24,974.00
B	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	3.78	27.73

27.1 Disputed income tax matters

Assessment upto AY 2008-09 has been completed and necessary adjustments have been made to reflect reversal of tax provision created for these years and the advance tax in the financial statements.

For AY 2009-10, the TPO/AO passed consequential orders giving the relief per the ITAT order. However, new issue which was not part of original proceedings, relating to addition of Commission as transfer price adjustment, has led to a new demand. The issue relating to TP adjustment of commission had been decided in favour of the Company in earlier years and hence, no provision for tax is made in respect of the demand raised.

For AY 2010-11 and 2011-12 the Hon'ble ITAT remanded case back to the Transfer Pricing Officer for fresh adjudication which resulted in additional demand. For AY 2010-11 the demand related to transfer pricing adjustment relating to revenue from ITES, which was decided in favour of the Company for AY 2009-10, The demand relating to all the AYs from AY 2009-10 to AY 2014-15 is disclosed as part of contingent liability. For the AY 2011-2012 the demand related to TP adjustment on interest on delayed trade receivables. The Company had filed appeal before Hon’ble CIT for all the AYs.

For AY 2015-16 to 2017-18, the matters relate to TP adjustment of ITES and Interest, disallowance of reimbursement of expenses to certain residents and non-residents for non-deduction of TDS. The first issue was decided in favour of the Company and the second issue is remanded back. The consequential orders were passed accordingly. The appeals filed by the Company are pending with CIT(A) for these assessment years.

27.2 Contingent Liability - Others

The Company was promoted as 50:50 Joint Venture by Satyam Computer Services Ltd ("Satyam") and Venture Global Engineering LLC US ("Venture"). The joint venture partners entered into a Shareholders' Agreement (SHA) dated October 20, 1999 that provided for a royalty payment from the Company to both the joint venture partners in terms of a separate Royalty Agreement to be entered into between the Company and the joint venture partners. The Royalty Agreement was not entered into between the Company and the joint venture partners as envisaged in the SHA.

The Company and joint venture partners entered into separate Sales Commission Agreements that provided for payment of sales commission to the joint venture partners as per terms and conditions contained in the said agreements. In line with the provisions contained therein, the Company has been accruing and paying commission to its joint venture partners up to the year 2005-06.

During the year 2005-06, Satyam commenced arbitration proceedings against Venture in the London Court of International Arbitration ("LCIA") by invoking the arbitration clause in the SHA. Satyam's claims were upheld by the LCIA in its award dated April 2006 ("the Award"). Since then both the joint venture partners have raised numerous claims against each other resulting in multiple legal proceedings both in India and the USA that are still ongoing.

On January 7, 2009, the then Chairman of Satyam vide his letter addressed to then existing Board of Directors of Satyam, the stock exchanges and SEBI admitted to several financial irregularities in Satyam. Consequent to a global bidding process to take over the management of Satyam, M/s Venturbay Consultants Private Limited (the successful bidder) took over the management of Satyam.

Notwithstanding the dispute, the Company under its erstwhile management, continued to accrue the sales commission in its books. The newly reconstituted Board approved the accounts of the Company for the years 2008-09, 2009-10 and 2010-11, with continued accrual of sales commission. This was based on a view taken by the newly constituted Board that the matter is sub-judice that was corroborated by legal opinion and continued as prudent measure.

During the meetings held in 2011-12, the Board discussed the need to accrue the sales commission, as Venture did not render any services to the Company either during the year or during the past many years since the dispute. Further, in so far as the Company was concerned, Venture had not, till that point of time, claimed any amounts towards sales commission. The Board also took note of the fact (based on an updated legal opinion) that the issue of sales commission is not a disputed matter before the Courts either in India or in USA and not sub judice, as per original view.

Under the circumstances, the Board took the view on May 14, 2012 when the financial statements for the year ended March 31, 2012 was tabled for approval, that the accrual of sales commission from FY 05-06 to FY 10-11 of Rs.3,594.07 Lakhs be written back as other income in the Statement of Profit and Loss and the sales commission for the period from April 2011- December 2011 be reversed. However, as a prudent measure, the Board directed that the Company provide an amount of Rs.5,291.41 Lakhs as a provision for contingency, covering the period from FY 05-06 to FY 11-12 which in its opinion would be adequate to cover any possible outflow that may arise in respect of the aforesaid matter and adjustments to the financial statements if any, to be made on final disposal of legal proceedings.

Subsequent to the adoption of accounts by the Board, the Company was served a suit filed by Venture before the City Civil Court, Secunderabad inter alia seeking a direction to the Company to pay sales commission that it was entitled to under the Shareholders Agreement. In the said suit, two ex-parte orders were passed by the City Civil Court , directing the Company, Venture and Satyam to maintain status quo with regard to transfer of 50% shares of Venture and with regard to taking major decisions which are prejudicial to interest of Venture . The Company has challenged the ex-parte orders of the City Civil Court Secunderabad, before the Hon'ble High Court of Andhra Pradesh ("the High Court").

In a related development, the City Civil Court, Hyderabad set aside the Award in January 2012, against which Satyam has filed an appeal before the High Court.

The High Court by its Judgement dated August 23, 2013 has allowed the appeals filed by the Company and set aside the ex-parte interim orders against the Company. The High Court has also set aside the Order of the City Civil Court, Hyderabad setting aside the Award and upheld the Award in favour of Satyam. The High Court as an interim measure ordered status quo with regard to transfer of shares, originally given by Supreme Court to be maintained for four (4) weeks which was extended for a further period of 3 weeks by High Court on 19th September, 2013

Venture filed an SLP before the Supreme Court of India which was heard by the Apex Court on 21st October, 2013 and Supreme Court as an interim measure ordered status quo with regard to transfer of shares. TechM has filed a Special leave Petition before the Supreme Court of India challenging the judgement of the High Court only on the limited issue as to whether the Civil Court has jurisdiction to entertain VGE’s challenge to the Award. The Hon’ble Bench of Supreme Court, in view of the difference of opinion by an order dated November 1, 2017 has directed the registry to place the SLP’s before the Chief Justice of India for appropriate further course of action.

The Company has not modified the provision for contingencies amounting to Rs.5,291.41 Lakhs as on 31 March 2012. The Company has also disclosed an amount of Rs.28,253.9 Lakhs [31 March 2021: Rs.24,974.00 Lakhs] as contingent liability, to cover any possible charge that may arise in respect of the above said matter, in the financial statements for the year ended 31 March 2022 by way of abundant caution notwithstanding the Board's view that there is no need to accrue sales commission since Venture did not provide any services to the Company.

28. Preparation of financial statements:

At the Annual General Meetings of the Company, one of the shareholders abstained from voting on the resolution for adoption of audited financial statements as at and for the years ended 31 March 2012 to 2021. In terms of Article 66 of the Articles of Association of the Company, the adoption of audited financial statements requires unanimous consent of both the shareholders of the Company. Therefore, the said financials have not been approved by the shareholders. The financial statements as at and for the year ended 31 March 2022 have been drawn up incorporating the opening balances based on above said financial statements which have not been adopted by the Shareholders. Adjustments required, if any, will be made in accounts as and when determined.

29. Pursuant to the order from Ministry of Corporate Affairs, Serious Fraud Investigation Office (SFIO) vide its letter dated January 9, 2009 carried out inspection of books of accounts and other records of the Company under Section 209A of the Act. Consequent to inspection, SFIO has filed a complaint in Economic Offences Court, Hyderabad (“the trial court”) against the Company and the then directors. The Company has filed a writ petition in the Hon’ble High court of judicature at Hyderabad to quash the complaint of SFIO. The Hon’ble High Court has directed the trial court not to insist the appearance of directors for examination.

The Management at this juncture, does not foresee adjustments, if any, to be made in the financial statements of the Company.

30. Employee benefit plans

30.1 Defined Contribution Plan

The Company makes contributions to Provident and other Fund which is a defined contribution plans for qualifying employees. Under these Scheme, the Company contributes a specified percentage of the payroll costs to the respective funds. The Company has recognized Rs.409.07 Lakhs [31 March 2021 : Rs.486.49 Lakhs] as an expense in the Statement of Profit and Loss.

30.2 Defined Benefit Plan

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risks commonly affecting the liabilities and the financial results are expected to:

a) **Interest rate risk :** the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

b) **Salary inflation risk :** Higher than expected increases in salary will increase the defined benefit obligation

c) **Demographic risk :** For example, as plan is open to new entrants, an increase in membership will increase the defined benefit obligation. Also, the plan only provides benefits upon completion of a vesting criteria. Therefore, if turnover rates increase, then the liability will tend to fall as fewer employees reach vesting period.

I The Principal Assumptions used for the purposes of the actuarial valuation as follows

	Details	**31/Mar/2022**	**31/Mar/2021**
1	Discount Rate(s)	**6.20%**	6.30%
2	Expected Rate(s) of salary increase	**5% for first year, 10% there after**	4% for first year, 9% there after
3	Demographic Assumptions		
	Mortality Rate	**Indian Assured lives Mortality (2006-08) Ult.**	Indian Assured lives Mortality (2006-08) Ult.
	Withdrawal Rate Age: 21-44		
	Withdrawal Rate Age: 45-57		
	For Offshore Employees:		
	Withdrawal Rate Service: 0-10	**15.00%**	10.00%
	Withdrawal Rate Service: >10	**10.00%**	15.00%
	Onsite Employees:	**10.00%**	10.00%

II Disclosure of defined benefit cost :

	Details	**Year ended 31 March 2022**	**Year ended 31 March 2021**
A	**Amounts Recognised in statement of Profit & Loss**		
1	Current Service Cost	**186.31**	253.50
2	Past service cost - plan amendments	**11.55**	-
3	Curtailment cost / (credit)	**-**	-
4	Settlement cost / (credit)	**-**	-
5	Service Cost	**197.86**	253.50
6	Net interest on net defined benefit liability / (asset)	**76.38**	90.69
7	Immediate recognition of (gains)/losses - other long term employee benefit plans	**-**	-
8	Cost of Termination Benefits	**-**	-
9	Cost recognised in P&L	**274.23**	344.19
B	**Amounts Recognised in Other Comprehensive Income (OCI)**		
1	Actuarial (gain)loss due to DBO experience	**(40.73)**	(42.88)
2	Actuarial (gain)loss due to DBO assumption changes	**(101.57)**	(266.47)
3	Actuarial (gain)loss arising during the period	**(142.31)**	(309.35)
4	Return on plan assets (Greater)/Less than discount rate	**-**	-
5	Actuarial (gains)/losses recognised in OCI	**(142.31)**	(309.35)
6	Adjustment for limit on net asset	**-**	-
7	Cumulative Actuarial (Gain)/ Loss Recognised via OCI at Prior Period End	**-**	-
8	Cumulative Actuarial (Gain)/ Loss Recognized via OCI at Current Period End	**(142.31)**	(309.35)
C	**Defined benefit cost**		
1	Service Cost	**197.86**	253.50
2	Net interest on net defined benefit liability / (asset)	**76.38**	90.69
3	Actuarial (gains)/losses recognised in OCI	**(142.31)**	(309.35)
4	Immediate recognition or (gains)/losses - other long term employee benefit plans	**-**	-
5	Defined Benefit Cost	**131.93**	34.84

III Changes in benefit obligation and assets

	Details	Year ended 31 March 2022	Year ended 31 March 2021
A.	**Changes in defined benefit obligation:**		
1	Defined benefit obligation(DBO) at the end of prior period	**1,300.00**	1,325.92
2	Current service cost	**186.31**	253.50
3	Interest cost on the DBO	**76.38**	90.69
4	Curtailment (credit)/ cost	**-**	-
5	Settlement (credit)/ cost	**-**	-
6	Past service cost - plan amendments	**11.55**	-
7	Acquisitions (credit)/ cost	**-**	-
8	Actuarial (gain)/loss - experience	**(40.73)**	(42.88)
9	Actuarial (gain)/loss - demographic assumptions	**-**	(269.19)
10	Actuarial (gain)/loss - financial assumptions	**(101.57)**	2.72
11	Benefits paid directly by the Company	**(175.33)**	(60.76)
12	Benefits paid from plan assets	**-**	-
13	DBO at end of current period	**1,256.60**	1,300.00
B.	**Changes in fair value of assets:**		
1	Fair value of assets at end of prior period	**-**	-
2	Acquisition adjustment	**-**	-
3	Interest income on plan assets	**-**	-
4	Employer contributions	**-**	-
5	Return on plan assets greater/(lesser) than discount rate	**-**	-
6	Benefits paid	**-**	-
7	Fair Value of assets at the end of current period	**-**	-

IV Additional Disclosures

		31 March 2022	31 March 2021
A.	**Expected benefit payments for the period ending**		
	2023 (PY 2022)	220.54	151.14
	2024 (PY 2023)	213.22	142.69
	2025 (PY 2024)	219.48	150.63
	2026 (PY 2025)	219.53	178.97
	2027 (PY 2026)	223.71	206.94
	2028 TO 2032 (PY 2027 to 2031)	991.70	1,056.82
B.	**Current and Non current breakup**		
	Current liability	214.01	146.60
	Non current liability	1,042.59	1,153.41
	Total Liability	**1,256.60**	**1,300.00**

V Sensitivity Analysis

	Details	As at 31 March 2022	As at 31 March 2021
A	**Discount rate**		
	Discount rate as at period end	6.20%	6.30%
	Effect on DBO due to 0.5% increase in discount rate	(29.39)	(47.00)
	Effect on DBO due to 0.5% decrease in discount rate	30.85	50.33

	Details	As at 31 March 2022	As at 31 March 2021
B	**Salary escalation rate**		
	Salary escalation rate as at period end	**5% for first year, 10% Thereafter**	4% for first year, 9% Thereafter
	Effect on DBO due to 0.5% increase in salary escalation rate	**30.61**	50.34
	Effect on DBO due to 0.5% decrease in salary escalation rate	**(29.58)**	(47.60)
C	**Withdrawal Rate**		
	Withdrawal rate as at year end		
	Withdrawal rate as at year end		
	For Offshore Employees:	**20.00%**	
	Withdrawal Rate Service: 0-10		10.00%
	Withdrawal Rate Service: >10		15.00%
	Onsite Employees:	**15.00%**	10.00%
	Effect on DBO due to 5% increase in withdrawal rate	**(50.83)**	(76.81)
	Effect on DBO due to 5% decrease in withdrawal rate	**77.89**	133.11

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

31. Related Party Transactions

31.1 Following is the list of related parties and their relationships

A. Joint Venture Partner

1. Tech Mahindra Limited
2. Venture Global Engineering LLC

B. Subsidiaries

3. Satyam Venture Engineering Services (Shanghai) Co. Ltd
4. Satven GmbH

C. Enterprise having significant influence over Tech Mahindra Limited

5. Mahindra & Mahindra Ltd

D. Under control of Tech Mahindra Limited

6. Tech Mahindra GmbH
7. Tech Mahindra Foundation

E. Under control of Venture Global Engineering LLC

8. Jiangyin Venture Interior System
9. Venture Diversified Products
10. Venture Mould & Engg Co
11. Venture Otto South Africa (Prop) Ltd
12. Venture Auto Design(Shanghai)Co. Ltd

F.	**Key Managerial Personnel**	
13.	Basanta Kumar Mishra	Chairman and Director
14.	Jayaraman Ganapathy	Director
15.	VenkataKumar Raju Vadapalli	Director
16.	Krishna Kumari Palle	Director
17.	Venkateswara Rao Gajjala	Director
18.	Narasimham Venkata Rachakonda	Director
19.	Venkateswarlu Jonnalagadda	Independent Director
20.	Subramanyam Reddy Chelikam	Independent Director
21.	Rao S Vadlamudi	Chief Executive Officer
22.	Srinivas Chakravarthi Ramancherla	Chief Financial Officer
23.	Aradhana Rewatkar	Company Secretary

31.2 Related party transactions during the year are as follows:

	31 March 2022	**31 March 2021**
Tech Mahindra Limited		
Revenue	4,729.64	3,293.80
Reimbursement of Expenditure	138.42	47.07
Satyam Venture Engineering Services (Shanghai) Co. Ltd		
Revenue	550.07	318.19
Dividend received	303.28	-
Advance given during the year	-	-
Satven GmbH		
Advance given/(repaid) during the year	-	15.38
Mahindra & Mahindra Ltd.		
Revenue	161.96	132.93
Tech Mahindra Foundation		
Contribution made toward CSR Expenditure	66.00	67.30
Directors' Sitting Fees		
Jayaraman Ganapathy	1.40	1.10
Vadapalli Venkata Kumar Raju	1.80	1.50
Venkateswarlu Jonnalagadda	2.10	1.80
Subramanyam Reddy Chelikam	1.80	1.50
Remuneration to Key Managerial Personnel	192.93	191.00
Staff Loan/Salary Advance paid during the period	23.13	15.38

	As at 31 March 2022	**As at 31 March 2021**
Debit balances outstanding		
Tech Mahindra Limited	2,812.99	2,709.00
Tech Mahindra GmbH	-	132.03
Satyam Venture Engineering Services (Shanghai) Co. Ltd	59.77	99.45
Mahindra & Mahindra Ltd	53.51	35.66
Staff Loan and advance to KMP	1.47	8.25
Staff Loan due from Managerial Personnel	0.83	-

32. Significant changes in the contract assets balances on fixed price development contracts

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	34.80	-
Add: Revenue recognised during the reporting period	30.74	34.80
Less: Invoiced during the period	(34.80)	-
Add/Less: Translation loss/(gain)	-	-
Add/Less: Others	-	-
Closing Balance	**30.74**	**34.80**

33. Segment Information

33.1 Based on the assessment of the chief operating decision maker ('CODM'), for the purpose of resource allocation and assessment of segment performance, the Company has only one business segment viz, engineering services.

33.2 Geographical information

The Company operates in seven principal geographical areas - India (country of domicile), United States of America (USA), Europe, Canada, Australia, South Africa and Asia Pacific comprising of China, Japan, Mexico and Singapore

The Company's revenue and Non-Current Assets from continuing operations from customers by location of operations are detailed below:

	Revenue		Non-Current Assets	
	Year ended 31 March 2022	Year ended 31 March 2021	As at 31 March 2022	As at 31 March 2021
India	**12,338.36**	12,769.02	**12,015.15**	9,004.45
USA	**13,245.35**	12,075.32	**10.17**	293.24
Europe	**3,446.02**	2,657.85	**103.25**	118.94
Asia Pacific	**4,028.06**	5,488.92	**13.06**	966.25
Other	**845.53**	716.26	**1.15**	2.04

33.3 Information about major customers

Revenue arising from sales of Automotive Engineering Services consits of about 60 customers base and out of them 10 customers contribute 80% of revenue.

34 Financial Instruments

Capital Management

Equity share capital and other equity are considered for the purpose of Company’s capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern. The capital structure of the Company is based on management’s judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Financial Risk Management

The Company’s activities are exposed to liquidity and market risks. The Company’s senior management has the overall responsibility for establishing and governing the company’s risk management frame work. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company’s risk management policies. The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the board annually.

Financial Instruments by category

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

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Assets						
Cash and cash equivalents	-	-	-	2,991.39	2,991.39	2,991.39
Other balances with banks	-	-	-	6,119.54	6,119.54	6,119.54
Trade receivables	-	-	-	6,574.56	6,574.56	6,574.56
Investments (Other than in subsidiaries)	10,838.06	-	-	-	10,838.06	10,838.06
Other financial assets	-	-	77.60	7,362.92	7,440.52	7,440.52
Total	**10,838.06**	**-**	**77.60**	**23,048.41**	**33,964.07**	**33,964.07**
Liabilities					-	-
Trade and other payables	-	-	-	608.46	608.46	608.46
Other financial liabilities	-	-	0.08	667.18	667.26	667.26
Total	**-**	**-**	**0.08**	**1,275.64**	**1,275.72**	**1,275.72**

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

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Assets						
Cash and cash equivalents	-	-	-	2,335.02	2,335.02	2,335.02
Other balances with banks	-	-	-	5,982.21	5,982.21	5,982.21
Trade receivables	-	-	-	6,841.82	6,841.82	6,841.82
Investments (Other than in subsidiaries)	9,528.62	-	-	-	9,528.62	9,528.62
Other financial assets	-	-	10.66	5,125.02	5,135.68	5,135.68
Total	**9,528.62**	**-**	**10.66**	**20,284.07**	**29,823.35**	**29,823.35**
Liabilities					-	-
Trade and other payables	-	-	-	546.54	546.54	546.54
Other financial liabilities	-	-	0.42	6.58	7.00	7.00
Total	**-**	**-**	**0.42**	**553.12**	**553.54**	**553.54**

The fair value of cash and cash equivalents, other balances with bank, trade receivables, unbilled revenues, trade payables, and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments

Fair value hierarchy

The following table summarises financial asses and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

The different levels have been defined as follows:

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 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). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	As at 31 March 2022			As at 31 March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Mutual fund investments	10,838.06	-	-	9,528.62	-	-
Equity shares	-	-	943.67	-	-	943.67
Derivative financial assets	-	77.60	-	-	10.66	-
Total	**10,838.06**	**77.60**	**943.67**	**9,528.62**	**10.66**	**943.67**
Financial Liabilities						
Derivative financial liabilities	-	0.08	-	-	0.42	-
Total	**-**	**0.08**	**-**	**-**	**0.42**	**-**

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

The Company has several balances in foreign currency and consequently the company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affect on the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure and the unhedged foreign currency exposures outstanding at the end of reporting period is as under:

Currency	Assets		Liabilities	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
USD	4,402.81	3,725.82	559.02	574.00
JPY	1,044.95	1,130.25	132.88	251.81
Euro	1,149.41	782.44	131.90	45.09
CNY	59.77	99.45	-	-
GBP	235.68	146.64	9.04	12.60
Others	572.06	312.58	156.53	41.59

Forward Exchange Contracts

The Company enters into foreign exchange forward contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian Rupee. The counter party to the Company's foreign currency Forward Contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of certain forecasted transactions. Forward exchange contracts in USD exposure are USD to INR and for EUR exposure are EUR to INR. These contracts are for a period of two years

The following are the various outstanding foreign currency to Indian currency forward contracts (Sell) entered into be the company which has been designated as cash flow hedges:

	Currency	Amount outstanding in Foreign currency		Fair Value Gain / (Loss)	
		As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Type of cover					
Forward	USD to INR	10.04	1.60	10.20	0.20
	EUR to INR	10.85	3.79	57.09	10.03

The movement in hedging reserve for derivatives designated as Cash Flow Hedges is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Credit / (Debit) balance at the beginning of the year	7.66	-
Gain / (loss) net transferred to income statement on occurrence of forecasted hedge transaction	-	-
Changes in fair value of effective portion of cash flow derivative occurred during the year	-	-
Changes in fair value of effective portion of outstanding cash flow derivative	67.29	10.24
Tax impact on effective portion of outstanding cash flow derivative	(16.94)	(2.58)
Credit/(Debit) balance at the end of the year	58.01	7.66

Credit Risk Management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of 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 maximum exposure of the financial assets represents trade receivables

Credit risk on trade receivables is limited as the customers of the Company mainly consists of the entities having a strong credit worthiness. For doubtful receivables the Company uses a provision matrix to compute the expected credit loss allowances for trade receivables. The provision matrix takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers.

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

Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments.

	As at 31 March 2022		As at 31 March 2021	
	Accounts payable and acceptances	Other financial liabilities	Accounts payable and acceptances	Other financial liabilities
Carrying amount	608.46	667.26	546.54	410.38
upto 1 year	608.46	667.18	546.38	410.38
More than 1 year	-	0.08	0.16	-
Total contracted cash flows	608.46	667.26	546.54	410.38

The table below provides details of financial assets:

	As at 31 March 2022	As at 31 March 2021
Trade receivables	6,574.56	6,841.82
Other financial assets	7,440.52	5,135.68

35. Leases

The lease arrangements for the Company are in respect of the office premises, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases of Rs.426.81 Lakhs [31 March 2021 : Rs.356.9 Lakhs] are recognized as an expense on a straight-line basis over the lease term. .

36. Assessment of impact of Novel Corona Virus Disease (COVID 19)

As at the date of these Financial Statements, COVID 19 had spread across most of the world including India, China, Japan, Germany, UK, Mexico and the United States of America where the company has its operations. In assessing the recoverability of receivables including unbilled receivables, financial assets and contract costs and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements. Considering the nature of these assets, while some delays are expected in the collection, the Company expects to recover the carrying amount of these assets. Debtors realisation is good during the period, Apr-21 to March-22. The impact of COVID 19 may be different from that estimated by the Company and the Company will continue to closely monitor any material changes in future economic conditions. Considering the Company's present liquidity position and its customer / vendor relationships, the management of the Company is of the opinion that it would be able to discharge its obligations. However, the Company expects that revenues for FY23 may be impacted.

37. Earning per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follow.

	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year attributable to owners of the Company	4,048.90	3,758.40
Earnings used in the calculation of basic earnings per share	4,048.90	3,758.40
Weighted average number of equity shares outstanding during the year	7,088,960	7,088,960
Face Value of Equity Shares - Rs.	10	10
Basic and Diluted Earnings per Share *	57.12	53.02

* The Company has no potential dilutive instruments

38. Ratios

S. No.	Ratio	Numerator	Denominator	31 March 2022	31 March 2021	% Variance
a)	Current ratio	Current Assets	Current Liabilities	3.71	3.80	-3%
b)	Debt equity ratio *	-	-	-	-	-
c)	Debt service coverage ratio *	-	-	-	-	-
d)	Return on equity	Net Profits after taxes	Average Shareholder's Equity	5.72	5.30	8%
e)	Inventory turnover ratio *	-	-	-	-	-
f)	Trade receivables turnover ratio	Revenue	Average Trade Receivable	5.05	4.62	9%
g)	Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	7.57	6.27	21%
h)	Net capital Turnover ratio	Revenue	Working Capital	1.48	1.64	-10%
i)	Net profit ratio	Net Profit	Revenue	0.12	0.11	7%
j)	Return on capital employed	Earning before interest and taxes	Capital Employed	0.17	0.17	-4%
k)	Return on investment					
	Quoted	Income generated from investments	Average investments	0.04	0.05	-28%

* These ratios are not applicable to the company at present.

39. Corporate social responsibility

	Year ended 31 March 2022	Year ended 31 March 2021
i) Amount required to be spent by the Company during the year	65.26	67.24
ii) Amount of expenditure incurred	66.00	67.30
iii) Shorfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reasons for shortfall	-	-
vi) Details of related party transactions (Refer Note below)	66.00	67.30
vii) 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.	-	-
viii) Nature of CSR activities	Contribution is made to Tech Mahindra Foundation (TMF). The TMF has been focusing on implementation projects related to of education and employability.	

39.1 Represents contribution to Tech Mahindra Foundation

40 Additional Regulatory and Other Information which are required to be disclosed under Division - II of Schedule III to the Companies Act, 2013,

a) The Company does not own any immovable property, investment property and intangible assets under development

b) The Company does not have any borrowings from banks or financial institutions

c) The Company does not have any balance under Capital work in progress

d) The Company has not revalued its Property, Plant and Equipment (including the Right of use assets) and intangible assets during the year under review.

e) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPS and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are repayable on demand; or without specifying any terms or period of repayment

f) No Proceeding has been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder

g) The Company is not a declared wilful defaulter by any Bank or Financial Institution or other lender.

h) The Company has no transactions with companies struck off under Sec.248 of the companies Act, 2013 or Sec.560 of the Companies Act, 1956.

i) The Company has complied with the number of layers prescribed under Clause 87 of Sec.2 of the Act read with the Companies (Restriction on number of layers) Rules 2017.

j) During the year, no scheme of arrangements has been approved by the competent authority in terms of Sec.230 to 237 of the Act, in which the company is a party.

k) A). The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other 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 to or on behalf of the Ultimate Beneficiaries.

B). 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.

See accompanying notes to the financial statements

In terms of our report attached	**for and on behalf of the Board of**		
for M. Bhaskara Rao & Co.	Satyam Venture Engineering Services Private Limited		
Chartered Accountants	CIN: U72200TG2000PTC033213		
Firm Registration No.000459S			
K.S.Mahidhar	**B.K. Mishra**	**J. Venkateshwarlu**	
Partner	Director	Director	
Membership NO.220881	DIN :09163831	DIN : 00051001	
	Rao.S.Vadlamudi	**Srinivas R**	**Aradhana R.**
	CEO	CFO	Company Secretary

Hyderabad, 19 April 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
Satyam Venture Engineering Services Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Satyam Venture Engineering Services Private Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2022, the consolidated profit, the consolidated total comprehensive income, the consolidated changes in equity and its consolidated cash flows and for the year then ended.

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 Consolidated Financial Statements" section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with the these requirements and the ICAI's Code of Ethics.. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following notes in the consolidated financial statements:

a) Note 27.2 regarding reckoning of Rs.28,253.90 Lakhs as contingent liability, towards any possible charge that may arise in respect of ongoing dispute between the promoters, for the period from 01 April 2012 to 31 March 2022 based on legal advice and for reasons stated in the said note notwithstanding the status of litigation between the promoters on various issues relating to the Shareholders Agreement, the outcome of which is not determinable at this stage; and

b) Note 28 regarding drawing up of accounts for the year incorporating opening balances based on the financial statements of earlier years which have not been adopted by the shareholders.

Our opinion is not modified in respect of these matters.

Information Other than the Consolidated 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 Directors Report, but does not include the consolidated 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 consolidated 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in the terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility 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 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs.1,562.40 Lakhs and net assets of Rs.1,399.13 Lakhs as at 31 March 2022, total revenues of Rs.1,935.37 Lakhs and net cash inflows amounting to Rs.110.09 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matters' paragraph, 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 of the aforesaid consolidated financial statements;

   (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the rules issued thereunder;

   (e) the matter relating to contingent liability described in paragraph (a) under the Emphasis of Matters above, in our opinion, may have an adverse effect on the functioning of the Group;

   (f) on the basis of written representations received from the directors of the Holding Company as on 31 March 2022, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

   (h) 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 provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company.

   (i) 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 and based on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other matter' paragraph:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer note 29 to the consolidated financial statements;

ii. The Company does not have any material foreseeable losses relating to long term contracts including derivate contracts as on 31 March 2022. No provision is made in respect of the contingent liability described under note 27.2 since the matters involving these litigations are sub-judice at present, the impact of these pending litigations on its financial position could not be stated in the Consolidated Financial Statements.; and

iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022.

iv. (a) the respective managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statemetns have been audited under the Act, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 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;

(b) the respective management of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, 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

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiairies which are companies incorporated in India whose financial statements have been audited under the Act, 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 mis-statement.

v. The Company has not declared or paid any dividend during the year.

for **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No.000459S

K.S. Mahidhar
Partner
Membership No.220881
UDIN : 22220881AHJQYX7775
Hyderabad, 19 April 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Satyam Venture Engineering Services Private Limited)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls over financial reporting of Satyam Venture Engineering Services Private Limited ("the Holding Company"). The subsidiary companies are companies incorporated outside India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, are 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding 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 ICAI 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 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; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and according to the information and explanation given to us, the Holding Company has to strengthen the internal financial controls over financial reporting relating to leave management including recording and timely updation of the employee leave records 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. However, considering the size of the Company and nature of its operations during the year, in our opinion, the internal financial controls over financial reporting followed were operating effectively as at 31 March 2022.for

M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No.000459S

K.S. Mahidhar
Partner
Membership No.220881
UDIN: 22220881AHJQYX7775
Hyderabad, 19 April 2022

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	**563.24**	630.63
(b) Other Intangible assets	5	**387.93**	597.60
(c) Financial assets			
(i) Other financial assets	6	**3,889.92**	2,794.67
(d) Deferred tax assets (net)	7	**404.91**	407.15
(e) Non-current tax assets (net)	9	**6,048.36**	5,077.60
Total Non-Current Assets		**11,294.36**	9,507.65
Current Assets			
(a) Financial assets			
(i) Investments	8	**10,838.06**	9,528.62
(ii) Trade receivables	10	**6,673.73**	7,113.41
(iii) Cash and cash equivalents	11	**3,984.32**	3,438.02
(iv) Other bank balances	12	**6,119.54**	5,982.21
(v) Other financial assets	6	**3,863.51**	2,422.53
(b) Other current assets	13	**1,231.22**	952.78
Total Current Assets		**32,710.38**	29,437.57
Total Assets		**44,004.74**	38,945.22
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	**708.90**	708.90
(b) Other equity	15	**33,367.74**	29,267.89
Total Equity		**34,076.64**	29,976.79
LIABILITIES			
Non-Current Liabilities			
(a) Other Financial Liabilities	18	**0.08**	0.42
(b) Provisions	16	**1,319.23**	1,461.31
Total Non-Current Liabilities		**1,319.31**	1,461.73
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	17		
(A) Total outstanding dues of micro enterprises and small enterprises; and		**3.86**	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		**665.47**	605.35
(ii) Other financial liabilities	18	**670.71**	412.43
(b) Other current liabilities	19	**601.70**	620.87
(c) Provisions	16	**5,631.00**	5,582.07
(d) Current tax liabilities (Net)	20	**1,036.05**	285.98
Total Current Liabilities		**8,608.79**	7,506.70
Total Equity and Liabilities		**44,004.74**	38,945.22

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No.000459S

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200TG2000PTC033213

K.S.Mahidhar
Partner
Membership No.220881

B.K.Mishra
Director
DIN: 09163831

J.Venkateswarlu
Director
DIN: 00051001

Rao.S.Vadlamudi
CEO

Hyderabad, 19 April 2022

Srinivas R
CFO

Aradhana R.
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE THE YEAR ENDED 31 MARCH 2022

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Income from operations	21	**35,288.62**	34,717.95
Other income	22	**980.90**	1,784.96
Total Income		**36,269.52**	36,502.91
Expenses			
Sub contracting costs		**281.39**	150.23
Employee benefits expense	23	**25,222.01**	25,895.22
Finance costs		**-**	13.40
Depreciation and amortisation expense	24	**812.43**	857.07
Other expenses	25	**4,478.13**	4,485.06
Total Expenses		**30,793.96**	31,400.99
Profit before tax		**5,475.57**	5,101.92
Tax Expense	26		
Current tax		**1,631.08**	1,084.07
Earlier years tax		**(1.64)**	20.27
Deferred tax		**(50.52)**	218.79
Total tax expense		**1,578.92**	1,323.13
Profit for the year		**3,896.65**	3,778.79
Other comprehensive income / (loss)			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		**142.31**	309.35
Income tax on above items	26	**(35.82)**	(77.86)
		106.49	231.49
B. Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations	15	**46.36**	68.68
Effective portion of gain / (loss) on Designated Portion of Hedging Instruments in a Cash Flow Hedge (net)		**67.29**	10.24
Income tax on above items	26	**(16.94)**	(2.58)
		96.71	76.34
Other comprehensive income / (loss) for the year		**203.20**	307.83
Total comprehensive income for the year		**4,099.85**	4,086.62
Total comprehensive income for the year attributable to:			
Owners of the Company		**4,099.85**	4,086.62
Non controlling interests		**-**	-
Earnings per equity share	37		
Basic and Diluted - (In Rs. per share)		**54.97**	53.31

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No.000459S

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200TG2000PTC033213

K.S.Mahidhar
Partner
Membership No.220881

B.K.Mishra
Director
DIN: 09163831

J.Venkateswarlu
Director
DIN: 00051001

Rao.S.Vadlamudi
CEO

Hyderabad, 19 April 2022

Srinivas R
CFO

Aradhana R.
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

All amounts are Rupees in lakhs unless otherwise stated

		Year ended 31 March 2022	Year ended 31 March 2021
A.	**Cash flow from operating activities**		
	Profit for the year	**5,475.57**	5,101.92
	Adjustments for		
	Interest income recognised in profit or loss	**(490.99)**	(414.03)
	Loss / (Profit) on sale of fixed assets	**(1.57)**	(0.83)
	Depreciation and amortisation of non-current assets	**812.43**	857.07
	Net (Gain) / Loss on sale of investments	**(42.56)**	(12.31)
	Net foreign exchange (gain) / loss	**63.70**	56.16
	Fair value measurements	**(319.89)**	(364.04)
	Operating profit / (loss) before working capital changes	**5,502.78**	5,224.26
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Trade Receivables	**433.59**	1,036.81
	Other Non-Current Assets	**-**	-
	Other Non-Current Financial Assets	**52.57**	3.17
	Other Current Financial Assets	**(1,330.28)**	1,545.17
	Other Current Assets	**(278.44)**	212.07
	Adjustments for increase / (decrease) in operating liabilities:		
	Other Non Current Financial Liabilities	**-**	-
	Non-Current Provisions	**(142.08)**	(193.97)
	Trade Payables	**64.08**	(361.88)
	Current Provisions	**237.59**	137.00
	Other Financial Liabilities	**258.29**	(351.83)
	Other Current Liabilities	**(19.17)**	87.76
	Cash generated from operations	**4,778.92**	7,338.55
	Income Tax paid (Net)	**(1,850.13)**	(1,335.60)
	Net cash flow from / (used in) operating activities (A)	**2,928.79**	6,002.95
B.	**Cash flow from investing activities**		
	Payments for property, plant and equipment (including Capital Work in Progress)	**(535.41)**	(727.48)
	Proceeds from disposal of property, plant and equipment	**1.51**	(4.71)
	Bank balances (Deposits) not considered as cash and cash equivalents		
	- Placed	**(7,250.51)**	(7,502.89)
	- Matured	**5,993.66**	5,162.34
	Current Investments		
	- Purchased	**(11,799.41)**	(5,899.80)
	- Proceeds from sale / redemption	**10,852.42**	2,425.19
	Interest received	**418.94**	444.61
	Net cash flow used in investing activities (B)	**(2,318.80)**	(6,102.75)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

All amounts are Rupees in lakhs unless otherwise stated

		Year ended 31 March 2022	Year ended 31 March 2021
C.	**Cash flow from financing activities**	**-**	-
	Net cash flow from / (used in) financing activities (C)	**-**	-
	Net increase / (decrease) in cash and cash equivalents	**609.99**	(99.79)
	Cash and cash equivalents at the beginning of the year	**3,438.02**	3,593.98
	Effect of exchange difference on cash and cash equivalents held in foreign currency	**(63.70)**	(56.16)
	Cash and cash equivalents at the end of the year [Refer Note 11]	**3,984.32**	3,438.02

See accompanying notes to the financial statements

In terms of our report attached	**for and on behalf of the Board of**		
for M. Bhaskara Rao & Co.	Satyam Venture Engineering Services Private Limited		
Chartered Accountants	CIN: U72200TG2000PTC033213		
Firm Registration No.000459S			
K.S.Mahidhar	**B.K.Mishra**	**J.Venkateswarlu**	**Rao.S.Vadlamudi**
Partner	Director	Director	CEO
Membership No.220881	DIN: 09163831	DIN: 00051001	
	Srinivas R		**Aradhana R.**
Hyderabad, 19 April 2022	CFO		Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

All amounts are Rupees in lakhs unless otherwise stated

A. Equity Share Capital	As at 31 March, 2022	As at 31 March 2021
Issued and paid up equity share capital		
Balance at the beginning of the current reporting period	**708.90**	708.90
Changes in Equity Share Capital due to prior period errors	**-**	-
Restated balance at the beginning of the current reporting period	**708.90**	708.90
Changes in equity share capital during the current year	**-**	-
Balance at the end of the current reporting period	**708.90**	708.90

B. Other Equity

Particulars	Reserves & Surplus			Items of other comprehensive income / (loss)			Total
	General Reserve	Statutory Reserve	Retained Earnings	Reameasurement of defined benefit plan	Exchange differences in translating the financial statements of foreign operations	Cash Flow Hedge Reserve	
Balance as at 31 March 2020	**12.50**	**-**	**25,091.28**	**17.46**	**60.02**	**-**	**25,181.26**
Profit for the year	-	-	3,778.79	-	-	-	3,778.79
Other Comprehensive Income (net of tax)	-	-	-	231.49	68.68	7.66	307.83
Total comprehensive income for the year	**-**	**-**	**3,778.79**	**231.49**	**68.68**	**7.66**	**4,086.62**
Balance as at 31 March 2021	**12.50**	**-**	**28,870.07**	**248.95**	**128.70**	**7.66**	**29,267.88**
Profit for the year	-	-	3,896.65	-	-	-	3,896.65
Other Comprehensive Income (net of tax)	-	-	-	106.49	46.36	50.35	203.20
Total comprehensive income for the year	**-**	**-**	**3,896.65**	**106.49**	**46.36**	**50.35**	**4,099.85**
Transfer to / from during the year		30.19	(30.19)				-
Balance as at 31 March 2022	**12.50**	**30.19**	**32,736.53**	**355.44**	**175.06**	**58.01**	**33,367.73**

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No.000459S

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200TG2000PTC033213

K.S.Mahidhar
Partner
Membership No.220881

B.K.Mishra
Director
DIN: 09163831

J.Venkateswarlu
Director
DIN: 00051001

Rao.S.Vadlamudi
CEO

Hyderabad, 19 April 2022

Srinivas R
CFO

Aradhana R.
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

All amounts are Rupees in lakhs unless otherwise stated

1. Corporate Information

Satyam Venture Engineering Services Private Limited ("the Company") was incorporated in March 2000 as a 50:50 joint venture between erstwhile Satyam Computer Services Limited (SCSL) and Venture Global Engineering LLC. SCSL was merged with Tech Mahindra Limited in the year 2013,consequent to a scheme of amalgamation and arrangement as approved by the Hon'ble High Court of Judicature Andhra Pradesh and Hon'ble High Court of Bombay.

The Company provides engineering services such as product design, tool design and computer aided engineering simulation services to automotive industry across the globe, through its Indian operations and through its foreign branches in USA, Germany, Canada, United Kingdom,Japan and Mexico.

The Consolidated financial statements reflect the results of its operations carried on by Indian operations, overseas branches and its subsidiaries incorporated in China and Germany, collectively referred to as the "Group".

The financial statements for the period ended 31 March 2022 were approved by the Board of Directors and authorised to issue on 19 April 2022.

2. Significant accounting policies:

2.1 Statement of Compliance:

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments issued thereafter.

2.2 Basis for preparation of financial statements:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Group 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. Fair value for measurement and / or disclosure purpose in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

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:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Basis of Consolidation:

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

2.4 Use of Estimates:

The preparation of financial statements requires the management of the Group to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements

2.5 Property, Plant & Equipment and Other Intangible assets:

Property, Plant & Equipment and Other intangible assets are stated at actual cost less accumulated depreciation/ amorisation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciation / amortization of Property, Plant & Equipment and Other Intangible assets:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on Property, Plant & Equipment and other intangible assets including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as assessed based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and Machinery (including Computers)	3 years
Office Equipment	3 years
Furniture, Fixtures and Interiors	3 years
Vehicles	3 years
Intangible Assets – Software	License period or 3 years whichever is lower

The estimated useful lives and residual values of the tangible and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.6 Leases:

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Group as a lessee :

The Parent and its subsidiaries assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves:

(a) the use of an identified asset,

(b) the right to obtain substantially all the economic benefits from use of the identified asset, and

(c) the right to direct the use of the identified asset.

The Group at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right- of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Group applies Ind AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets.

For lease liabilities at inception, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in statement of profit and loss.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

2.7 Impairment of Assets:

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortised cost is measured at 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. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss

2.8 Revenue recognition:

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 products or services.

Arrangements with customers for services are either on a time bound fixed price or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, 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 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 (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for engineering services with customers, the company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering engineering services and other related services as distinct performance obligations. For allocating the transaction price, the company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price.

For time and material related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The company accounts for volume discounts and pricing incentives, if any, to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract 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 presents revenues net of indirect taxes in its statement of Profit and loss.

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones

Invoicing in excess of earnings are classified as unearned revenue

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

2.9 Foreign currency transactions:

The functional currency of the Company and its Indian subsidiaries is Indian Rupees (INR) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of the Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the profit or loss.

2.10 Foreign Operations:

For the purpose of these consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

2.11 Financial Instruments

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

Financial assets and 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 measured on initial recognition of financial asset or financial liability.

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

i) Non-derivative financial instruments

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

The Group, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss

Financial liabilities

Financial liabilities at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and 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) Derivative financial instruments and hedge accounting

The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these forward contracts / options as hedge instruments and account for as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The use of foreign currency forward contracts / options is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/ option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under effective portion of cash flow hedges and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the Statement of Profit or Loss in the same period in which gains/ losses on the item hedged are recognised in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are transferred from effective portion of cash flow hedges and included in the initial measurement of the cost of the nonfinancial asset or non-financial liability.

Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal occurs. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified in effective portion of cash flow hedges is retained there and is classified to Statement of Profit and Loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in effective portion of cash flow hedges is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

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.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged,cancelled or have expired.

2.12 Employee Benefits:

a) Gratuity:

The Group accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for the Company and its Indian subsidiaries.

Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur.

b) Provident fund:

The eligible employees of the Company and its Indian subsidiaries are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company and its Indian subsidiaries make monthly contributions at a specified percentage of the covered employees' salary which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company and its Indian subsidiaries.

The Company and its Indian subsidiaries has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

c) Compensated absences:

The Group provides for the encashment of leave subject to Group's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for the Company and its Indian subsidiaries, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries. The Company does not expect the difference on account of varying methods to be material.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The Group also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

d) Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

2.13 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, 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.

Deferred income tax assets are recognised 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.

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Group recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.14 Earnings per Share:

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued if any, during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings / (loss) per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless issued at a later date.

2.15 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.

2.16 Critical judgements in applying accounting policies:

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statement.

Key sources of estimation uncertainty:

The following are the key assumptions concerning the future , and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Useful lives of property, plant and equipment:

The company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1inputs are not available, the Company engages third party qualified valuers to perform the valuation . Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Executive Officer reports to the board of fluctuations in the fair value of the assets and liabilities.

Provision for doubtful receivables:

The Company has adopted expected credit loss model for provisioning of receivables,apart from this the company also monitors long outstanding balances and make additional provision where required.

Provision for employee benefits:

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

Provision for taxes:

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

3. 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 March 23, 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 recognised 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 April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

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 labour, 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 April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

	As at 31 March 2022	**As at 31 March 2021**
4. Property, Plant and Equipment		
Carrying amounts of		
Plant and Equipment	**509.75**	517.72
Office Equipments	**40.50**	51.07
Furniture and Fixtures	**4.22**	41.64
Vehicles	**8.77**	20.20
	563.24	630.63
5. Other Intangible assets		
Carrying amounts of:		
Computer Software (other than internally generated)	**387.93**	597.60
	387.93	597.60

4A Property, Plant and Equipment

	Gross Block (At Cost)					Depreciation / Amortisation				Net Block
	As at 1 April 2021	Additions	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Balance as at 31 March 2022	Upto 01 April 2021	For the year	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Upto 31 March 2022	As at 31 March 2022
Tangible Assets											
Plant and Machinery	2,458.27	338.44	2.80	-	2,793.91	1,939.99	346.31	2.80	-0.65	2,284.16	509.75
Office Equipment	417.88	26.08	0.60	-	443.36	366.81	36.65	0.60	-	402.86	40.50
Furniture, Fixtures & Interiors	383.31	1.63	9.99	-	374.96	341.67	39.11	10.05	-	370.73	4.22
Vehicles	53.37	-	-	-	53.37	33.17	11.43	-	-	44.60	8.77
Total	**3,312.83**	**366.15**	**13.39**	**-**	**3,665.60**	**2,681.65**	**433.51**	**13.45**	**-0.65**	**3,102.36**	**563.24**

	Gross Block (At Cost)					Depreciation / Amortisation					Net Block
	As at 1 April 2020	Additions	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Balance as at 31 March 2021	Upto 01 April 2020	For the year	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Upto 31 March 2021	As at 31 March 2021
Tangible Assets											
Plant and Machinery	2,087.78	390.15	19.77	0.11	2,458.27	1,665.72	292.25	17.70	-0.28	1,939.99	518.28
Office Equipment	405.22	25.99	13.34	-	417.88	338.10	42.23	13.52	-	366.81	51.07
Furniture, Fixtures & Interiors	392.40	5.93	15.02	-	383.31	314.42	46.03	18.78	-	341.67	41.64
Vehicles	52.51	0.86	-	-	53.37	21.95	11.22	-	-	33.17	20.20
Total	**2,937.91**	**422.94**	**48.13**	**0.11**	**3,312.83**	**2,340.19**	**391.73**	**49.99**	**-0.28**	**2,681.64**	**631.19**

5A Other Intangible assets

	Gross Block (At Cost)					Depreciation / Amortisation					Net Block
	As at 1 April 2021	Additions	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Balance as at 31 March 2022	Upto 01 April 2021	For the year	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Upto 31 March 2022	As at 31 March 2022
Software	4,997.25	169.26	-	-	5,166.50	4,399.64	378.93	-	-	4,778.57	387.93
Total	**4,997.25**	**169.26**	**-**	**-**	**5,166.50**	**4,399.64**	**378.93**	**-**	**-**	**4,778.57**	**387.93**

	Gross Block (At Cost)					Depreciation / Amortisation					Net Block
	As at 1 April 2020	Additions	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Balance as at 31 March 2021	Upto 01 April 2020	For the year	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Upto 31 March 2021	As at 31 March 2021
Software	4,915.61	304.54	222.91	-	4,997.25	4,160.89	465.35	226.59	-	4,399.64	597.60
Total	**4,915.61**	**304.54**	**222.91**	**-**	**4,997.25**	**4,160.89**	**465.35**	**226.59**	**-**	**4,399.64**	**597.60**

		As at 31 March 2022	As at 31 March 2021
6.	**Other financial assets measured at amortised cost**		
	I. Non-Current		
	(Unsecured, considered good)		
	Other bank balances - in deposit accounts	**3,499.54**	2,380.31
	Security Deposits [Refer note 6.2]	**351.42**	403.71
	Foreign Currency Derivative Assets	**38.96**	10.66
	Total	**3,889.92**	2,794.67
	II. Current		
	Unbilled revenue [Refer note 6.1]	**3,561.33**	2,231.04
	Interest Receivable on deposits	**263.54**	191.49
	Foreign Currency Derivative Assets	**38.64**	-
	Total	**3,863.51**	2,422.53
6.1	**Of the above, Unbilled revenue from:**		
(a)	Related parties [Refer note 31]	**513.56**	741.78
(b)	Others	**3,047.77**	1,489.26
		3,561.33	2,231.04

6.2 Include deposit of Rs.67.83 Lakhs [31 March 2021 : Rs.67.83 Lakhs] with CGITCLC and Rs.58.24 Lakhs [31 March 2021: Rs.58.24 Lakhs] with CESTAT in respect of the ongoing disputes [Refer note 29A(ii) & (iv)]

6.3 Ageing of unbilled revenue

	As on 31 March 2022						
	Not Due	**Less than 6 months**	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
a) Undisputed unbilled revenue - considered good	-	**3,554.38**	**6.95**	-	-	-	**3,561.33**
b) Undisputed unbilled revenue - which have significant increase in credit risk	-	-	-	-	-	-	-
c) Undisputed unbilled revenue - credit impaired	-	-	-	-	-	-	-
d) Disputed unbilled revenue - considered good	-	-	-	-	-	-	-
e) Disputed unbilled revenue - which have significant increase in credit risk	-	-	-	-	-	-	-
f) Disputed unbilled revenue - credit impaired	-	-	-	-	-	-	-

	As on 31 March 2021						
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
a) Undisputed unbilled revenue - considered good	-	2,231.04	-	-	-	-	2,231.04
b) Undisputed unbilled revenue - which have significant increase in credit risk	-	-	-	-	-	-	-
c) Undisputed unbilled revenue - credit impaired	-	-	-	-	-	-	-
d) Disputed unbilled revenue - considered good	-	-	-	-	-	-	-
e) Disputed unbilled revenue - which have significant increase in credit risk	-	-	-	-	-	-	-
f) Disputed unbilled revenue - credit impaired	-	-	-	-	-	-	-

	As at 31 March 2022	As at 31 March 2021
7. Deferred tax assets (Net)		
Deferred tax assets	**660.39**	668.12
Deferred tax liabilities	**(255.47)**	(260.97)
Total	**404.91**	407.15

7.1 The tax effect of significant temporary differences that has resulted in deferred tax assets are given below:

	For the year ended 31 March 2022							
	PPE and Intangible assets	Provision for doubtful debts	Provision for defined benefit obligations	ICDS Adjustments: Interest on Income Tax	Cash Flow Hedging Reserve	Fair value gain on Mutual funds	Exchange difference in translating the financial statements of foreign operations	Total
Opening balance	243.29	-	418.13	(99.19)	(2.58)	(159.21)	6.71	407.15
Recognised in profit or loss	7.47	(0.40)	21.01	-	-	22.44		50.52
Recognised in other comprehensive income	-	-	(35.82)		(16.94)	-	-	(52.75)
Reclassified from equity to profit or loss	-	-	-	-	-	-	-	-
Closing Balance	**250.75**	**(0.40)**	**403.33**	**(99.19)**	**(19.51)**	**(136.77)**	**6.71**	**404.91**

	For the year ended 31 March 2021							
	PPE and Intangible assets	Provision for doubtful debts	Provision for defined benefit obligations	ICDS Adjustments: Interest on Income Tax	Cash Flow Hedging Reserve	Fair value gain on Mutual funds	Exchange difference in translating the financial statements of foreign operations	Total
Opening balance	242.49	13.64	522.25	-	-	(78.71)	6.71	706.37
Recognised in profit or loss	0.79	(13.64)	(26.26)	(99.19)	-	(80.50)		(218.79)
Recognised in other comprehensive income	-	-	(77.86)		(2.58)	-		(80.43)
Reclassified from equity to profit or loss		-	-	-	-	-	-	-
Closing Balance	**243.29**	**-**	**418.13**	**(99.19)**	**(2.58)**	**(159.21)**	**6.71**	**407.15**

8. Investments

		As at 31 March 2022		As at 31 March 2021	
		Units	**Amount**	**Units**	**Amount**
I	**Current Investments**				
A	**Investment in Mutual Funds - quoted (at fair value)**				
	ICICI Prudential Savings Fund- Growth	**-**	**-**	193994	807.02
	ICICI Prudential Savings Fund - DP Growth	**681148**	**2,981.48**	972995	4,083.55
	ICICI Prudential Liquid Fund - DP Growth	**-**	**-**	429269	1,308.14
	ICICI Prudential Overnight Fund - DP Growth	**-**	**-**	3000422	3,329.91
	Mahindra Manulife Liquid Fund Direct Growth	**186410**	**2,580.26**	-	-
	HSBC Cash Fund Direct Growth Plan	**111520**	**2,363.98**	-	-
	HSBC Ultra Short Duration Fund Direct Growth	**27822**	**306.69**	-	-
	Kotak Liquid Fund Direct Plan Growth	**60553**	**2,605.66**	-	-
			10,838.06		9,528.62
(a)	Aggregate amount of quoted investments and market value thereof;		**10,838.06**		9,528.62
(b)	Aggregate amount of unquoted investments		**-**		-
(c)	Aggregate amount of impairment in value of investments		**-**		-

		As at 31 March 2022	As at 31 March 2021
9.	**Non-current tax assets (net)**		
	Advance income tax	**6,048.36**	5,077.60
	(net of provisions Rs.14,565.23 Lakhs [31 March 2021: Rs.11,422.07 Lakhs])		
	Total	**6,048.36**	5,077.60

10. Trade receivables

(a) Considered good - Secured	-	-
(b) Considered good - Unsecured	6,673.73	7,113.41
(c) Receivables which have significant increase in credit risk	-	-
(d) Credit impaired	1.59	-
Less: provision for expected credit loss	(1.59)	-
Total	**6,673.73**	**7,113.41**

10.1 Of the above, trade receivables from:

(a) Related parties [Refer note 32]	1,709.08	2,134.91
(b) Others	4,964.65	4,978.50
Total	**6,673.73**	**7,113.41**

10.2 Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for trade receivables (other than receivables from related parties) that do not constitute a financing transaction. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Before accepting any new customer, the Company assesses the potential customer's credit quality.

The Average credit period on Sale of Services 60 days .

10.3 Age of Trade Receivables

	Outstanding for following periods from due date of payment as on 31 March 2022						
	Not Due	**Less than 6 months**	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(a) Undisputed trade receivables - considered good	**5,840.55**	**731.53**	**85.25**	**16.40**	**-**	**-**	**6,673.73**
(b) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Undisputed trade receivables - credit impaired	-	-	-	**1.59**	-	-	**1.59**
(d) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(e) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(f) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-

		Outstanding for following periods from due date of payment as on 31 March 2021						
		Not Due	**Less than 6 months**	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(a)	Undisputed trade receivables - considered good	5,695.67	1,326.93	19.65	71.15	-	-	7,113.41
(b)	Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(c)	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(d)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(e)	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(f)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-

10.4 Classification of trade receivables

	As at 31 March 2022	As at 31 March 2021
Non-Current	**-**	-
Current	**6,673.73**	7,113.41
Total	**6,673.73**	7,113.41

10.5 Movement in the allowance for expected credit loss

Balance at the beginning of the year	**-**	54.19
Add: Allowance for expected credit loss	**6.08**	0.30
Less: Provision write back	**-**	-
Less: Receivables written off	**4.49**	54.49
Balance at the end of the year	**1.59**	-

		As at 31 March 2022	As at 31 March 2021
11.	**Cash and cash equivalents**		
	Balances with Banks		
	(a) with Scheduled banks		
	in Current account	**852.99**	879.73
	in Deposit account	**1,212.00**	869.00
	(b) with Other banks		
	in Current account	**1,919.33**	1,689.30
	Cash on hand	**-**	-
	Total	**3,984.32**	3,438.02
12.	**Other Bank Balances**		
	Balances with Banks		
	with Scheduled banks		
	in Deposit account	**6,119.54**	5,982.21
	Total	**6,119.54**	5,982.21
13.	**Other assets**		
	I. Current		
	(Unsecured, considered good)		
	Prepaid expenses	**646.03**	460.84
	Loans and Advances to Employees	**181.12**	102.95
	Balance with government authorities	**340.16**	135.25
	Contract assets	**30.74**	34.80
	Others	**33.18**	218.95
	Total	**1,231.22**	952.78
13.1	**Of the above, Other assets from:**		
	(a) Related parties [Refer note 31]	**0.83**	0.83
	(b) Others	**1,230.39**	951.96
		1,231.22	952.78

14. Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	**Amounts**	**Number of Shares**	**Amounts**
Authorised Share Capital				
Equity share capital of Rs.10 each	**7,500,000**	**750.00**	7,500,000	750.00
Issued, Subscribed and Fully Paid up				
Equity share capital of Rs.10 each	**7,088,960**	**708.90**	7,088,960	708.90

14. 1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	**Amounts**	**Number of Shares**	**Amounts**
Equity share capital of Rs.10 each				
Balance as at beginning of the year	**7,088,960**	**708.90**	7,088,960	708.90
Issued during the year	**-**	**-**	-	-
Balance as at end of the year	**7,088,960**	**708.90**	7,088,960	708.90

14. 2Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	**Amounts**	**Number of Shares**	**Amounts**
Equity shares of Rs.10 each fully paid held by				
Tech Mahindra Limited	**3,544,480**	**354.45**	3,544,480	354.45
Venture Global Engineering Services LLC	**3,544,480**	**354.45**	3,544,480	354.45

14. 3 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	**% of holding**	**Number of Shares**	**% of holding**
Equity shares of Rs.10 each fully paid held by				
Tech Mahindra Limited	**3,544,480**	**50%**	3,544,480	50%
Venture Global Engineering Services LLC	**3,544,480**	**50%**	3,544,480	50%

14. 4 Details of shares held by promoters

	As at 31 March 2022		
	Number of Shares	**% of total shares**	**% Change during the year**
Equity shares of Rs.10 each fully paid held by			
Tech Mahindra Limited	**3,544,480**	50%	-
Venture Global Engineering Services LLC	**3,544,480**	50%	-

14. 5 Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The percentage of shareholding shall be maintained as set out in Article 4 of Articles of Association and the fresh issue to be offered to both the shareholders in proportion to their shareholding. Any shares not accepted shall in the first instance be offered to the other remaining member and affiliates nominated by thereof.

		As at 31 March 2022	As at 31 March 2021
15.	**Other equity**		
	General Reserve	**12.50**	12.50
	Statutory Reserve	**30.19**	-
	Retained Earnings	**32,736.53**	28,870.07
	Other Components of Equity		
	Remeasurement of the defined benefits plans	**355.45**	248.96
	Exchange difference in translating the financial statements of foreign operations (Net of tax)	**175.06**	128.70
	Cash Flow Hedging Reserve (Net of tax)	**58.01**	7.66
	Total	**33,367.74**	29,267.89
15.1	**General Reserve [Refer note 15.5]**		
	Balance at beginning of year	**12.50**	12.50
	Movement during the year	**-**	-
	Balance at end of year	**12.50**	12.50
15.2	**Statutory Reserve [Refer note 15.6]**		
	Balance at beginning of year	**-**	-
	Movement during the year	**30.19**	-
	Balance at end of year	**30.19**	-
15.3	**Retained Earnings [Refer note 15.7]**		
	Balance at beginning of year	**28,870.07**	25,091.28
	Profit attributable to owners of the Company	**3,896.65**	3,778.79
	Transferred to Statutory Reserve	**(30.19)**	
	Balance at end of year	**32,736.53**	28,870.07
15.4	**Other Components of Equity**		
a)	**Remeasurement of the defined benefits plans [Refer note 15.8]**		
	Opening balance	**248.96**	17.46
	Movement during the year (Net of tax)	**106.49**	231.49
	Balance at end of year	**355.45**	248.96
b)	**Exchange difference in translating the financial statements of foreign operations [Refer note 15.9]**		
	Opening balance	**128.70**	60.02
	Movement during the year (Net of tax)	**46.36**	68.68
	Balance at end of year	**175.06**	128.70
c)	**Cash Flow Hedging Reserve [Refer note 15.10]**		
	Opening balance	**7.66**	-
	Movement during the year (Net of tax)	**50.35**	7.66
	Balance at end of period / year	**58.01**	7.66

15.5 The Company has transferred the amount from capital reserve upon fulfilment of the contribution attached to the investment subsidy received in earlier years.

15.6 The Statutory Reserve is created out of retained earnings as a prerequisite to distribute dividend to a foreign shareholder as per the requirement of local laws of Republic of China.

15.7 Retained earning represents the Company's undistributed earnings after taxes.

15.8 It represents the actuarial gain / (loss) recognised on the defined benefit plan and will not be reclassified to retained earnings.

15.9 It represents the exchange difference accumulated when the foreign operations financial statements are converted from their functional currency to presentation currency of the Company.

15.10 It represents accumulated effective portion of changes in fair value of the derivative and will be transferred to statement of Profit and Loss upon occurance of related forcasted transaction.

		As at 31 March 2022	As at 31 March 2021
16.	**Provisions**		
I	**Non-Current**		
	Provision for Employee Benefits		
	Compensated Absences	**282.10**	307.90
	Gratuity	**1,037.13**	1,153.41
	Total	**1,319.23**	1,461.31
II	**Current**		
	Provision for Employee Benefits		
	Compensated Absences	**120.11**	144.06
	Gratuity	**219.47**	146.60
	Provision for Contingencies [Refer note 27.2]	**5,291.42**	5,291.42
	Total	**5,631.00**	5,582.07
17.	**Trade Payables**		
	Amounts due to micro and small enterprises [Refer note 17.3]	**3.86**	-
	Others	**665.47**	605.35
	Total	**669.33**	605.35
17.1	**Of the above, Trade payables from:**		
(a)	Related parties [Refer note 31]	**58.23**	-
(b)	Others	**611.10**	-
		669.33	-

17.2 Ageing of Trade Payables

	Outstanding for following periods from due date of payment as on 31 March 2022					
	Not Due	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
MSME	**-**	**3.86**	**-**	**-**	**-**	**3.86**
Others	**622.75**	**37.17**	**-**	**5.55**	**-**	**665.47**
Disputed dues - MSME	**-**	**-**	**-**	**-**	**-**	**-**
Disputed dues - Others	**-**	**-**	**-**	**-**	**-**	**-**

	Outstanding for following periods from due date of payment as on 31 March 2021					
	Not Due	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
MSME	-	-	-	-	-	-
Others	579.35	25.85	-	-	0.16	605.35
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

17.3 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the MSMED Act, 2006) claiming their status as micro or small enterprises. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management and the required disclosures are given below:

		As at 31 March 2022	As at 31 March 2021
a)	Principal amount remaining unpaid	**3.86**	Nil
b)	Interest due thereon	**Nil**	Nil
c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	**Nil**	Nil
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	**Nil**	Nil
e)	Interest accrued and remaining unpaid	**Nil**	Nil
f)	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 enterprises.	**Nil**	Nil

18.	**Other Financial Liabilities**		
I	**Non-Current**		
	Foreign Currency Derivatives Liabilities	**0.08**	0.42
		0.08	0.42
II	**Current**		
	Dues for Capital assets	**7.82**	6.58
	Accrued Salaries and Benefits	**662.89**	405.84
	Total	**670.71**	412.43
19.	**Other Current Liabilities**		
	Statutory payables	**601.70**	620.87
	Total	**601.70**	620.87

20.	**Current tax liabilities**		
	Income tax payables	**1,036.05**	285.98
	(net of advance tax Rs.3,686.26 Lakhs [31 March 2021 Rs.6,113.61 Lakhs])		
	Total	**1,036.05**	285.98

		Year ended 31 March 2022	Year ended 31 March 2021
21.	**Income from operations**		
	Income from Services		
	- export of services	**22,950.27**	21,816.91
	- domestic services	**12,338.36**	12,769.02
	Other operating income	**-**	132.03
	Total	**35,288.62**	34,717.95
22.	**Other income**		
	Interest Income		
	Deposits with Banks (at amortised cost)	**490.99**	414.03
	Interest on Income Tax Refund	**0.11**	855.02
	Net Gain / (Loss) on sale of investments	**42.56**	12.31
	Profit on sale of assets (net)	**1.57**	0.83
	Fair value measurements	**319.89**	364.04
	Liability/Provisions no longer required written back	**-**	21.69
	Miscellaneous Income	**125.78**	117.05
	Total	**980.90**	1,784.96
23.	**Employee benefits expense**		
	Salaries and Bonus	**24,433.16**	24,973.47
	Contribution to Provident and Other Funds	**409.07**	486.49
	Gratuity	**274.23**	344.19
	Staff Welfare	**105.55**	91.07
	Total	**25,222.01**	25,895.22
24.	**Depreciation and amortisation expense**		
	On tangible assets	**433.51**	391.73
	On intangible assets	**378.93**	465.35
	Total	**812.43**	857.07

		Year ended 31 March 2022	Year ended 31 March 2021
25.	**Other expenses**		
	Rent	**460.55**	396.78
	Rates and taxes	**130.48**	125.35
	Power and fuel	**114.01**	121.00
	Travelling and Conveyance	**610.71**	720.01
	Communication	**88.33**	192.96
	Marketing expenses	**111.97**	53.41
	Repair and Maintenance	**214.10**	205.83
	Computer Hire Charges	**194.73**	369.13
	Security Services	**51.09**	55.35
	Recruitment, Training and Development	**95.58**	88.94
	General Office Expenses	**6.97**	9.05
	Legal and professional	**511.07**	543.44
	Provision for doubtful debts	**6.08**	0.30
	Bad Debts Written off	**4.49**	54.49
	Less: Provision	**(4.49)**	(54.49)
	Forex loss	**12.24**	340.85
	Office Maintenance	**108.81**	135.24
	Computer Maintenance	**1,418.29**	764.34
	Auditors' Remuneration (Refer note 25.1)	**55.96**	37.35
	Directors Sitting Fees	**7.10**	5.90
	CSR Expenses	**66.00**	67.30
	Bank Charges	**49.10**	61.62
	Miscellaneous expenses	**164.96**	190.91
	Total	**4,478.13**	4,485.06
25.1	**Auditors' remuneration includes**		
	for statutory audit	**13.50**	11.00
	for quarterly audit	**3.00**	3.00
	for tax audit	**3.50**	3.50
	for GST audit	**-**	7.50
	for taxation matters	**35.96**	12.35
		55.96	37.35

26 Income taxes relating to continuing operations

26.1	**Income tax recognised in profit or loss**		
	Current tax		
	In respect of the current year	**1,631.08**	1,084.07
	In respect of the prior years	**(1.64)**	20.27
		1,629.44	1,104.34
	Deferred tax		
	In respect of the current year	**(50.52)**	218.79
	Deferred tax reclassified from equity to profit or loss	**-**	-
		(50.52)	218.79

		Year ended 31 March 2022	Year ended 31 March 2021
26.2	**Reconciliation of income tax expense for the year to the accounting profit is as follows:**		
	Profit before tax from continuing operations	**5,475.57**	5,101.92
	Income tax expense calculated at 25.168%	**1,378.09**	1,284.05
	Effect of income that is exempt from tax	**(0.40)**	(0.21)
	Effect of expenses that are not deductible in determining taxable profit	**252.76**	(199.78)
		1,630.45	1,084.07
	Adjustment recognised in the current year in relation to the current tax of prior years	**(1.64)**	20.27
	Income tax expense recognised in profit or loss (relating to continuing operations)	**1,628.81**	1,104.34
26.3	**Income tax recognised in other comprehensive income**		
	Deferred tax arising on income and expenses recognised in other comprehensive income		
A.	**Items that will not be recycled to profit or loss**		
	Remeasurements of the defined benefit liabilities / (asset)	**35.82**	77.86
		35.82	77.86

26.4 Current tax for the year ended 31 March 2022 includes tax expense with respect to foreign branches and Subsidaires amounting to Rs.800.83 Lakhs [Year ended 31 March 2021: Rs.395.93 Lakhs].

26.5 The tax rate used for the above reconciliation is the rate as applicable for the respective period payable by corporate entities in India on taxable profits under the Indian income tax laws. Parent company has elected to claim benefit given under section 115BAA of Income tax Act,1961 and has applied tax rate of 22% for computation of current tax and deferred tax.

		As at 31 March 2022	As at 31 March 2021
27.	**Contingent Liabilities and Commitments**		
A	**Claims against the Company not acknowledged as debt**		
i	Disputed income tax matters [Refer Note 27.1]	**2,739.65**	2,078.27
ii	Disputed service tax liability for which the Company preferred appeal	**947.19**	947.19
iii	Disputed interest liability on service tax for which the Company preferred appeal	**Not Ascertained**	Not Ascertained
iv	Demand from EPFO for which the Company preferred appeal	**193.79**	193.79
v	Others [Refer Note 27.2]	**28,253.90**	24,974.00
B	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	**3.78**	27.73

27.1 Disputed income tax matters

Assessment upto AY 2008-09 has been completed and necessary adjustments have been made to reflect reversal of tax provision created for these years and the advance tax in the financial statements.

For AY 2009-10, the TPO/AO passed consequential orders giving the relief per the ITAT order. However, new issue which was not part of original proceedings, relating to addition of Commission as transfer price adjustment, has led to a new demand. The issue relating to TP adjustment of commission had been decided in favour of the Company in earlier years and hence, no provision for tax is made in respect of the demand raised.

For AY 2010-11 and 2011-12 the Hon'ble ITAT remanded case back to the Transfer Pricing Officer for fresh adjudication which resulted in additional demand. For AY 2010-11 the demand related to transfer pricing adjustment relating to revenue from ITES, which was decided in favour of the Company for AY 2009-10, The demand relating to all the AYs from AY 2009-10 to AY 2014-15 is disclosed as part of contingent liability. For the AY 2011-2012 the demand related to TP adjustment on interest on delayed trade receivables. The Company had filed appeal before Hon’ble CIT for all the AYs.

For AY 2015-16 to 2017-18, the matters relate to TP adjustment of ITES and Interest, disallowance of reimbursement of expenses to certain residents and non-residents for non-deduction of TDS. The first issue was decided in favour of the Company and the second issue is remanded back. The consequential orders were passed accordingly. The appeals filed by the Company are pending with CIT(A) for these assessment years.

27.2 Contingent Liability - Others

The Company was promoted as 50:50 Joint Venture by Satyam Computer Services Ltd ("Satyam") and Venture Global Engineering LLC US ("Venture"). The joint venture partners entered into a Shareholders' Agreement (SHA) dated October 20, 1999 that provided for a royalty payment from the Company to both the joint venture partners in terms of a separate Royalty Agreement to be entered into between the Company and the joint venture partners. The Royalty Agreement was not entered into between the Company and the joint venture partners as envisaged in the SHA.

The Company and joint venture partners entered into separate Sales Commission Agreements that provided for payment of sales commission to the joint venture partners as per terms and conditions contained in the said agreements. In line with the provisions contained therein, the Company has been accruing and paying commission to its joint venture partners up to the year 2005-06.

During the year 2005-06, Satyam commenced arbitration proceedings against Venture in the London Court of International Arbitration ("LCIA") by invoking the arbitration clause in the SHA. Satyam's claims were upheld by the LCIA in its award dated April 2006 ("the Award"). Since then both the joint venture partners have raised numerous claims against each other resulting in multiple legal proceedings both in India and the USA that are still ongoing.

On January 7, 2009, the then Chairman of Satyam vide his letter addressed to then existing Board of Directors of Satyam, the stock exchanges and SEBI admitted to several financial irregularities in Satyam. Consequent to a global bidding process to take over the management of Satyam, M/s Venturbay Consultants Private Limited (the successful bidder) took over the management of Satyam.

Notwithstanding the dispute, the Company under its erstwhile management, continued to accrue the sales commission in its books. The newly reconstituted Board approved the accounts of the Company for the years 2008-09, 2009-10 and 2010-11, with continued accrual of sales commission. This was based on a view taken by the newly constituted Board that the matter is sub-judice that was corroborated by legal opinion and continued as prudent measure.

During the meetings held in 2011-12, the Board discussed the need to accrue the sales commission, as Venture did not render any services to the Company either during the year or during the past many years since the dispute. Further, in so far as the Company was concerned, Venture had not, till that point of time, claimed any amounts towards sales commission. The Board also took note of the fact (based on an updated legal opinion) that the issue of sales commission is not a disputed matter before the Courts either in India or in USA and not sub judice, as per original view.

Under the circumstances, the Board took the view on May 14, 2012 when the financial statements for the year ended March 31, 2012 was tabled for approval, that the accrual of sales commission from FY 05-06 to FY 10-11 of Rs.3,594.07 be written back as other income in the Statement of Profit and Loss and the sales commission for the period from April 2011- December 2011 be reversed. However, as a prudent measure, the Board directed that the Company provide an amount of Rs.5,291.42 Lakhs as a provision for contingency, covering the period from FY 05-06 to FY 11-12 which in its opinion would be adequate to cover any possible outflow that may arise in respect of the aforesaid matter and adjustments to the financial statements if any, to be made on final disposal of legal proceedings.

Subsequent to the adoption of accounts by the Board, the Company was served a suit filed by Venture before the City Civil Court, Secunderabad inter alia seeking a direction to the Company to pay sales commission that it was entitled to under the Shareholders Agreement. In the said suit, two ex-parte orders were passed by the City Civil Court , directing the Company, Venture and Satyam to maintain status quo with regard to transfer of 50% shares of Venture and with regard to taking major decisions which are prejudicial to interest of Venture . The Company has challenged the ex-parte orders of the City Civil Court Secunderabad, before the Hon'ble High Court of Andhra Pradesh ("the High Court").

In a related development, the City Civil Court, Hyderabad set aside the Award in January 2012, against which Satyam has filed an appeal before the High Court.

The High Court by its Judgement dated August 23, 2013 has allowed the appeals filed by the Company and set aside the ex-parte interim orders against the Company. The High Court has also set aside the Order of the City Civil Court, Hyderabad setting aside the Award and upheld the Award in favour of Satyam. The High Court as an interim measure ordered status quo with regard to transfer of shares, originally given by Supreme Court to be maintained for four (4) weeks which was extended for a further period of 3 weeks by High Court on 19th September, 2013

Venture filed an SLP before the Supreme Court of India which was heard by the Apex Court on 21st October, 2013 and Supreme Court as an interim measure ordered status quo with regard to transfer of shares. TechM has filed a Special leave Petition before the Supreme Court of India challenging the judgement of the High Court only on the limited issue as to whether the Civil Court has jurisdiction to entertain VGE’s challenge to the Award. The Hon’ble Bench of Supreme Court, in view of the difference of opinion by an order dated November 1, 2017 has directed the registry to place the SLP’s before the Chief Justice of India for appropriate further course of action.

The Company has not modified the provision for contingencies amounting to Rs.5,291.41 Lakhs as on 31 March 2012. The Company has also disclosed an amount of Rs.28,253.9 Lakhs [31 March 2021: Rs.24,974.00 Lakhs] as contingent liability, to cover any possible charge that may arise in respect of the above said matter, in the financial statements for the year ended 31 March 2022 by way of abundant caution notwithstanding the Board's view that there is no need to accrue sales commission since Venture did not provide any services to the Company.

28. Preparation of financial statements:

At the Annual General Meetings of the Company, one of the shareholders abstained from voting on the resolution for adoption of audited financial statements as at and for the years ended 31 March 2012 to 2021. In terms of Article 66 of the Articles of Association of the Company, the adoption of audited financial statements requires unanimous consent of both the shareholders of the Company. Therefore, the said financials have not been approved by the shareholders. The financial statements as at and for the year ended 31 March 2022 have been drawn up incorporating the opening balances based on above said financial statements which have not been adopted by the Shareholders. Adjustments required, if any, will be made in accounts as and when determined.

29. Pursuant to the order from Ministry of Corporate Affairs, Serious Fraud Investigation Office (SFIO) vide its letter dated January 9, 2009 carried out inspection of books of accounts and other records of the Company under Section 209A of the Act. Consequent to inspection, SFIO has filed a complaint in Economic Offences Court, Hyderabad (“the trial court”) against the Company and the then directors. The Company has filed a writ petition in the Hon’ble High court of judicature at Hyderabad to quash the complaint of SFIO. The Hon’ble High Court has directed the trial court not to insist the appearance of directors for examination.

30. Subsidiaries considered for consolidation

Name of the subsidiary	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
		As at 31 March 2022	As at 31 March 2021
Satyam Venture Engineering Services (Shanghai) Co. Ltd	China	100%	100%
Satven GmbH	Germany	100%	100%

Disclosure of additional information as required by the Schedule III as at and for the year ended 31 March 2022

Name of the Company	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount in Rupees	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Satyam Venture Engineering Services Private Limited	95.89%	32,677.51	82.01%	3,195.55	95%	192.53	82.64%	3,388.08
Subsidiaries - Foreign								
Satyam Venture Engineering Services (Shanghai) Co. Ltd	2.67%	910.97	16.49%	642.60	7%	13.83	16.01%	656.42
Satven GmbH	1.43%	488.16	1.50%	58.50	-2%	(3.16)	1.35%	55.35
Total	**100.00%**	**34,076.65**	**100.00%**	**3,896.65**	**100%**	**203.20**	**100%**	**4,099.85**

Disclosure of additional information as required by the Schedule III as at and for the year ended 31 March 2021

Name of the Company	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount in Rupees	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Satyam Venture Engineering Services Private Limited	94.85%	28,432.09	91.04%	3,440.21	93%	286.77	184.20%	3,726.99
Subsidiaries - Foreign								
Satyam Venture Engineering Services (Shanghai) Co. Ltd	3.68%	1,104.18	11.32%	427.93	5%	14.26	15.96%	442.19
Satven GmbH	1.47%	440.53	-2.36%	(89.35)	2%	6.79	-0.16%	(82.55)
Total	**100.00%**	**29,976.79**	**100.00%**	**3,778.79**	**-**	**307.83**	**200.00%**	**4,086.62**

31. Related Party Transactions

32.1 Following is the list of related parties and their relationships

A. Joint Venture Partner

1. Tech Mahindra Limited
2. Venture Global Engineering LLC

B. Enterprise having significant influence over Tech Mahindra Limited

3. Mahindra & Mahindra Ltd

C. Under control of Tech Mahindra Limited

4. Tech Mahindra GmbH
5. Tech Mahindra Foundation

D. Under control of Venture Global Engineering LLC

6. Jiangyin Venture Interior System
7. Venture Diversified Products
8. Venture Mould & Engg Co
9. Venture Otto South Africa (Prop) Ltd
10. Venture Auto Design(Shanghai)Co. Ltd

E. Key Managerial Personnel

11.	Basanta Kumar Mishra	Chairman and Director
12	Jayaraman Ganapathy	Director
13	VenkataKumar Raju Vadapalli	Director
14	Krishna Kumari Palle	Director
15	Venkateswara Rao Gajjala	Director
16	Narasimham Venkata Rachakonda	Director
17	Venkateswarlu Jonnalagadda	Independent Director
18	Subramanyam Reddy Chelikam	Independent Director
19	Rao S Vadlamudi	Chief Executive Officer
20	Srinivas Chakravarthi Ramancherla	Chief Financial Officer
21	Aradhana Rewatkar	Company Secretary

31.2 Related party transactions during the period are as follows:

	31 March 2022	31 March 2021
Tech Mahindra Limited		
Revenue	**4,729.64**	3,293.80
Reimbursement of Expenditure	**138.42**	47.07
Tech Mahindra GmbH		
Revenue	**-**	132.03
Mahindra & Mahindra Ltd.		
Revenue	**161.96**	132.93
Tech Mahindra Foundation		
Contribution made toward CSR Expenditure	**66.00**	67.30
Directors' Sitting Fees		
Jayaraman Ganapathy	**1.40**	1.10
Vadapalli Venkata Kumar Raju	**1.80**	1.50

	31 March 2022	31 March 2021
Venkateswarlu Jonnalagadda	**2.10**	1.80
Subramanyam Reddy Chelikam	**1.80**	1.50
Remuneration to Key Managerial Personnel	**192.93**	191.00
Staff Loan/Salary Advance Repaid during the period	**23.13**	15.38
Debit balances outstanding		
Tech Mahindra Limited	**2,812.99**	2,709.00
Tech Mahindra GmbH	**-**	132.03
Mahindra & Mahindra Ltd	**53.51**	35.66
Loan and advance to KMP	**1.47**	8.25

32 Significant changes in the contract assets balances on fixed price development contracts

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	**34.80**	-
Add: Revenue recognised during the reporting period	**30.74**	34.80
Less: Invoiced during the period	**(34.80)**	-
Add/Less: Translation loss/(gain)	**-**	-
Add/Less: Others	**-**	-
Closing Balance	**30.74**	34.80

33. Segment Information

33.1 Based on the assessment of the chief operating decision maker ('CODM'), for the purpose of resource allocation and assessment of segment performance, the Company has only one business segment viz, engineering services.

33.2 Geographical information

The Group operates in seven principal geographical areas - India (country of domicile), United States of America (USA), Europe, Canada, Australia, South Africa and Asia Pacific comprising of China, Japan, Mexico and Singapore

The Company's revenue and Non-Current Assets from continuing operations from customers by location of operations are detailed below:

	Revenue		Non-Current Assets	
	Year ended 31 March 2022	Year ended 31 March 2021	Period ended 30 September 2022	As at 31 March 2021
India	**12,338.36**	**12,769.02**	**11,152.23**	**8,108.63**
USA	13,226.63	12,066.54	10.17	293.24
Europe	4,387.40	3,379.88	114.16	136.36
Asia Pacific	4,471.99	5,777.48	16.66	967.39
Canada	18.72	8.77	-	-
Australia	-	-	-	-
Other	845.53	716.26	1.15	2.04

33.3 Information about major customers

Revenue arising from sales of Automotive Engineering Services and consists of 60 customers base and out of them 10 customers contribute 80% of revenue.

34 Financial Instruments

34.1 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Financial Risk Management

The Company's activities are exposed to liquidity and market risks. The Company's senior management has the overall responsibility for establishing and governing the company's risk management frame work. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the board annually.

Financial Instruments by category

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

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Assets						
Cash and cash equivalents	-	-	-	3,984.32	3,984.32	3,984.32
Other balances with banks	-	-	-	6,119.54	6,119.54	6,119.54
Trade receivables	-	-	-	6,673.73	6,673.73	6,673.73
Investments (Other than in subsidiaries)	10,838.06	-	-	-	10,838.06	10,838.06
Other financial assets	-	-	77.60	7,675.83	7,753.43	7,753.43
Total	**10,838.06**	**-**	**77.60**	**24,453.42**	**35,369.08**	**35,369.08**
Liabilities					-	-
Trade and other payables	-	-	-	665.47	665.47	665.47
Other financial liabilities	-	-	0.08	670.71	670.79	670.79
Total	**-**	**-**	**0.08**	**1,336.19**	**1,336.27**	**1,336.27**

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

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Assets						
Cash and cash equivalents	-	-	-	3,438.02	3,438.02	3,438.02
Other balances with banks	-	-	-	5,982.21	5,982.21	5,982.21
Trade receivables	-	-	-	7,113.41	7,113.41	7,113.41
Investments (Other than in subsidiaries)	9,528.62	-	-	-	9,528.62	9,528.62
Other financial assets	-	-	10.66	5,217.20	5,227.86	5,227.86
Total	**9,528.62**	**-**	**10.66**	**21,750.84**	**31,290.13**	**31,290.13**
Liabilities					-	-
Trade and other payables	-	-	-	605.35	605.35	605.35
Other financial liabilities	-	-	0.42	6.58	7.01	7.01
Total	**-**	**-**	**0.42**	**611.93**	**612.36**	**612.36**

The fair value of cash and cash equivalents, other balances with bank, trade receivables, unbilled revenues, trade payables, and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

The different levels have been defined as follows:

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 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). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	As at 31 March 2022			As at 31 March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Mutual fund investments	10,838.06	-	-	9,528.62	-	-
Derivative financial assets	**-**	**77.60**	**-**	**-**	**10.66**	**-**
Total	**10,838.06**	**77.60**	**-**	**9,528.62**	**10.66**	**-**
Financial Liabilities						
Derivative financial liabilities	-	0.08	-	-	0.42	-
Total	**-**	**0.08**	**-**	**-**	**0.42**	**-**

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

The Company has several balances in foreign currency and consequently the company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affect on the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure and the unhedged foreign currency exposures outstanding at the end of reporting period is as under:

	Assets		Liabilities	
Currency	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2022**	**As at 31 March 2021**
USD	**4,402.81**	3,725.82	**559.02**	574.00
JPY	**1,044.95**	1,130.25	**132.88**	251.81
Euro	**1,393.41**	1,045.27	**228.98**	209.39
CNY	**977.14**	1,121.56	**103.88**	115.19
GBP	**235.68**	146.64	**9.04**	12.60
Others	**572.06**	312.58	**156.53**	41.59

Forward Exchange Contracts

The Company enters into foreign exchange forward contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian Rupee. The counter party to the Company's foreign currency Forward Contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of certain forecasted transactions. Forward exchange contracts in USD exposure are USD to INR and for EUR exposure are EUR to INR. These contracts are for a period of two years.

The following are the various outstanding foreign currency to Indian currency forward contracts (Sell) entered into be the company which has been designated as cash flow hedges:

	Currency	Amount outstanding in Foreign currency		Fair Value Gain / (Loss)	
		As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Type of cover					
Forward	USD to INR	10.04	1.60	10.20	0.20
	EUR to INR	10.85	3.79	57.09	10.03

The movement in hedging reserve for derivatives designated as Cash Flow Hedges is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Credit / (Debit) balance at the beginning of the year	**7.66**	-
Gain / (loss) net transferred to income statement on occurrence of forecasted hedge transaction	**-**	-
Changes in fair value of effective portion of cash flow derivative occurred during the year	**-**	-
Changes in fair value of effective portion of outstanding cash flow derivative	**67.29**	10.24
Tax impact on effective portion of outstanding cash flow derivative	**(16.94)**	-2.58
Credit/(Debit) balance at the end of the year	**58.01**	7.66

Credit Risk Management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of 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 maximum exposure of the financial assets represents trade receivables.

Credit risk on trade receivables is limited as the customers of the Company mainly consists of the entities having a strong credit worthiness. For doubtful receivables the Company uses a provision matrix to compute the expected credit loss allowances for trade receivables. The provision matrix takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers.

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

Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments.

	As at 31 March 2022		As at 31 March 2021	
	Accounts payable and acceptances	Other financial liabilities	Accounts payable and acceptances	Other financial liabilities
Carrying amount	669.33	670.79	605.35	412.43
upto 1 year	663.78	670.71	605.19	412.43
More than 1 year	5.55	0.08	0.16	-
Total contracted cash flows	669.33	670.79	605.35	412.43

The table below provides details of financial assets:

	As at 31 March 2022	As at 31 March 2021
Trade receivables	6,673.73	7,113.41
Other financial assets	7,753.43	5,217.20

35. Leases

The lease arrangements for the Company are in respect of the office premises, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value.The lease payments associated with these leases of Rs.460.55 Lakhs [31 March 2021 : Rs.396.78 Lakhs] are recognized as an expense on a straight-line basis over the lease term.

The Management at this juncture, does not foresee adjustments, if any, to be made in the financial statements of the Company.

36. Assessment of impact of Novel Corona Virus Disease (COVID 19)

As at the date of these Financial Statements, COVID 19 had spread across most of the world including India, China, Japan, Germany, UK, Mexico and the United States of America where the company has its operations. In assessing the recoverability of receivables including unbilled receivables, financial assets and contract costs and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements. Considering the nature of these assets, while some delays are expected in the collection, the Company expects to recover the carrying amount of these assets. Debtors realisation is good during the period, Apr-20 to Mar-22. The impact of COVID 19 may be different from that estimated by the Company and the Company will continue to closely monitor any material changes in future economic conditions. Considering the Company's present liquidity position and its customer / vendor relationships, the management of the Company is of the opinion that it would be able to discharge its obligations. However, the Company expects that revenues for FY23 may be impacted.

37. Earning per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follow.

	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year attributable to owners of the Company	**3,896.65**	3,778.79
Earnings used in the calculation of basic earnings per share	**3,896.65**	3,778.79
Weighted average number of equity shares outstanding during the period	**7,088,960**	7,088,960
Face Value of Equity Shares - Rs.	**10**	10
Basic and Diluted Earnings per Share *	**54.97**	53.31

* The Company has no potential dilutive instruments

38. Corporate social responsibility

	Year ended 31 March 2022	Year ended 31 March 2021
i) Amount required to be spent by the Company during the year	65.26	67.24
ii) Amount of expenditure incurred	66.00	67.30
iii) Shorfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reasons for shortfall	-	-
vi) Details of related party transactions (Refer Note below)	66.00	67.30
vii) 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.	-	-
viii) Nature of CSR activities	Contribution is made to Tech Mahindra Foundation (TMF). The TMF has been focusing on implementation projects related to of education and employability.	

38.1 Represents contribution to Tech Mahindra Foundation

39. Additional Regulatory and Other Information which are required to be disclosed under Division - II of Schedule III to the Companies Act, 2013.

a) The Company does not own any immovable property, investment property and intangible assets under development

b) The Company does not have any borrowings from banks or financial institutions

c) The Company does not have any balance under Capital work in progress

d) The Company has not revalued its Property, Plant and Equipment (including the Right of use assets) and intangible assets during the year under review.

e) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPS and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are repayable on demand; or without specifying any terms or period of repayment

f) No Proceeding has been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder

g) The Company is not a declared wilful defaulter by any Bank or Financial Institution or other lender.

h) The Company has no transactions with companies struck off under Sec.248 of the companies Act, 2013 or Sec.560 of the Companies Act, 1956.

i) The Company has complied with the number of layers prescribed under Clause 87 of Sec.2 of the Act read with the Companies (Restriction on number of layers) Rules 2017.

j) During the year, no scheme of arrangements has been approved by the competent authority in terms of Sec.230 to 237 of the Act, in which the company is a party.

k) A). The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other 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 to or on behalf of the Ultimate Beneficiaries.

B).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.

See accompanying notes to the financial statements

In terms of our report attached	**for and on behalf of the Board of**		
for M. Bhaskara Rao & Co.	Satyam Venture Engineering Services Private Limited		
Chartered Accountants	CIN: U72200TG2000PTC033213		
Firm Registration No.000459S			
K.S.Mahidhar	**B.K.Mishra**	**J.Venkateswarlu**	**Rao.S.Vadlamudi**
Partner	Director	Director	CEO
Membership No.220881	DIN: 09163831	DIN: 00051001	
	Srinivas R		**Aradhana R.**
Hyderabad, 19 April 2022	CFO		Company Secretary

SATYAM VENTURE ENGINEERING SERVICES (SHANGHAI) CO., LTD.

Board of Directors
Mr. P. V. Krishna Kumar

Registered Office
Building.4,No.1521
A Section,Jia Tang Road,
Jiading District, China

Bankers
HSBC Bank

Auditors
Beijing Zhongzehuaren Certified Public Accountants Firm
(General Partnership)

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended December 31, 2021.

Financial Results

For the year ended December 31st, 2021	2021 CNY	2021 INR	2020 CNY	2020 INR
Income	89,72,318	10,50,29,950	62,18,205	6,94,60,456
Profit / (Loss) before tax	8,93,021	1,04,53,701	9,14,556	1,02,16,045
Profit/(Loss) after tax	7,24,603	84,82,204	7,89,056	88,14,155

Conversion Rate Used for 2021: CNY to INR= 11.7060

Conversion Rate Used for 2020: CNY to INR= 11.1705

Review of Operations:

During the year under review, your company recorded an income of CNY 89,72,318. (Equivalent to INR 10,50,29,950). Profit after tax was CNY 7,24,603 (Equivalent to INR 84,82,204). The Company continues to invest in strengthening its marketing infrastructure in China.

Directors:

During the year Mr. P V. Krishnakumar was a director on the Board.

Outlook for the current year:

Business has been encouraging in China and the Company is cautiously optimistic of the future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Director

Shanghai, June 15, 2022.

AUDIT REPORT

HRTKSZ(2021) No. ******

I. Audit Opinion

We have audited the attached financial statements of Satyam-Venture Engineering Services (Shanghai) Co., Ltd. (hereinafter referred to as "Your Company"), including balance sheet as of December 31, 2021, annual income statement, cash flow statement and notes to financial statements for the year from January 2021 to the end of December 2021.

In our opinion, attached financial statements are prepared in accordance with the Accounting Standard for Business Enterprises in all material respects. They fairly and honestly represent Your Company's financial position as of December 31, 2021 and the operation results and the cash flow for the year from January 2021 to the end of December 2021.

II. Basis for Audit Opinion

We have concluded the auditing work in accordance with the Independent Auditing Standards for the Certified Public Accountant. Our responsibilities under these standards are further elaborated in the section of the auditor's report, entitled "CPA's Responsibility to Audit Financial Statements". In accordance with the China Code of Ethics for Certified Public Accountants, we are independent of your company and have performed other duties in respect of professional ethics. We are confident that the obtained audit evidence is sufficient and appropriate, which forms a firm basis for giving our audit opinion.

III. Responsibilities of the Management for the Financial Statements

The Management are obliged to prepare the financial statements in accordance with the Accounting Standard for Business Enterprises and achieve fair presentation of the financial statements and to design, implement and maintain necessary internal control in order to ensure that there is no material misstatement due to fraud or errors.

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

The directors' responsibilities include overseeing your financial reporting process.

IV. Certified Public Accountants' 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 the audit 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 the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we also:

(1) 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.

(2) 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.

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

(4) Conclude on the appropriateness of management's use of the going concern basis of accounting. And based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is a significant uncertainty, the auditing standards require us to draw the attention of the users of the statements to the relevant disclosures in the financial statements in the audit report. If the disclosures are not sufficient, we should issue a modified opinion. Our conclusion is based on the information available up to the date of the auditor's report. However, future events or circumstances may cause you to cease to continue as a going concern.

(5) 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.

Beijing Zhongzehuaren Certified Public Accountants Firm(General Partnership)	Chinese CPA: (Signature & Seal)
(Seal)	
	Chinese CPA:
	(Signature & Seal)
Beijing, China	June 15, 2022

FINANCIAL STATEMENTS OF FOREIGN INVESTMENT ENTERPRISES IN SHANGHAI
BALANCE SHEET

KWNQ Form 01

Name of Enterprise: Satyam-Venture Engineering Services (Shanghai) Co.,Ltd. 2021-12-31 Amount Unit: CNY

ITEM	LINE	ENDING BALANCE	BEGINNING BALANCE	ITEM	LINE	ENDING BALANCE	BEGINNING BALANCE
CURRENT ASSETS:	1	—	—	CURRENT LIABILITIES:	47	—	—
Monetary assets	2	6,062,788.83	7,306,629.66	Short-term loan	48		
Short-term investments	3			Notes payable	49		
Notes receivable	4			Accounts payable	50	1,212,971.00	471,906.00
Dividend receivable	5			Prepayment From Customers	51		
Interest receivable	6			Accrued wages	52		
Accounts receivable	7	2,092,801.19	1,762,948.88	Welfare payable	53		
Advances to Suppliers	8			Inside: bonus & welfare of employee	54		
Advances to Suppliers	9			Divident payable	55		
Deposit of futures	10			Interest payable	56		
Accrued allowance	11			Tax payables	57	143,506.79	-30,434.70
Export return tax receivable	12			Inclu: tax payable	58		
other receivable	13	31,001.09	1,001.09				
	14						
Inventories	15			Other payable	59	146,022.00	
Including: raw material	16			Accrued expense	60		
Finished products	17			Perceivable liabilities	61		
To hold assets for sale	18			A liability for sale			
Other current assets	19			Deferred income	62		
TOTAL CURRENT ASSETS	20	8,186,591.11	9,070,579.63	Long-term liability due within one year	63		
	18			Other current liabilities	64		
LONG TERM INVESTMENTS	19			**TOTAL CURRENT LIABILITIES**	65	1,502,499.79	441,471.30
Long-term share investments	20			**LONG TERM LIABILITIES:**	66	—	—
Long-term investment of bonds	21			Long term loans	67		
* Price differenc of merge	22			Bonds payable	68		
	23			Long term other payable	69		
TOTAL LONG TERM INVESTMENTS	24			Special payable	70		
FIXED ASSETS:	25			Other long-term liabilities	71		
Fixed assets-cost	26	20,057.00	20,057.00		72		
Less: Accumulated depreciation	27	19,914.32	19,914.32		73		
Fixed assets-net value	28	142.68	142.68	DEFERRED TAX:	74		
Less: Provision for loss on fixed-assets	29			Deferred tax credit items	75		
Net value of fixed-assets	30	142.68	142.68	**TOTAL LONG TERM LIABILITIES**	76	-	-
Construction materials	31			**TOTAL LIABILITIES**	77	1,502,499.79	441,471.30
Construction in progress	32			**OWNERS' EQUITY:**	78		
Disposal of fixed assets	33			Paid-in capital	79		
	34			Investment of Chinese (None RMB)	80		
	35			Investment of Foreign (None RMB)	81	5,695,602.57	5,695,602.57
TOTAL FIXED ASSETS	36			Less: returned investment	82		
INTANGIBLE AND OTHER ASSETS:	37			Net Paid-in capital	83	5,695,602.57	5,695,602.57
Intangible assets	38			Capital surplus	84		
Long-term deferred and prepaid expenses	39			Surplus reserves	85	293,364.84	
Other Long-term assets	40			Inside: Legal surplus	86		
The deferred income tax assets	41			Legal accumulated	87		
TOTAL INTANGIBLE AND OTHER ASSETS	42	142.68	142.68	Surplus reserves at wish	88		
DEFERRED TAX	43			Reserved fund	89		
Deferred tax debit items	44			Enterprise developing fund	90		
	45			Profit return for investment	91		
				* Unconfirmed loss of investment ("-")	92		
				Undistributed profit	93	695,266.59	2,933,648.44
				Discount difference of foreign currency statement	94		
				TOTAL OWNERS' EQUITY	95	6,684,234.00	8,629,251.01
				Less: loss of asset	96		
				TOTAL OWNERS' EQUITY (except the loss of assets)	**97**	**6,684,234.00**	**8,629,251.01**
TOTAL ASSETS	**46**	**8,186,733.79**	**9,070,722.31**	**TOTAL LIABILITIES AND OWNERS' EQUITY**	**98**	**8,186,733.79**	**9,070,722.31**

FINANCIAL STATEMENTS OF FOREIGN INVESTMENT ENTERPRISES IN SHANGHAI

PROFIT STATEMENTS

KWNQ Form 02

Name of Enterprise: Satyam-Venture Engineering Services (Shanghai) Co.,Ltd. 2021\01-2021\12

Amount Unit: CNY

ITEM	Line	2021.1-2021.12 (Current Year)	2020.1-2020.12 (Last Year)	ITEM	Line	2021.1-2021.12 (Current Year)	2020.1-2020.12 (Last Year)
I. Total Business Income	1	8,516,823.66	5,401,451.24	Add: Gain from change of fair value	20		
Business Income	2	8,516,823.66	5,401,451.24	Investment Gain	21		
Inside: Main Business Income	3	8,516,823.66	5,401,451.24	Include: Gain from Joint-venture	22		
Other Business Income	4			**III. Profit from Business Operation**	23	437,526.80	148,596.30
II. Net Business Cost	5	8,079,296.86	5,252,854.94	Add: (1) Non-Business revenue	24	455,493.96	816,753.53
Include: (1) Businese cost	6	5,131,527.63	2,888,642.00	include: Gain from disposal of Non-current assets	25		
Inside: Main Business Cost	7	5,131,527.63	2,888,642.00	Gain fron Non-monetary transaction	26		
Other Business Cost	8			Allowance	27		
(2) Tax and additional	9	15,487.94	15,660.35	Gain from Liability re-arrangement	28		
(3) Operation expense	10	2,775,462.05	2,151,063.29	Less: Non-Operation expenditure	29		50,794.06
(4) Administration expense	11	157,938.54	206,246.61	Include: Loss from disposal of Non-current Assets	30		
Inside: Entertainment fee	12			Loss from Non-Monetary Transaction	31		
Study and development fee	13			Loss from Liability re-arrangement	32		
(5) Financial expense	14	-1,119.30	-8,757.31	**IV. Profit before Tax**	33	893,020.76	914,555.77
Inside: Interest payout	15			Less: Income Tax	34	168,417.69	125,499.36
Interest income	16			Add: Unconfirmed Investment Loss	35		
Net loss of exchange	17			**V. Net Profit**	36	724,603.07	789,056.41
(5) Impairment of Assets	18			Less: Gain or loss of minor stock holders	37		
(6) Others	19			**VI. Net Profit Belongs To Mother Company**	38	724,603.07	789,056.41

FINANCIAL STATEMENTS OF FOREIGN INVESTMENT ENTERPRISES IN SHANGHAI

CASH FLOW STATEMENT

KWNQ Form 03

Name of Enterprise: Satyam-Venture Engineering Services (Shanghai) Co.,Ltd. 2021\01-202112

Amount Unit: CNY

ITEM	LINE	Current Year	Last Year	ITEM	LINE	Current Year	Last Year
1. Cash Flows from Operating Activities:	1	—	—	Cash paid to acquire subsidiary	21		
Cash received from sales of goods or rendering of services	2	8,697,980.77	7,432,812.50	Other cash paid relating to investing activities	22		
Refund of Taxes	3			**Sub-total of cash outflows**	23	-	-
Other cash received relating to other operating activities	4	571,515.96	632,508.93	Net cash flows from investing activities	24	-	-
Sub-total of cash inflows	5	9,269,496.73	8,065,321.43	**3. Cash Flows from Financing Activities:**	25	—	—
Cash paid for goods and services	6	4,698,354.29	5,086,815.69	Proceeds from received investment	26		
Cash paid to and on behalf of employees	7	1,259,081.63	1,372,723.35	include proceeds of investment by minor shreholder	27		
Cash apid for all type of taxes	8	211,711.95	505,364.12	Proceeds from borrowing	28		
Cash paid relating to other operating activities	9	4,050,824.85	950,443.67	Other proceeds relating to financing activities	29		
Sub-total of cash outflows	10	10,219,972.72	7,915,346.83	**Sub-total of cash inflows**	30	-	-
Net cash flows from operating activities	11	-950,475.99	149,974.60	Cash repayments of amounts borrowed	31		
2. Cash Flows from Investing Activities:	12	—	—	Cash payments for distribution of dividends, profits or interest expense	32	293,364.84	
Cash received from return of investments	13			include: dividend interest	33		
Cash received from distribution of investments	14			Other cash payment relating to financing activities	34		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	15			**Sub-total of cash outflows**	35	293,364.84	
Net cash received from disposal of Subsidiaries	16			Net cash flow from financing activities	36	-293,364.84	-
Other cash received relating to investing activities	17			**4. Effect of Foreign Exchange Rate Changes on Cash**	37		
Sub-total of cash inflows	18	-	-	**5. Net Increase in Cash and Cash Equivalents:**	38	-1,243,840.83	149,974.60
Cash paid to acquire fixed assets, intangible assets and other long-term assets	19			**6. Cash equivalents at the beginning of the period**	39	7,306,629.66	7,156,655.06
Cash paid to acquire investments	20			**7. Cash equivalents at the end of period**	40	6,062,788.83	7,306,629.66

Notes to the Financial Statements of

Satyam-Venture Engineering Services (Shanghai) Co., Ltd.

For the January 2021 - the end of December 2021

I. Company Profile

Satyam-Venture Engineering Services (Shanghai) Co., Ltd. (the Company) was invested and incorporated by SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED, and obtained the “Business License for Enterprises as Legal Persons” (Registration No.: 91310000593145765W) on May 15, 2012. The registered capital of the Company is USD860,000.00; the registered address of the Company is Building 4, No.1521 A Section, Jia Tang Road, Jiading District; and PULAVARTHI VENKATA KRISHNAKUMAR is the legal representative of the Company.

Subject to the approval of the administration of industry and commerce, the Company is principally engaged in technical consultation, technological development, technical transformation, automotive software development and technical services in the field of Automotive Engineering, And, develop and sale motorsoftware products. (operate with license as required).

II. Principal Accounting Policies

Accounting System

These financial statements have been prepared by the Company in accordance with the “Enterprise Accounting Standards”.

Accounting Year

Calendar period from January 2021 to the end of December 2021.

Valuation Basis

The Company makes accounting recognition, measurement and report on the accrual basis.

Basis of Measurement

The elements of financial statements are measured by the Company on the basis of historical cost generally; and special notes will be given by the Company in the case of measurement on the basis of replacement cost, net realizable value, present value or fair value.

Recording Currency and Foreign Currency Translation

CNY is used by the Company as the recording currency. Transactions denominated in foreign currencies are stated after being translated into CNY at the market reference exchange rates promulgated by the People’s Bank of China prevailing on the date on which the transactions took place, the balance in all foreign currency accounts and settlement accounts will be translated into CNY at the market reference exchange rates prevailing at the end of period, and the exchange gain or loss thus occurred will be taken to “Financial Expenses – Exchange Gain or Loss” other than those occurred during the establishment period which shall be taken to “Long-term Prepaid Expenses – Establishment Charge”.

Recognition of Cash Equivalents

Investments held by the Company with short term, strong liquidity and less risk of value change which are easily converted into cash with known amount are recognized as cash equivalents.

Accounting Method for Bad Debts

The Company accounts bad debt loss by using allowance method, and makes provision for bad debts by using specific identification method.

The accounts receivable (1) that cannot be recovered due to the bankruptcy or death of the debtor after the liquidation of such debtor’s property or legacy, or (2) that cannot be recovered as a result of the debtor’s delay in performing its obligation of debt redemption over three years are recognized as bad debts.

Inventories

Inventories refer to the materials or goods held by the Company in the process of production and operation for sale or to be consumed in the process of production or rendering of service, including products in process and commodity stocks.

Accounting method for inventories: The inventories are measured at their actual costs at acquisition, including procurement costs, processing costs and other costs. The actual costs of delivered inventories are determined using first-in first-out method at delivery of inventories.

The perpetual inventory method is used by the Company as its inventory system. The Company checks inventories regularly, the gain from inventory profit and loss from inventory shortage are taken to the Profit and Loss of the current period.

Provision for Impairment of Inventories

At the end of the year, the provision for impairment of inventories is made or adjusted at the costs or net realizable value of inventories whichever is lower. The provision for impairment of inventories is made upon the single item of inventories.

Provision for Impairment of Fixed Assets

At the balance sheet date, the fixed assets are valuated at the lower of their book value or recoverable amount. In case the recoverable amount is lower than the book value, the book value of fixed assets is written down to the recoverable amount, and the write-down amount is recognized as the loss of impairment of assets and taken to the Profit and Loss of the current period while the provision for impairment of fixed assets is made accordingly. The loss of impairment of fixed assets will not be carried back in subsequent accounting periods once it has been recognized.

Long-term Prepaid Expenses

The long-term prepaid expenses of the Company refer to expenses that have been disbursed and will be amortized after normal production and operation over one year, mainly including establishment charge and costs of tools and appliances with useful life over one year. Other than establishment charge which is taken to Profit and Loss in a lump in the starting month of production and operation, all long-term prepaid expenses are amortized evenly within the estimated beneficial period, and taken to the Profit and Loss of each amortization period.

Revenues

1. Sale of Goods

The revenues from sale of goods are recognized at the received or receivable contractual prices from the buyer when (1) the Company has transferred the significant risks and rewards of ownership of the goods to the buyer; (2) retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (3) the amount of revenues can be measured reliably; (4) it is probable that the economic benefits associated with the transaction can flow to the Company; and (5) the relevant costs incurred or to be incurred can be measured reliably.

2. Rendering of Service

The revenues from rendering of service is recognized using percentage of completion method when the results of rendering of service can be estimated reliably at the balance sheet date.

3. Transfer of the Right to the Use of Assets

The revenues from transfer of the right to the use of assets are recognized by the Company when the economic benefits associated with such transfer can flow to the Company and the amount of revenue can be measured reliably.

Interest income is computed and determined according to the time of using cash & cash equivalents and the applicable interest rate. The amount of income from charge for use is computed and determined according to the time and method agreed in the relevant contract or agreement.

Income Tax

The income tax of the Company is accounted using tax payable method.

III. Taxes

Value added tax: The value added tax rate applicable to the Company in this year is 6%.

Income tax: The income tax rate applicable to the Company in this year is 25%.

Urban construction tax: The Urban construction tax rate applicable to the Company in this year is 5%.

Education surcharge: The Education surcharge rate applicable to the Company in this year is 5%.

IV. Notes to the main items of the financial statements

Unless otherwise indicated, the currency unit is CNY.

1. Cash & Cash Equivalents

As at the end of December 2021, the balance of Cash & Cash Equivalents is CNY 6,062,788.83.

Item	Book balance at end of year	Book balance at beginning of year
Cash	0.00	0.00
Cash in bank	6,062,788.83	7,306,629.66
Total	**6,062,788.83**	**7,306,629.66**

2. Accounts Receivable

As at the end of December 2021, the balance of accounts receivable is CNY 2,092,801.19, and has no record the provision for bad debts. The aging of accounts receivable is analyzed below:

Aging	Book balance at end of year	
	Amount	**%**
Within 1 year	2,092,801.19	100.00%
1-2 Years	0.00	0.00%
Provision for doubtful debts	0.00	0.00%
Total	**2,092,801.19**	**100.00%**

3. Other Receivable

As at the end of December 2021, the balance of other receivable is CNY 31,001.09. The aging of accounts receivable is analyzed below:

Aging	Book balance at end of year	
	Amount	%
Within 1 year	31,001.09	100.00%
Total	**31,001.09**	**100.00%**

4 Fixed Assets:

Net Value on the end of December 2021 is CNY 142.68, Breakdown is listed as follows:

Item	Opening Balance	Increase in Current Period	Decrease in Current Period	Closing Balance
Original value				
Electronic equipment	20,057.00	0.00	0.00	20,057.00
Sub-total	**20,057.00**	**0.00**	**0.00**	**20,057.00**
Accumulated Depreciation				
Electronic equipment	19,914.32	0.00	0.00	19,914.32
Sub-total	**19,914.32**	**0.00**	**0.00**	**19,914.32**
Net Value	**142.68**			**142.68**

5. Accounts Payable

As at the end of December 2021, the balance of accounts payable is CNY 1,212,971.00. The aging of accounts payable is analyzed below:

Aging	Book balance at end of year	
	Amount	**%**
Within 1 year	1,212,971.00	100.00%
1-2 years	0.00	0.00%
Total	**1,212,971.00**	**100.00%**

The major customers are as follows:

The list of units	**Amount**
SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	1,198,971.00

6. Other payable

As at the end of December 2021, the balance of other payable is CNY 146,022.00. The aging of other payable is analyzed below:

Aging	Book balance at end of year	
	Amount	**%**
Within 1 year	146,022.00	100.00%
1-2 years	0.00	0.00%
Total	**146,022.00**	**100.00%**

7. Tax Payable

As at the end of December 2021, the balance of tax payable is CNY143,506.79, The detail is as follows:

	Book balance at end of year
Value added tax	-24,246.31
Income tax	151,288.97
City building duty	-349.41
The individual income tax	17,162.95
Educational expenses to add	-349.41
Total	**143,506.79**

8. Paid-in Capital

As at the end of December 2021, the balance of Paid-in Capital is USD860,000.00, (Equivalent to CNY: 5,695,602.57)

Investor	**Book balance at end of year**	**%**
SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	5,695,602.57	100.00%
Total	**5,695,602.57**	**100.00%**

9. Undistributed Profits

Undistributed profits at the end of last year	2,933,648.44
Plus: Increased this year	724,603.07
Less: Decreased this year	
Withdrawal of legal surplus reserve	293,364.84
Cash dividends payable	2,669,620.08
Undistributed profits at the end of the year	695,266.59

10. Operating Income & Operating Cost

2021.01.01-2021.12.31 amount, detailed as follows

Item	Amount at current year	
	Operating income	**Operating cost**
Total	**8,516,823.66**	**5,131,527.63**

11. Operating Expenses

2021.01.01-2021.12.31 amount, detailed as follows:

Item	Amount at current period
Wages	1,255,081.63
External costs	323,407.44
Travel expenses	-410.72
Consulting services	1,047,571.61
Office expenses	1,503.09
Others	147,849.00
Total	**2,775,462.05**

12. Management fees

2021.01.01-2021.12.31 amount, detailed as follows:

Item	Amount at current period
Office expenses	26,335.69
Travel	4,111.63
Bookkeeping agency fee	54,000.00
Rent	27,988.33
Auditing and inspection charges	34,000.00
welfare funds	4,000.00
Others	6,911.20
Total	**157,938.54**

13. Finance charges

2021.01.01-2021.12.31amount, detailed as follows:

Item	Amount at current period
Bank charges	4,991.44
Interest return	-22,735.93
Exchange gains and losses	16,625.19
Total	**-1,119.30**

V Affiliated party's relationship and transaction:

1 Affiliated party relations

Affiliated party's name	Affiliated party's nature
SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	hold the company's100.00% interest
PULAVARTHI VENKATA KRISHNAKUMAR	the legal representative of the Company

2 The affiliated party transactions

SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	accounts payable	1,198,971.00

VI. Other Notifications:

1 The plan of profit sharing & stock bonus:

there is no procedure as per the local laws for share allotment and issue of share certificates to the shareholders. Company's profit is distributed as per the company's articles of association.

2 The company has no major subsequent events, contingent loss and contingent liability till the end of this year.

Satyam-Venture Engineering Services (Shanghai) Co., Ltd.

June 10,2022

SATVEN GmbH

Board of Directors
Mr. Vadlamudi Srinivasa Rao

Registered Office
Leopoldstr. 244, 80807 Munchen

Bankers
HSBC

Auditors
Christoph Sieger

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2022.

Financial Results

For the year ended March 31st, 2022	2022 EURO	2022 INR	2021 EURO	2021 INR
Income	1,087,513	9,41,37,673	8,34,337	7,22,02,879
Profit / (Loss) before tax	75,135	65,03,904	(1,19,643)	(1,03,53,854)
Profit/(Loss) after tax	67,582	58,50,101	(103,243)	(89,34,545)

Conversion Rate used in 2022: EURO to INR= 86.56238

Conversion Rate used in 2021: EURO to INR= 86.53924

Review of Operations:

During the year under review, your company recorded an income of EURO 1,087,513 (Equivalent to INR 9,41,37,673). Profit/(Loss) after tax was EURO 67,582 (Equivalent to INR (58,50,101). The Company continues to invest in strengthening its marketing infrastructure in Germany.

Directors:

During the year Mr. Rao S. Vadlamudi was a director on the Board.

Outlook for the current year:

Business has been encouraging in Germany and the Company is cautiously optimistic of the future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Director

April 11, 2022

AUDITOR´S CERTIFICATE FOR SATVEN GMBH, STUTTGART

We have audited the annual financial statements - Tested to March 31, 2022, including the accounting of Satven GmbH, Stuttgart, for the financial year April 1, 2021 to March 31, 2022, comprising the balance sheet, profit and loss statement and notes. The accounting and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the basis of our audit, on the annual financial statements, including the accounting.

We conducted our audit in accordance with § 317 HGB promulgated by the Institute of Chartered Accountants (IDW) and German generally accepted auditing standards. Those standards require that we plan and perform that misstatements materially affecting the presentation of operations in the annual financial statements in accordance with generally accepted accounting of the assets, financial position and results, with reasonable assurance be detected. In the determination of audit procedures knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account. During the audit, the effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the annual financial statements are examined primarily on a test basis. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements, give attention to the proper accounting and give a true and fair view of the net assets, financial position and results of operations.

Munich, April 11, 2022

C.M. SIEGER GmbH
Wirtschaftsprüfungsgesellschaft

(Christoph Sieger)

Chartered Accountant

BALANCE SHEET AS AT 31/03/2022

ASSETS

	EUR	Financial Year EUR	Prior Year EUR
A. Noncurrent assets			
I. Property, plant and equipment			
1. Other equipment, operating and office equipment	12,046.00		0.00
2. Advance payments made and construction in progress	**0.00**		8,500.00
		12,046.00	8,500.00
Total noncurrent asset		12,046.00	8,500.00
B. Current assets			
I. Receivables and other assets			
1. Trade receivables	256,967.59		132,955.13
2. Other assets	109,527.93		194,108.45
		366,495.52	327,063.58
II. Cash on hand, central bank balances, bank balances, and checks		317,988.73	353,484.44
Total current assets		684,484.25	680,548.02
		696,530.25	**689,048.02**
TOTAL EQUITY AND LIABILITIES			
A. Equity			
I. Subscribed capital		425,000.00	425,000.00
II. Retained profits brought forward		88,331.71	191,574.40
III. Net income for the financial year		67,582.49	-103,242.69
Total equity		580,914.20	513,331.71
B. Provisions			
1. Other provisions		86,300.00	130,813.00
C. Liabilities			
1. Trade payables	2,230.50		25,705.41
- of which remaining term up to 1 year EUR 2,230.50 (EUR 25,705.41)			
2. Other liabilities	27,085.55		19,197.90
- of which taxes EUR 22,045.82 (EUR 11,649.54)			
- of which social security EUR 911.87 (EUR 911.87)			
- of which remaining term up to 1 year EUR 27,085.55 (EUR 19,197.90)			
		29,316.05	44,903.31
		696,530.25	**689,048.02**

SATVEN GmbH

INCOME STATEMENT FROM 01/04/2021 TO 31/03/2022

	EUR	Financial Year EUR	Prior Year EUR
1. Sales		1,087,512.56	834,336.79
2. Personnel expenses			
a) Wages and salaries	671,830.55		498,958.12
b) Social security costs and expenses related to pension plans and for support	230,400.56		325,433.20
- of which in respect of old age pensions EUR 4,688.53 (EUR 4,074.07)			
		902,231.11	824,391.32
3. Depreciation and amortization			
a) Of noncurrent intangible assets and property, plant and equipment		184.90	0.00
4. Other operating expenses		109,961.09	127,681.60
5. Interest and similar expenses		0.00	1,907.32
6. Taxes on income		7,552.97	-16,400.76
7. Net income/net loss after tax		**67,582.49**	**-103,242.69**
8. Net income for the financial year		**67,582.49**	**-103,242.69**

INCOME STATEMENT ACCOUNTS FROM 01/04/2020 TO 31/03/2021

Description	EUR	Financial Year EUR	Prior Year EUR
Other equipment, operating and office equipment			
Operating equipment		12,046.00	0.00
Advance payments made and construction in progress			
Prepayments on operat./office equ.		0.00	8,500.00
Trade receivables			
Trade receivables	126,846.56		96,282.07
Trade receivables	130,121.03		36,673.06
		256,967.59	132,955.13
Other assets			
Other assets	0.00		1,259.50
Receivables from employees (payroll)	2,064.84		0.00
Rcvbls from employees rem.term 1 yr.	3,000.00		1,000.00
Security deposits	12,976.15		11,794.57
Receivables from trade tax overpaymts	38,046.40		19,510.40
Reclaimed corporate income tax	37,999.79		28,440.68
Receivables Bundesagentur für Arbeit	15,440.75		132,103.30
		109,527.93	194,108.45
Cash on hand, central bank balances, bank balances, and checks			
Bank		317,988.73	353,484.44
		696,530.25	689,048.02
TOTAL EQUITY AND LIABILITIES			
Subscribed capital			
Subscribed capital		425,000.00	425,000.00
Retained profits brought forward			
Retained profits bef apprprtn net profit		88,331.71	191,574.40
Net income for the financial year			
Net income for the financial year		67,582.49	-103,242.69
Other provisions			
Other provisions	2,500.00		2,700.00
Provisions for personnel expenses	3,000.00		5,113.00
Provisions for vacation pay	62,200.00		105,600.00
Provsns period-end closing/ audit costs	12,000.00		10,800.00
Provsns for record retntn obligations	6,600.00		6,600.00
		86,300.00	130,813.00
Trade payables			
Trade payables		2,230.50	25,705.41
of which remaining term up to 1 year EUR 2,230.50 (EUR 25,705.41)			
Trade payables			
Other liabilities			
Trade receivables	73.12		0.00
Payroll liabilities	16.87		2,375.20
Liabilities Indian PF	4,037.87		4,261.29
Wage and church tax payables	9,150.29		5,751.65
Social security liabilities	911.87		911.87
	14,190.02		13,300.01
Deductible input tax, 7%	-3,214.67		-1,185.00
Deductible input tax 5%	360.00		-1,230.18
Deductible input tax 16%	0.00		-5,147.61
Deductible input tax, 19%	-12,286.97		-8,168.21
VAT 16%	0.00		68,709.88
VAT, 19%	206,627.43		76,931.04
VAT prepayments	-178,590.26		-124,012.03
	12,895.53		5,897.89
		27,085.55	19,197.90

Description	EUR	Financial Year EUR	Prior Year EUR
of which taxes EUR 22,045.82 (EUR 11,649.54)			
Wage and church tax payables			
Deductible input tax, 7%			
Deductible input tax 5%			
Deductible input tax 16%			
Deductible input tax, 19%			
VAT 16%			
VAT, 19%			
VAT prepayments			
of which social security EUR 911.87 (EUR 911.87)			
Social security liabilities			
of which remaining term up to 1 year EUR 27,085.55 (EUR 19,197.90)			
Trade receivables			
Payroll liabilities			
Liabilities Indian PF			
Wage and church tax payables			
Social security liabilities			
Deductible input tax, 7%			
Deductible input tax 5%			
Deductible input tax 16%			
Deductible input tax, 19%			
VAT 16%			
VAT, 19%			
VAT prepayments			
		696,530.25	**689,048.02**

INCOME STATEMENT ACCOUNTS FROM 01/04/2021 TO 31/03/2022

Description	EUR	Financial Year EUR	Prior Year EUR
Sales			
Revenue, 19% VAT	1,008,984.87		989,503.56
Revenue unbilled 19% VAT	78,527.69		-155,166.77
		1,087,512.56	834,336.79
Wages and salaries			
Wages and salaries	100,470.62		197,386.07
Salaries	770,491.92		758,479.39
Employment agency subsidies	-155,731.99		-427,107.34
Exp. chge. prov. vac. pay	-43,400.00		-29,800.00
		671,830.55	498,958.12
Social security costs and expenses related to pension plans and for support			
Statutory social security expenses	222,923.72		314,715.47
Contrb. to occup. health/safety agency	2,788.31		6,643.66
Post-employment benefit costs	4,688.53		4,074.07
		230,400.56	325,433.20
of which in respect of old age pensions EUR 4,688.53 (EUR 4,074.07)			
Post-employment benefit costs			
Depreciation and amortization			
Of noncurrent intangible assets and property, plant and equipment			
Depreciation of tangible fixed assets		184.90	0.00
Other operating expenses			
Other operating expenses	0.00		840.00
Rent (immovable property)	35,262.71		42,835.50
Incidental rental/lease exp. (SBI)	3,993.73		3,618.62
Gas, electricity, water	1,664.98		2,101.95
Cleaning	900.00		1,200.00
Contributions	514.34		678.83
Late filing penalties/ admin. fines	0.00		57.50
Disabled persons equalisation levy	0.00		1,500.00
Other repairs and maintenance	280.00		0.00
Employee travel expenses	255.69		82.20
Employee trav. expn, accommodation costs	1,590.00		1,330.00
Employee travel expnses, cost of travel	725.48		2,046.13
Office supplies	254.94		79.14
Training costs	1,966.00		0.00
Legal and consulting expenses	8,792.57		16,908.29
Period-end closing and audit costs	23,500.00		32,000.00
Bookkeeping expenses	27,050.00		20,250.00
Incidental monetary transaction costs	3,210.65		2,153.44
		109,961.09	127,681.60

Description	EUR	Financial Year EUR	Prior Year EUR
Interest and similar expenses			
Interest and similar expenses		0.00	1,907.32
Taxes on income			
Corporate income tax	7,552.97		0.00
Corporate income tax for prior years	0.00		-16,245.06
Backp/refunds trade tax pr yrs, s 4/5	0.00		-155.70
		7,552.97	-16,400.76
Net income for the financial year		67,582.49	-103,242.69

NOTES TO THE FINANCIAL STATEMENTS APRIL 01, 2021 TO MARCH 31, 2022

A. General Information

Satven GmbH, Legal seat Stuttgart, Local court Stuttgart HRB 749841

The financial statements as of March 31, 2022 were prepared according to the accounting regulations of the Commercial Code and the Limited Liability Company Act. For the profit and loss statement the cost categories oriented format has been chosen. Satven GmbH is a very small corporation according to Sect. 267a para. 1 Commercial Code. The relieves for small corporations according to Sect. 288 Commercial Code have partially been used.

B. Accounting and Valuation Principles

The intangibles assets and tangible assets have been accounted for at acquisition cost less linear depreciation. The development of the assets shown in the balance sheet has been shown in Attachment 3/Page 2.

The trade receivables and other assets have been accounted at face value.

The cash has been accounted at face value.

As prepaid expenses are shown payments before the reporting date that represent expenses for a certain period after this date.

The accruals are shown with redemption amount and recognize all risks and contingent liabilities at the balance sheet date with the settlement amount, which is needed under reasonable business judgment.

The liabilities have been accounted with their redemption and all have a maturity of up to one year.

C. Information

The company has engaged in the average 16 employees during the interim period.

The acting director in the financial year 2021/2022 was

Mr Rao S. Vadlamudi

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Rao S. Vadlamudi

C. Development of Fixed Assets

	acquisition or production costs					accumulated depreciation				book value	
	4/1/2021	additions	reclassification	disposals	3/31/2022	4/1/2021	additions	disposals	3/31/2022	3/31/2022	3/31/2021
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Fixed assets											
1. Office equipment	0.00	3,730.90	8,500.00	0.00	12,230.90	0.00	184.90	0.00	184.90	12,046.00	0.00
2. Advance payments on construction in progress	8,500.00	0.00	-8,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,500.00
	0.00	3,730.90	0.00	0.00	12,230.90	0.00	184.90	0.00	184.90	12,046.00	0.00

BORN COMMERCE PRIVATE LIMITED

Board of Directors
Mr. Vivek Satish Agarwal (DIN: 05218475)
Mr. Gautam Shirali (DIN: 07452020)

Registered Office
2nd Floor, Hardy Tower,
Ramanujan IT SEZ,
TRIL Infopark Limited,
Taramani, Chennai – 600 113,

Bankers
HDFC Bank
HSBC Bank

BOARD'S REPORT

To the Members,

Your Directors have the pleasure in submitting their 12th Annual Report on the business and operations of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2022.

1. FINANCIAL SUMMMARY

The summarised version of the financial data for the current year and the previous year are as follows:

Particulars	**For the year ended 31st March 2022 [in Rs in lakhs.]**	For the year ended 31st March 2021 [in Rs in lakhs.]
Total Revenue	**25,187**	19,938
Total Expenses	**23,937**	16,874
Profit before Exceptional and Extraordinary items and Tax	**1,250**	3,064
Less: Exceptional Items	-	-
Less: Extraordinary Items	-	-
Profit before Tax	**1,250**	3,064
Less: Current Tax	**490**	802
Deferred Tax	**(224)**	(90)
Profit for the year	**984**	2,352
Comprehensive Income / loss	**40**	(69)
Total Other Comprehensive income for the year	**1,024**	2,283
Earnings Per Share	**15.32**	36.61
Basic & Diluted	**15.32**	36.61

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the period under review, the Company has earned revenue from operations of Rs 24,736 lacs from rendering of services representing an increase/decrease of 25.19% over previous year.

The Profit before tax for the current year is lower as compared to the previous year on account of loss making projects which have been closed by the company.

The Board of Directors at its meeting held on 29th January 2021 had approved the Scheme of Merger by Absorption of Tech Mahindra Business Services Limited and Born Commerce Private Limited with Tech Mahindra Limited, the appointed date being 1st April 2021. The Application was filed before the Hon'ble NCLT, Chennai on 23rd February 2021 and it was disposed off on 27th October 2021. Post compliance of the Order dated 27th October 2021, the company filed a Petition for sanctioning the Scheme of Merger by Absorption before Hon'ble NCLT Chennai on 7th December 2021. The same was admitted by Hon'ble NCLT on 3rd February 2022.

3. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

4. DIVIDEND

Your Directors feel that it is prudent to plough back the profits for future growth of the company and do not recommend any dividend.

5. TRANSFER TO RESERVES

The Company has not proposed to transfer any amount to reserves.

6. CHANGES IN SHARE CAPITAL

There is no change in the structure of the share capital of the Company during the year under review.

7. CHANGE IN NATURE OF BUSINESS

There is no change in the nature of the business of the Company.

8. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company for the Financial Year 2021-22 is available on the Company's website at borngroup.com/investors-india

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under section 186 of the Companies Act 2013.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The are no material contracts or agreements entered with related parties pursuant to section 188 of the Companies Act, 2013 that is required to be disclosed in Form AOC 2 as Annexure A.

11. STATUTORY AUDITORS

M/S BSR & CO. LLP, CHARTERED ACCOUNTANTS (FRN 101248W/W-100022), were appointed as the Statutory Auditors of the Company for a period of five years at the 10th Annual General Meeting of the Company held on 23rd July, 2020, to hold office from the conclusion of 10th Annual General Meeting till the conclusion of 15th Annual General Meeting at a remuneration as mutually agreed between the Board and the Auditors.

12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report.

13. DETAILS OF DIRECTORS & KMP(s)

During the year under review there were appointment and resignation of Directors. Mr.Gautam Shirali was appointed w.e.f 08th September 2021 as Additional Director and will be regularised as Director at the ensuing Annual General Meeting. Mr. Ritesh Mohan Idnani, resigned as Director w.e.f 10th September,2021 and none of the directors were disqualified during the year under review.

In accordance with Section 203 of the Companies Act and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014,there was no need to appoint any KMP.

14. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the Company being unlisted, sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company;

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. NUMBER OF BOARD MEETINGS/COMMITTEE MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Board met 4 times on the following dates during the year financial year under review:

Sl. No.	Date of Board Meeting	No. of Directors attended
1.	24th June 2021	2
2.	19th October 2021	2
3.	14th February 2022	2
4.	23rd March 2022	2

16. STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS, AND THAT OF ITS COMMITTEES

The disclosure with respect to formal annual evaluation by the board is not applicable to your Company.

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company or Joint Venture. The transations with the associate companies are enlisted in the Financial Statements.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Part A and B pertaining to the conservation of energy and the technology absorption is not applicable to the company.

C	**Foreign Exchange Earnings/ Outgo:**	**Rs. in lakhs**
	Earnings	17,660.51
	Outgo	125.36

19. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The provisions related to Risk Management Policy development and implementations are not applicable to your company.

20. SECRETARIAL STANDARDS

Your directors state and confirm that the Company has complied with the secretarial standards as notified by the Institute of Company Secretaries of India and to the extent applicable to the Company.

21. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has complied with the provisions of section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended for the Financial year 2021-22. The Annual Report on Corporate Social Responsibility Activities of the Company for the Financial Year 2021-22 has been provided in Annexure B to this report.

22. PROVIDING VIGIL MECHANISM

The provisions relating to Section 177(9) read with Rule 7 of the Companies (Meetings of the Board and its Powers), Rules, 2014 is not applicable to the company.

23. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

24. DEPOSITS

The Company has not accepted any deposits during the year under review.

25. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has a “Prevention of Sexual Harassment Committee (POSH)”. Such committee is responsible for end to end management and disposal of any cases that may be reported to it. During the year 2021-22, No such cases were reported.

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company’s operations in future.

27. OTHER MATTERS

The following disclosures are not applicable to this company and hence no reporting is required:

Sl. No.	Particulars	Section & Rules
1.	Secretarial Audit Report	Section 204(1) of the Companies Act, 2013.
2.	Declaration Of Independent Directors	Section 134(3)(d) read with Section 149(6) of the Companies Act, 2013.
3.	Receipt Of Any Commission By MD / WTD From A Company Or For Receipt Of Commission / Remuneration From Its Holding Or Subsidiary	Section 197(14) of the Companies Act, 2013.
4.	Managerial Remuneration	Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
5.	Disclosure Of Composition Of Audit Committee	Section 177(8) read with Rule 6 of the Companies (Meetings of the Board and its Powers), Rules, 2014
6.	Nomination & Remuneration Committee Policy	Section 178(3) of the Companies Act, 2013.
7.	Statement Indicating the Manner in which Formal Annual Evaluation Has Been Made by the Board of Its Own Performance, Its Directors, And That Of Its Committees	Section 134(p) read with Rule 8(4) of Companies (Accounts) Rules, 2014.
8.	Management Discussion and Analysis Report	Article I. Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015.
9.	Corporate Governance	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)
10.	Maintenance of Cost Records	Section 148(1) of the Companies Act, 2013
11.	Particulars of employees	The provisions relating to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

28. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, employees, consultants, and various Government Authorities for their continued support extended to your Company’s activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of Board of Directors
Born Commerce Private Limited

Director
Name: Vivek Satish Agarwal
DIN: 05218475

Director
Name: Gautam Shirali
DIN: 07452020

Date: 04.07.2022
Place: Chennai

ANNEXURE - A

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms' length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: -NA

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/ arrangements/ transaction	
c)	Duration of contracts/ arrangements/ transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	NA

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Born Commerce Private Limited

Vivek Satish Agarwal
Director
DIN: 05218475
Place: Chennai
Date:,04.07.2022

Gautam Shirali
Director
DIN : 07452020

Annexure-B

Annual Report on Corporate Social Responsibility Activities of

Born Commerce Private Limited for the Financial Year 2021-22

CIN: U93090TN2011PTC094977
Regd. Office: 2nd Floor, Hardy Tower Ramanujan
IT SEZ TRIL Infopark Limited, Chennai Tamil Nadu 600113, India
e-mail: complianceofficer.cs@borngroup.com, website: www.borngroup.com
Tel: +91 (044) 33511200

1. **Brief outline on CSR Policy of the Company.**

   Born Commerce Private Limited implements its CSR Programs primarily through Mahindra Educational Institutions (MEI) (Section 8 Company set up under the Companies Act 2013). The CSR activities of the company are in accordance with Section 135 of the Companies Act 2013 and the Rules notified thereunder. CSR focus area for the company is primarily promotion of Education. Within this broad theme specific areas such as school education, education for employment and technical education are included. Persons with disability and Women's Empowerment are cross-cutting themes in these focused areas. The interventions in these thematic areas will be prioritized to reach the underserved segments of the population like women, economically and geographically disadvantaged and vulnerable and marginalized population.

2. **Composition of CSR Committee.**

   CSR Committee has been dissolved with effect from 27th October, 2020. The functions of the CSR Committee provided under section 135 of the Comanies Act, 2013 are now being discharged by the Board of Directors.

   Board of Directors:

   Mr. Vivek Satish Agarwal

   Mr. Gautam Shirali

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

   The CSR policy can be accessed on the Company's website at borngroup.com/investors-india

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014. –** N.A.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year. -** NIL

6. **Average net profit of the company as per section 135(5).**

   FY 18-19 – Rs.19,46,28,307.00

   FY 19-20 – Rs.28,13,11,374.00

   FY 20-21- Rs. 30,64,32,963.00

   The Average Net Profit before Tax is Rs.26,07,90,882

7. (a) **Two percent of average net profit of the company as per section 135(5) –** Rs. 52,15,818

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years.** - NIL

   (c) **Amount required to be set off for the financial year, if any** - NIL

   (d) **Total CSR obligation for the financial year (7a+7b-7c).** – Rs. 52,15,818.00

(a) CSR amount spent or unspent for the financial year 2021-22

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.) - NIL				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
52,15,818.00	NIL	N.A.	N.A.	NIL	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year 2021-22: Nil

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	N.A.	N.A.	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year 2021-22:

(1)	(2)		(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Programme	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
					State.	District.			Name.	CSR Registration number.
1.	Education	Technical Education	Schedule VII, Item 2 (promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects)	Yes	Telengana		52,15,818.00	No	Mahindra Educational Institutions	CSR00001815
	Total						**52,15,818.00**			

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment – N.A.

(f) Total amount spent for the Financial Year 2020-21 (8b+8c+8d+8e) – Rs. 52,15,818.00

(g) Excess amount for set off -

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	52,15,818
(ii)	Total amount spent for the Financial Year	52,15,818
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

8. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2018-2019	NIL	NIL	NIL	NIL	NIL	NIL
2.	2019-2020	NIL	NIL	NIL	NIL	NIL	NIL
3.	2020-2021	NIL	NIL	NIL	NIL	NIL	NIL
	Total	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in Rs.).**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed /Ongoing.**
1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total							

9. Details relating to the asset created or acquired through CSR spent in the financial year - N.A.

(a) Date of creation or acquisition of the capital asset(s). – N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset. – N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – N.A.

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – N.A.

for Born Commerce Private Limited

Gautam Shirali
Director
DIN: 07452020

Vivek Satish Agarwal
Director
DIN: 05218475

Date: 04 July 2022
Place: Chennai

INDEPENDENT AUDITORS' REPORT

To the Members of Born Commerce Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Born Commerce Private 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 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.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Auditors) 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 34 (b) 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 it’s knowledge and belief, as disclosed in the Note 29 to the financial statements, 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 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, as disclosed in the Note 29 to the financial statements, 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 by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) 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) above contain any material misstatement.

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

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, no remuneration has been paid by the Company to its directors during the current year. Accordingly, the reporting under the provisions of Section 197 of the Act is not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm’s Registration No.:101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
ICAI UDIN:22215165AMEPWA7492

Place: Pune
Date: 04 July 2022

Annexure A to the Independent Auditor's Report on the Financial Statements of Born Commerce Private Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(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.

(i) (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 once in 3 years. In accordance with this programme, the 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 material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(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 revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both 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 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 information technology enabled 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 not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to 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, provided 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 during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(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 the services rendered by the Company. 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 has been subsumed into GST.

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 Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of cess.

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 Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or 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 Goods and Service Tax, 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 the dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	39.65	FY 2017-18	Commissioner of Income Tax (Appeals)

(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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(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 did not have any loans or borrowings during the year and accordingly, has not been declared a wilful defaulter by any bank or financial institution or government or government authority

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(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 have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

(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, considering the principles of materiality outlined in Standards on Auditing, 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) Based on the information and explanations provided to us, the Company is not required to have a vigil mechanism as per Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(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) According to the information and explanations given to us, the provisions of Section 177 of the Act are not applicable to the Company and accordingly, the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Section 188 of the Act, where applicable, and the 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 the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

(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) of the Order is not applicable.

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

(c) 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.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.

(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.

(xx) 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. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
ICAI UDIN:22215165AMEPWA7492

Place: Pune
Date: 04 July 2022

Annexure B to the Independent Auditor's Report on the financial statements of Born Commerce Private Limited for the year 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 Act

(Referred to in paragraph 2(A)(f) 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 Born Commerce Private 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.

Management's Responsibility for Internal Financial Controls

The Company's 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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, 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 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.

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.

Opinion

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.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
ICAI UDIN:22215165AMEPWA7492

Place: Pune
Date: 04 July 2022

BORN COMMERCE PRIVATE LIMITED

BALANCE SHEET AS AT 31 MARCH 2022

(All amounts are in INR Lacs, unless otherwise stated)

Particulars	Notes	March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
Property, plant & equipment	3	100	50
Right to use of asset	3A	1,621	2,238
Intangible assets	4	8	21
Financial assets			
- Other financial assets	5	362	378
Deferred tax assets (net)	6	672	461
Income tax assets (net)		245	77
		3,008	**3,225**
Current Assets			
Financial assets			
(a) Trade receivables- (Refer note 31)			
- Billed	7	11,502	6,875
- Unbilled	7	1,868	1,348
(b) Cash & cash equivalents	8	228	2,976
(c) Other financial assets	9	0	3
Other current assets	10	1,210	1,091
		14,808	**12,293**
Total Assets		**17,816**	**15,518**
EQUITY & LIABILITIES			
Equity			
Equity share capital	11	643	643
Other equity	12	10,449	9,426
Total equity		**11,092**	**10,069**
Non-current liabilities			
Financial liabilities			
- Lease liabilities	24	1,265	1,875
Provisions	13	891	784
		2,156	**2,659**
Current liabilities			
Financial liabilities			
(a) Lease liabilities	24	668	637
(b) Trade payables (Refer note 32)	14		
- total outstanding dues of micro & small enterprises		79	101
- total outstanding dues of creditors other than micro & small enterprises		1,475	447
(c) Other financial liabilities	15	1,505	1,027
Provisions	16	237	195
Other current liabilities	17	604	383
		4,568	2,790
Total liabilities		**6,724**	**5,449**
Total equity & liabilities		**17,816**	**15,518**
Summary of significant accounting policies	2		

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248 W/W-100022

For and on behalf of the Board of Directors of
Born Commerce Private Limited

Ashish Gupta
Partner
Membership No. 215165

Vivek Agarwal
Director
DIN: 05218475

Gautam Shirali
Director
DIN: 07452020

Place: Pune
Date: 4 July 2022

Place: Chennai
Date: 4 July 2022

Place: Chennai
Date: 4 July 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR Lacs, unless otherwise stated)

	Particulars	Notes	March 31, 2022	March 31, 2021
I	**Income**			
	Revenue from operations	18	24,736	19,759
	Other income	19	451	179
	Total income		**25,187**	**19,938**
II	**Expenses**			
	Employee benefits expense	20	18,555	13,553
	Depreciation and amortisation expense		695	772
	Finance costs	21	127	124
	Other expenses	22	4,560	2,425
	Total expenses		**23,937**	**16,874**
III	**Profit before tax (I-II)**		**1,250**	**3,064**
IV	**Tax expenses**			
	Current tax	6	490	802
	Deferred tax (net)	6	(224)	(90)
	Total tax expense (Refer Note 6)		**266**	**712**
V	**Profit for the year (III-IV)**		**984**	**2,352**
VI	**Other Comprehensive Income**			
	Items that will not be reclassified subsequently into Profit/Loss Account			
	Remeasurement (Loss)/Gain of Defined Benefit Obligation		53	(98)
	Tax Effect on the above		(13)	29
	Total other comprehensive loss		**40**	**(69)**
VII	**Total Other Comprehensive Income For the Year (V+VI)**		**1,024**	**2,283**
	Basic and diluted earnings per share [face value of share Rs. 10/- per share]	22	15.32	36.61
	Summary of significant accounting policies	2		

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248 W/W-100022

For and on behalf of the Board of Directors of
Born Commerce Private Limited
CIN: U93090TN2011PTC094977

Ashish Gupta
Partner
Membership No. 215165

Vivek Agarwal
Director
DIN: 05218475

Gautam Shirali
Director
DIN: 07452020

Place: Pune
Date: 4 July 2022

Place: Chennai
Date: 4 July 2022

Place: Chennai
Date: 4 July 2022

BORN COMMERCE PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR Lacs, unless otherwise stated)

A Equity Share Capital

Particulars	Balance (Amount in INR)
Balance as at April 1, 2020	**643**
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**643**
Changes in equity share capital during the year	-
Balance as at March 31, 2022	**643**

B Other Equity

Particulars	Reserves & Surplus
	Retained Earnings (Amount in INR)
Balance as at April 1, 2020	**7,143**
Profit for the year	2,352
Other Comprehensive Income (net)	(69)
Total Comprehensive Income	**2,283**
Balance as at March 31, 2021	**9,426**
Profit for the year	984
Other Comprehensive Loss (net)	40
Balance as at March 31, 2022	**10,449**

The nature and purpose of reserves are as follows:

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

The accompanying notes are an integral part of these financial statements

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248 W/W-100022

For and on behalf of the Board of Directors of
Born Commerce Private Limited
CIN: U93090TN2011PTC094977

Ashish Gupta
Partner
Membership No. 215165

Vivek Agarwal
Director
DIN: 05218475

Gautam Shirali
Director
DIN: 07452020

Place: Pune
Date: 4 July 2022

Place: Chennai
Date: 4 July 2022

Place: Chennai
Date: 4 July 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR Lacs, unless otherwise stated)

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
A. Cash flows from operating activities		
Profit before tax	1,250	3,064
Adjustment for:		
Depreciation and amortisation expense	696	772
Interest Expense	0	121
Unrealised foreign exchange (gain) / loss	(328)	221
	1,619	**4,178**
Changes in working capital:		
Trade Receivable and other assets	(4,914)	99
Trade Payables, Other Liabilities and Provisions	1,907	588
Cash generated/(used in) from operations	**(1,388)**	**4,865**
Income taxes paid, net	(686)	(816)
Net cash flow used in operating activities (A)	**(2,074)**	**4,049**
B. Cash flows used in investing activities		
Purchase of property, plant and equipment	(90)	(8)
Purchase of intangible assets	-	(5)
Net cash used in investing activities (B)	**(90)**	**(13)**
C. Cash flows from financing activities		
Repayment of Lease liabilities	(583)	(683)
Repayment of finance cost	-	(109)
Repayment / Proceeds from Borrowings	-	(338)
Interest paid on borrowings	-	(6)
Net cash from financing activities (C)	**(582)**	**(1,138)**
D. Net increase/(decrease) in cash and cash equivalents (A + B +C)	**(2,747)**	**2,898**
E. Cash and cash equivalents at the beginning of the year	**2,976**	**78**
Cash and cash equivalents at the end of the year	**229**	**2,976**
Components of cash and cash equivalents (refer Note 13)		
Balances with banks		
- on current accounts	228	2,976
Total cash and cash equivalents	**228**	**2,976**

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248 W/W-100022

For and on behalf of the Board of Directors of
Born Commerce Private Limited
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Director
DIN: 07452020

Place: Pune
Date: 4 July 2022

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Date: 4 July 2022

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR Lacs, unless otherwise stated)

1 Company overview

Born Commerce Private Limited ('the Company') was incorporated on Jan 21, 2011, having its registered office at 2nd Floor, Hardy Tower, Ramanujan IT SEZ TRIL Infopark Ltd, Chennai. During the previous financial year, the Company was acquired by Tech Mahindra Limited. The Company is engaged in providing offshore production services (i.e.) pre-media, digital media and e-commerce services to its group companies located outside India and sale to other external customers.

The Company would meet the definition of a Public Limited Company with effect from November 25, 2019 consequent to the acquisition by Tech Mahindra Limited. The Company is now a 100% subsidiary of Tech Mahindra Limited. Also refer note 38 on scheme of merger.

2 Significant accounting policies

2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, and other relevant provisions of the Companies Act, 2013.

2.2 Basis for preparation of financial statements

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, except for certain financial instruments which are measured at fair values. The financial statements are presented in Indian rupees (Rs.) which is also the functional currency of the Company. The financial statements are presented in Indian rupees rounded off to the nearest lacs. Further, amounts which are less than half a lacs are reported as '0'.

All assets and liabilities have been classified as current and non-current as per the criteria set out in Schedule III to the Act.

Details of the Company's accounting policies are included in paragraphs 2.4 to 2.14.

These financial statements were authorised and issued on 4 July 2022.

2.3 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of income and expenses during the period reported. Although these estimates are based upon management's best knowledge of current events and actions; actual results could differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to the accounting estimates are recognised prospectively in current and future periods.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of income taxes, provisions, defined benefit plan and compensated absences, leases, revenue recognition, estimation uncertainties relating to the COVID-19 pandemic, these are discussed below.

i) Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. The policy for the same has been explained under Note 2.10.

ii) Provisions

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.9

iii) Defined benefit plan and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2.8

iv) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment, including assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Refer note 2.11 for detailed accounting policies on leases"

v) Revenue recognition

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or existence of enforceable right to payment for performance to date. The policy has been explained under Note 2.6.

vi) Estimation uncertainties relating to the COVID-19 pandemic

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and investments. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used an internal and external source of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

2.4 Property, plant and equipment and Intangible assets

Property, plant and equipment and Intangible assets are stated at cost, less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets comprise of Computer software. Costs relating to Computer software, which are acquired, are capitalised and amortised on a straight-line basis over their useful lives.

Subsequent expenditure 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.

Depreciation and amortisation is provided using the straight-line method using the rates arrived at, based on the useful lives estimated by the management, based on a technical assessment. The company has continued to retain the existing useful life, which are, in all cases either lower or equal to the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013 and the company has maintained adequate technical assessment to justify the same.

Assets costing less than Rs. 5,000 each are depreciated fully in the year of acquisition.

The estimated useful lives of the assets are as under:

Asset	Life
Leasehold improvements	Estimated useful life (5 years) or lease term, whichever is lower
Computer & Accessories	
(i) Servers and networks	6 years
(ii) End user devices, such as, desktops, laptops, etc	3 years
Furniture and fixtures*	5 years
Office Equipment	5 years

*For the class of assets mentioned above, based on internal technical assessment 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 are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

An item of property, plant & equipment and intangible asset 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 arising on the disposal or retirement of an item of property, plant & equipment and intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

2.5 Impairment

Financial assets:

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the Company operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. “

Non financial assets:

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

2.6 Revenue recognition

Revenue is recognised or performance obligation is satisfied upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services. Revenue from operations includes revenue earned from services rendered on cost plus basis, time and material basis, fixed price maintenance costs and fixed price development contracts.

Revenue from services rendered under the time & material contracts are recognised on output basis measured by efforts expended.

Revenue from fixed price maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered.

Revenue on fixed price development contracts is recognised using the ‘percentage of completion’ method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability (“Unearned revenue”) arises when there are billing in excess of revenue.

Dividend income is recorded when the right to receive payment is established.

Interest income is recognised using the effective interest method.

2.7 Foreign currency transactions

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. 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 and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting the Company’s monetary items at rates different from those at which they were initially recorded during the year are recognised as income or as expense in the year in which they arise.

2.8 Retirement and other employee benefits

i. Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

ii. Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and 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 categorised 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

iii. Compensated absences

Compensated absences other than short term in nature are provided for on the basis of an actuarial valuation made at the end of the financial year. The actuarial method used by the independent actuary for measuring the liability is the Projected Unit Credit Method.

Short term compensated absences are recognised at the undiscounted amount expected to be paid in exchange for the service rendered.

iv. Short term employee benefits

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.

2.9 Provisions and contingencies

A provision is recognised when the Company has a present obligation resulting from past events and it is probable that an outflow of resources will be required to settle the obligation for which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

A disclosure for a contingent liability is made when there is a possible or a present obligation, resulting from past events and it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate cannot be made. Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and the related income are recognised in the period in which the change occurs.

2.10 Income taxes

Income tax comprises of current and deferred tax. Income tax expense is recognised in the statement of profit and loss except for the items directly recognised in equity or in other comprehensive income.

Current tax

The current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income-tax Act, 1961 (‘Income-tax act’) and any adjustment to taxes in respect of previous years.

Deferred tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant Company intends to settle its current tax assets and liabilities on a net basis.

2.11 Leases

At inception of the contract, the Company determines whether the contract is a lease or contains a lease arrangement. 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.

Company as a lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.”

2.12 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. 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 measured on initial recognition of financial asset or financial liability.

Non derivative financial instruments

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order 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.

Financial assets at fair value through other comprehensive income ('FVOCI')

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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.

Financial assets at fair value through profit and loss ('FVTPL')

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximate fair value to short-term maturity of these instruments.

De-recognition of financial instruments

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of financial liability) is de-recognised from the Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

Fair value of financial instruments

In determining the fair value of its financial instrument, the Company uses the methods and assumptions based on market conditions and risk existing at each reporting date. Methods of assessing fair value result in general approximation of value, and such value may never actually be realised. For all other financial instruments, the carrying amounts approximate the fair value due to short maturity of those instruments.

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

Diluted earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares considered for computing Basic earnings per share and the weighted average number of equity shares which may be issued on conversion of dilutive potential equity shares into equity shares.

2.13 Recent pronouncements

The Ministry of Corporate Affairs (“”MCA””) notifies new standard or amendments to the existing standards. On March 23, 2022, MCA amended the Companies (Ind AS) Amendment Rules, 2022, which are applicable from April 1, 2022. The Company does not expect the amendments to have any significant impact on the financial statements.

3 Property, plant and equipment

Particulars	Computer and accessories	Furniture and fittings	Office equipments	Leasehold Improvements	Total
Cost as at April 1, 2020	**509**	**82**	**199**	**254**	**1,044**
Additions	6	-	2	-	8
Balance as at March 31, 2021	**515**	**82**	**201**	**254**	**1,052**
Additions	89	-	1	-	90
Balance as at March 31, 2022	**604**	**82**	**202**	**254**	**1,142**
Accumulated Depreciation					
As at April 1, 2020	**438**	**77**	**176**	**251**	**942**
Depreciation	43	2	13	2	60
Balance as at March 31, 2021	**481**	**79**	**189**	**253**	**1,002**
Depreciation	27	1	11	1	40
Balance as at March 31, 2022	**508**	**80**	**200**	**254**	**1,042**
Net Block					
As at March 31, 2022	**96**	**2**	**2**	**0**	**100**
As at March 31, 2021	**34**	**3**	**12**	**1**	**50**

3A Right to Use of Asset

Particulars	Office lease	Total
Gross Block		
As at April 1, 2020	4,153	4,153
Additions	-	-
Balance as at March 31, 2021	**4,153**	**4,153**
Additions	25	25
Balance as at March 31, 2022	**4,178**	**4,178**
Accumulated Depreciation		
As at April 1, 2020	**1,216**	**1,216**
Depreciation for the year	699	699
As at March 31, 2021	**1,915**	**1,915**
Depreciation for the year	642	642
As at March 31, 2022	**2,557**	**2,557**
Net Block		
As at March 31, 2022	**1,621**	**1,621**
As at March 31, 2021	**2,238**	**2,238**

4 Intangible assets

Particulars	Software	Total
Gross block		
Cost as at April 1, 2020	307	307
Additions	5	5
Deletions	-	-
Balance as at March 31, 2021	**312**	**312**
Additions	-	-
Deletions	-	-
Balance as at March 31, 2022	**312**	**312**
Accumulated Depreciation		
As at April 1, 2020	**278**	**278**
Depreciation	13	13
Deletions	-	-
Balance as at March 31, 2021	**291**	**291**
Depreciation	13	13
Deletions	-	-
Balance as at March 31, 2022	**304**	**304**
Net block		
At 31 March 2022	**8**	**8**
At 31 March 2021	**21**	**21**

5 Other Financials Assets - Non-Current

Other Financials Assets - Non-Current	As at March 31, 2022	As at March 31, 2021
Security deposits		
Unsecured, considered good	362	378
Considered doubtful	17	17
Provision for security deposits	(17)	(17)
	362	**378**

6 Deferred tax asset (net)

The following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position:

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets (net)		
Property, plant and equipment	47	49
Employee benefits	541	342
Right of Use Assets (Net)	84	70
	672	**461**

Tax expense

A. Amount recognised in statement of profit and loss

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
Current tax	490	802
Deferred tax	(211)	(119)
Total tax expense	**279**	**683**

B. Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	1,250	3,064
Enacted tax rate	25.17%	29.12%
Computed tax expense	315	893
Tax effect of :		
Allowance under Section 10AA of Income Tax Act, 1961	-	(280)
Expenses disallowed for tax purpose	8	1
Change in tax rate	-	72
Income taxes related to prior years	(48)	-
Others	4	(3)
Income tax expense recognised in statement of profit and loss	**279**	**683**

Movement in deferred tax assets and liabilities

Particulars	For the year ended March 31, 2022			
	Opening balance	Recognised in statement of profit and loss account	Recognised in other comprehensive income	Closing balance
Depreciation and amortisation	119	12	-	131
Employee benefits	342	212	(13)	541
Total	**461**	**224**	**(13)**	**672**

Particulars	For the year ended March 31, 2022			
	Opening balance	Recognised in statement of profit and loss account	Recognised in other comprehensive income	Closing balance
Depreciation and amortisation	110	9	-	119
Employee benefits	227	86	29	342
Others	5	(5)	-	-
Total	**342**	**90**	**29**	**461**

7 Trade receivables

	As at March 31, 2022	As at March 31, 2021
Trade Receivables (Refer note 31)	11,502	6,875
Trade Receivables Billed- Credit impaired	-	-
Less: Allowance for expected credit loss	-	-
Unbilled Receivables	1,868	1,348
	13,370	**8,223**

8 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- in current accounts	228	2,976
	228	**2,976**

9 Other financial assets

	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Receivables from employees	0	0
Accrued Interest	-	3
	0	**3**

10 Other current assets

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	329	258
Balances with government authorities	210	317
Contract asset	671	516
	1,210	**1,091**

11 Equity Share capital

	As at March 31, 2022	As at March 31, 2021
a. Authorised :		
80,00,000 (March 31, 2021: 8,000,000) equity shares of Rs 10 each	800	800
	800	**800**
Issued, subscribed and paid-up:		
6,425,285 (March 31, 2021: 6,425,285) equity shares of Rs 10 each, fully paid-up	643	643
	643	**643**

b. Reconciliation for number of shares outstanding at the beginning and at the end of the reporting year is as given below:

	As at March 31, 2022	As at March 31, 2021
Number of shares outstanding at the beginning and at the end of the year	6,425,285	6,425,285

c. Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share.

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.

d. Shares held by holding company and subsidiaries of holding company or ultimate holding company and its associates along with percentage of shareholding is as given below:

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% held	No. of shares	% held
Tech Mahindra Limited, the holding company	6,425,284	99.99%	6,425,284	99.99%
6,425,284 equity shares of Rs.10/- each				
Tech Mahindra Limited jointly with Anil Khatri	1	0.00%	1	0.00%

e. During the period of five years immediately preceding the balance sheet date, no equity shares were allotted as fully paid-up pursuant to contract without payment being received in cash.

f. During the financial year ended 2019-20, the Company was acquired by Tech Mahindra Limited through a Share Purchase Agreement (the "SPA") dated November 25, 2019. In accordance with this SPA, 100% of equity share capital was acquired by Tech Mahindra Limited.

12 Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings		
Balance at the beginning of the year	9,426	7,143
Profit for the year	984	2,352
Other comprehensive Income (net of tax)	40	(69)
Balance at the end of the year	**10,449**	**9,426**

13 Provisions : Non-current

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
-Gratuity	584	514
-Compensated absences	307	270
	891	**784**

14 Trade payables (Refer note- 32)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
- dues of micro enterprise and small enterprises	79	101
- dues of creditors other than micro enterprise and small enterprises	1,475	447

	1,554	**548**

15 Other Financial Liabilities - Current

Particulars	As at March 31, 2022	As at March 31, 2021
Dues to employees	1,505	1,027
	1,505	**1,027**

16 Provisions : Current

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
-Gratuity	103	82
-Compensated absences	134	113
	237	**195**

17 Other Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred revenue	174	69
Statutory dues payable	430	314
	604	**383**

18 Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from digital media and ecommerce services	24,736	19,759
	24,736	**19,759**

a. Disaggregation of revenue

Revenue disaggregation by geography is as follows:

Geography	Year ended March 31, 2022	Year ended March 31, 2021
India	4,576	978
Rest of the World	20,160	18,781
Total	**24,736**	**19,759**

Geographical revenue is allocated based on the location of the customer

Nature of relationship	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from related parties	18,037	14,505
Revenue from third parties	6,699	5,254
Total	**24,736**	**19,759**

During the year ended Match 31, 2022, the following customers individually accounted for more than 10% of the revenue.

Born Group Inc

Born London Limited

Born Group Pte Limited

b. Remaining performance obligations

The remaining performance obligations disclosure provides the aggregate amount of the transaction price yet to be recognised as of the end of the reporting period 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 remaining performance obligation for contracts where the performance obligation is a part of a contract that has an original expected duration of one year or less or the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in scope of contracts, periodic revalidations, adjustments for revenue that has not materialized and adjustments for currency.

c. Contract assets and Liabilities

Changes in the contract assets balances during the year ended March 31, 2022 are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Contract Assets:		
Opening balance	516	37
Add: Revenue recognised during the year	2,253	1,651
Less : Invoiced during the year	(2,098)	(1,172)
Closing balance	**671**	**516**

Changes in the unearned revenue balances during the year ended March 31,2022 are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Unearned Revenue		
Opening balance	70	272
Less: Revenue recognised that was included in the unearned revenue at the beginning of the year	(70)	-
Add: Invoiced during the year (excluding revenue recognized during the year)	174	(202)
Closing balance	**174**	**70**

d. Contract Price

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price:

The Company has recognized revenue of Rs. 24,736 which is not adjusted for any discounts for the year ended March 31, 2022 (March 31, 2021 is Rs. 19,759).

19 Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on security deposits	31	27
Lease Concession	-	48
Foreign exchange gain (net)	374	-
Miscellaneous income	46	104
	451	**179**

20 Employee benefit expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	17,465	12,751
Gratuity	145	142

Contribution to provident and other funds	826	583
Staff welfare expenses	119	77
	18,555	**13,553**

21 Finance costs

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Interest on income tax	0	6
Interest on working capital loan	-	6
Interest on lease liabilities	120	109
Bank charges	7	3
	127	**124**

22 Other expenses

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Power and fuel	39	27
Equipment rental	678	477
Maintenance charges	626	481
Insurance	1	7
Legal and professional fees	636	195
Communication costs	121	112
Printing and Stationery	1	2
Travelling and conveyance	42	23
Security charges	29	31
Outwork charges	2,252	678
Rates and taxes	15	5
Foreign exchange loss (net)	-	308
Corporate Social Responsibility Expenditure	52	37
Payment to auditors		
For statutory audit	20	20
For taxation matters	-	12
Miscellaneous expenses	48	10
	4,560	**2,425**

Corporate Social Responsibility (CSR) expenditure

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Amount required to be spent by the company during the year	52	37
Amount of expenditure incurred on:		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	52	37
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities	Special Education & Employment enhancing, Promoting Education	Special Education & Employment enhancing, Promoting Education

Note: The Company contributes to Mahindra Educational Institutions, associate companies, in relation to CSR expenditure.

22 Earnings per share:

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**

Profit after taxation	984	2,352
Weighted average Equity Shares outstanding as at the end of the year (in nos.)	6,425,285	6,425,285
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	6,425,285	6,425,285
Nominal Value per Equity Share (in Rs.)	10	10
Earnings Per Share (Basic) (in Rs.)	15.32	36.61
Earnings Per Share (Diluted) (in Rs.)	15.32	36.61

24 Fair value measurement

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 2.12 to the financial statements.

I Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

Particulars	Amortised cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	13,370	-	-	13,370	13,370
Cash and cash equivalents	228	-	-	228	228
Others financial assets	362	-	-	362	362
Total	**13,960**	**-**	**-**	**13,960**	**13,960**
Financial liabilities					
Borrowings	-	-	-	-	-
Lease Liabilities	1,933	-	-	1,933	1,933
Trade payables	1,554	-	-	1,554	1,554
Other financial liabilities	1,505	-	-	1,505	1,505
Total	**4,992**	**-**	**-**	**4,992**	**4,992**

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

Particulars	Amortised cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	8,223	-	-	8,223	8,223
Cash and cash equivalents	2,976	-	-	2,976	2,976
Others financial assets	381	-	-	381	381
Total	**11,580**	**-**	**-**	**11,580**	**11,580**
Financial liabilities					
Lease Liabilities	2,512	-	-	2,512	2,512
Trade payables	548	-	-	548	548
Other financial liabilities	1,027	-	-	1,027	1,027
Total	**4,087**	**-**	**-**	**4,087**	**4,087**

Valuation technique:

Carrying amounts of trade receivables, cash and cash equivalents, loans, other financial assets, short-term bank borrowings, trade payables and other financial liabilities as at March 31, 2022 & March 31, 2021 approximates the fair value because of their short term nature.

II Financial instrument by hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

There are no financial instruments measured at FVTPL or FVOCI as on March 31, 2022 & March 31, 2021

III Financial Risk Management

The Company's activities expose it to the following risks arising from financial instruments:

a) Market risk

b) Credit risk

c) Liquidity risk

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the fair value of financial instrument may result from changes in the foreign currency rate, interest rate and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company primarily is an export oriented unit and earns its revenue in foreign currency. Consequently, the Company is exposed to foreign exchange risk on its trade receivables and purchases from overseas suppliers in foreign currencies.

The following analysis has been worked out based on the net exposures of the Company as of the date of the balance sheet which could affect the statement of profit and loss.

The following table sets forth information relating to foreign currency exposure as at March 31, 2022

	Foreign Currency		**Indian Rupees**	
Particulars	**As at March 31,2022**	**As at March 31, 2021**	**As at March 31,2022**	**As at March 31, 2021**
Trade Payables	USD 8.85	-	671	-
Trade Receivables	USD135	USD 81.55	10,241	693
Trade Receivables	EUR 4	EUR 8.07	317	5,962

1% appreciation/depreciation of respective foreign currency with respect to functional currency of the Company would result in increase/decrease in Company's profit by Rs 99 & Rs 67 for year ended March 31, 2022 and Mar 31, 2021 respectively

b) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and from its financing activities including cash and cash equivalents.

Trade receivables and unbilled revenue:

The credit risk is limited since primarily trade receivables and unbilled revenue pertain to revenue generated through related party transactions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. . The maximum exposure to credit risk was Rs.13,732 & Rs. 8,604 as at March 31, 2022 & March 31, 2021 respectively, being the total of the carrying amount of trade receivables, cash and cash equivalents and other financial assets.

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each balance sheet date whether a financial asset is impaired. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. As on March 31, 2022, expected credit loss allowance is Rs. Nil. (March 31, 2021 : Rs. Nil)

Cash and cash equivalents:

Credit risk on cash and cash equivalents is limited as it is generally invested in deposits with banks in India with high credit ratings assigned by international and domestic credit rating agencies.

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 Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated through operations. The Company believes that its working capital is sufficient to meet its contractual outflows.

The following are the remaining contractual maturities of financial liabilities as at March 31, 2022

Particulars	Contractual cash flows			
	< 1 year	1-5 Years	>5 Years	Total
Trade payables	1,554	-	-	1,554
Lease Liabilities	667	1,265	-	1,932
Other financial liabilities	1,505	-	-	1,505

The following are the remaining contractual maturities of financial liabilities as at March 31, 2021

Particulars	Contractual cash flows			
	< 1 year	1-5 Years	>5 Years	Total
Trade payables	548	-	-	548
Lease Liabilities	637	1,875	-	2,512
Other financial liabilities	1,027	-	-	1,027

Capital management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

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

25 Leases

As a Lessee:

The total cash outflow for leases is Rs. 704 for the year ended March 31, 2022 and Rs. 792 for the year ended March 31,2021, including cash outflow for short term and low value leases.

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2022 on an undiscounted basis:

Particulars	Not later than 1 year	Later than 1 year not later than 5 years	Later than 5 years
Minimum Lease rentals payables	791	1,316	-

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2021 on an undiscounted basis:

Particulars	Not later than 1 year	Later than 1 year not later than 5 years	Later than 5 years
Minimum Lease rentals payables	873	2,287	-

26 Disclosure on cash and non-cash changes for liabilities arising from financing activities:

Mentioned below are the components of liabilities related to financing activities in cash flow for the year ended March 31, 2022:

Particulars	Opening balance	Cash flow	Non cash charges (Finance charges)	Closing balance
Lease Liability	2,512	(583)	4	1,932

Mentioned below are the components of liabilities related to financing activities in cash flow for the year ended March 31, 2021:

Particulars	Opening balance	Cash flow	Non cash charges (Finance charges)	Closing balance
Lease Liability	3,195	(792)	109	2,512
Borrowings	338	(344)	6	-

27 Due of micro enterprise and small enterprises

Based on the information available with the company, there are below outstanding amounts payable to creditors who have been identified as

"suppliers" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

Particulars	As at March 31, 2022	As at March 31, 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
Principal	79	101
Interest	0	5
The amounts of the payments made to micro, small and medium suppliers beyond the appointed day during each accounting year.	951	1,041
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	16	16

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 the MSMED

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 and March 31, 2021 has been made in financial statements based on information received and available with the Company.

28 Segment reporting

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

Based on the 'management approach' as defined in Ind AS 108, the management evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented on business segments and geographic segments.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker monitors the operating results of the Company's business as single segment.

Business segment:

The Company is engaged in the business of providing services connected to digital media and e-commerce. As the Company is engaged in only one business segment, the balance sheet as at March 31, 2022 and statement of profit and loss for the year ended then pertain to only one business segment.

Geographical segment:

Refer Note 18 for disaggregation of revenue based on geographies.

29 Related party disclosures

As required by Ind AS 24 - Related Party Disclosures, following are details of transactions during the year ended March 31, 2022 and outstanding balances as of that date with the related parties of the Company as defined in Ind AS 24.

a. Names of related parties and related party relationship

Related parties where control exists

Ultimate Holding Company	Tech Mahindra Limited

Related parties with whom transactions have taken place

Fellow subsidiaries	Born London Limited
	Born Group Inc., USA
	Born Japan Kabhushiki kaisha, Japan
	Born Group Pte limited, Singapore
	Born Digital SDN BHD, Malaysia
	Tech Mahindra Limited
	Tech Mahindra ICT (Malaysia) Sdn Bhd
	Tech Mahindra Thailand Limited

b. Related party transactions

Name of entity	Country of incorporation	Year	Sale / (Purchase) of services	Trade receivables / (payables)
Born Group Inc.	United States of America	March 31, 2022	4,762	3,414
		March 31, 2021	4,717	1,691
Born London Limited	United Kingdom	March 31, 2022	5,541	3,745
		March 31, 2021	3,600	2,426
Born Group Pte Limited	Singapore	March 31, 2022	3,424	2,142
		March 31, 2021	4,377	1,673
Born Group Pte Limited	Singapore	March 31, 2022	(658)	(671)
		March 31, 2021	-	-
Born Japan Kabhushiki Kaisha	Japan	March 31, 2022	129	(0)
		March 31, 2021	(15)	(1)
Born Digital SDN BHD	Malaysia	March 31, 2022	903	5
		March 31, 2021	829	65
Tech Mahindra ICT Services (Malaysia) SDN BHD	Malaysia	March 31, 2022	98	99
		March 31, 2021	-	-
Tech Mahindra Thailand Limited	Thailand	March 31, 2022	153	155
		March 31, 2021	-	-
Tech Mahindra Limited	India	March 31, 2022	3,042	519
		March 31, 2021	255	48

Note:

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.

30 Employee benefit plans

a. Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The company has no obligations other than to make specified contributions. These contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to Rs. 826 (March 31, 2021: Rs. 583).

b. Defined benefit plans:

The following table provides the disclosures in accordance with Ind AS 19 - Employee Benefits:

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Present value of defined benefit obligation	687	595
Fair value of plan assets	-	-
Liability recognised in balance sheet	**687**	**595**
Change in defined benefit obligation		
As at beginning of the year	595	371
Current service cost	186	123
Interest cost	31	19
Past service cost	-	-
Actuarial gains	(53)	98
Benefit payments	(72)	(16)
Balance as at end of the year	**687**	**595**
Expense recognised in the statement of profit and loss		
Current service cost	186	123
Interest cost	31	19
Past service cost	-	-
Net gratuity cost included in employee benefit expense	**217**	**142**

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Other comprehensive income		
Opening amount recognised in OCI outside Profit & Loss Account		
Actuarial gains	111	13
- change in demographic assumptions	-	2
- change in financial assumptions	(18)	20
- experience variance (i.e. Actual experience vs assumptions)	(35)	76
Return on plan assets, excluding amount recognised in net interest expense	-	-
Components of defined benefit costs recognised in other comprehensive income	**58**	**111**

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Defined benefit obligation (Base)	687	595

Particulars	**As at March 31, 2022**		**As at March 31, 2021**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (- / + 1%)	(2.49)	2.60	2.72	2.59
(% change compared to base due to sensitivity)				
Salary growth rate (- / + 1%)	2.53	(2.45)	2.61	2.53
(% change compared to base due to sensitivity)				
Projected benefits payable in future years from the date of reporting (valued on undiscounted basis):				
1 year			103	81
2 to 5 years			403	341
6 to 10 years			242	209
More than 10 years			230	202

Principal assumptions	**As at March 31, 2022**	**As at March 31, 2021**
Discount rate	6.10%	5.60%
Salary escalation rate	7.25%	7.25%
Employee turnover	21.00%	21.00%
Mortality table	Indian Assured Lives Mortality (2012-14) Ult table	

31 Trade Receivable ageing- Billed and Unbilled

Rs in Lacs

Particulars	**Outstanding for following periods from due date of payments**						
	Not Due	**Less than 6 months**	**6 months - 1 year**	**1-2 yrs**	**2-3 yrs**	**More than 3 years**	**Total**
Trade Receivables - Billed							
Undisputed trade receivables- considered good	1,125	8,772	1,605	-	-	-	11,502
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
	1,125	**8,772**	**1,605**	**-**	**-**	**-**	**11,502**
Less: Allowance for doubtful trade receivables	-	-	-	-	-	-	-
							11,502
Trade receivable - Unbilled							1,868
Total Trade Receivables							**13,370**

Trade Receivables ageing schedule as at March 31, 2021

Rs in Lacs

Particulars	**Outstanding for following periods from due date of payments**						
	Not Due	**Less than 6 months**	**6 months - 1 year**	**1-2 yrs**	**2-3 yrs**	**More than 3 years**	**Total**
Trade Receivables - Billed							
Undisputed trade receivables- considered good	2,153	4,385	337				6,875
Undisputed trade receivables- credit impaired							
Disputed trade receivables- considered good							
Disputed trade receivables- credit impaired							
	2,153	**4,385**	**337**	**-**	**-**	**-**	**6,875**
Less: Allowance for doubtful trade receivables							-
							6,875
Trade receivable - Unbilled							1,348
Total Trade Receivables							**8,223**

32 Trade payables :

Rs in Lacs

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Creditors for supplies / services	1,370	447
Creditors for supplies / services under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)	184	101
Total	**1,554**	**548**

* Refer note 27 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Trade Payables ageing schedule as on March 31, 2022

Rs in Lacs

Particulars	**Outstanding for following periods from due date of payments**					
	Not Due	**Less than 1 year**	**1-2 yrs.**	**2-3 yrs.**	**More than 3 years**	**Total**
Undisputed MSME	15	64	-	-	-	79
Undisputed Others	948	180	-	-	-	1,128
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
	963	**244**	**-**	**-**	**-**	**1,207**
Add: Accrued expenses *	270	75	2	-	-	347
Total Trade payables						**1,554**

* Includes Accrued expenses for supplies/services from MSMED of INR 105

Trade Payables ageing schedule as on March 31, 2021

Rs in Lacs

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years	Total
Undisputed MSME	52	-	-	-	-	52
Undisputed Others	98	1	-	-	-	99
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
	150	**1**	**-**	**-**	**-**	**151**
Add: Accrued expenses *	341	46	10	-	-	397
Total Trade payables						**548**

* Includes Accrued expenses for supplies/services from MSMED of INR 49

33 Analysis of Ratios

No.	Particulars	As at 31 March 22	As at 31 March 21	Variance %	Remarks
1	Current Ratio (no. of times)	3.24	4.41	-26%	Refer note 1
2	Debt-Equity Ratio	0.17	0.25	-30%	Refer note 2
3	Debt Service Coverage Ratio (no. of times)	1.79	2.42	-26%	Refer note 3
4	Return on Equity Ratio	0.09	0.26	-65%	Refer note 3
5	Trade Receivables turnover ratio	2.17	2.21	-2%	
6	Trade payables turnover ratio	4.34	4.42	-2%	
7	Net capital turnover ratio	2.42	2.08	16%	
8	Net profit ratio	0.04	0.12	-67%	Refer note 3
9	Return on Capital employed	0.11	0.25	-58%	Refer note 3

The basis of computation of above parameters is provided in the table below:

1	Current Ratio	Current assets / current liabilities
2	Debt-Equity Ratio	(Non-current borrowings (+) current borrowings (-) cash and cash equivalents) / Equity *Borrowings including lease liabilities only
3	Debt Service Coverage Ratio	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. / (interest expenses (+) principal repayments of long-term debt (+) payment of lease liabilities)
4	Return on Equity Ratio	Net Profits after taxes / Average Shareholder's Equity
5	Inventory turnover ratio	Cost of goods sold or sales / (Opening Inventoy (+) Closing Inventory) / 2
5	Trade Receivables turnover ratio	(Gross credit sales (-) sales return) / (Opening Trade receivables (+) Closing Trade receivables) / 2
6	Trade payables turnover ratio	(Gross credit purchases (-) purchase return) / (Opening Trade payables (+) Closing Trade payables) / 2 Gross credit purchases (-) purchase return= Subcon expenses + Other expenses related to purchase cost
7	Net capital turnover ratio	(Total sales (-) sales returns) / (current assets (-) current liabilities.)
8	Net profit ratio	Net Profits after taxes / (Total sales (-) sales returns)
9	Return on Capital employed	Earning before interest and taxes / (Tangible Net Worth (+) Total Debt (+) Deferred Tax Liability)
10	Return on investment	Income generated from invested funds / Average invested funds in treasury investments

Note 1 Decrease is on account of increase in Trade payables majorly to third party vendors.

Note 2 Decrease is on account of movement in lease liability

Note 3 Decrease is mainly on account of decrease in profits during the year.

During the year, there has been a decrease in profits mainly on account of increase in employee cost considering & subcontracting cost.

34 Contingent Liabilities

a The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment benefits received Presidential assent on 28 September 2020 and has been published in the Gazette of India. The effective date from which the changes are applicable is yet to be notified. The Company will assess the impact and complete the evaluation once the rules are notified and will provide a disclosure of the impact in its financial statements in the period in which, the Code becomes effective and the related rules are notified.

b Claims against the company not ackowledged as debts:

Particulars	As at 31 March 2022	As at 31 March 2021
Income Tax Matters - (AY 18-19)	39.65	39.65
Total	**39.65**	**39.65**

As per the Management the likelihood of the above demand raised being upheld is low. Accordingly no provision in respect thereof has been made in the financial statements as at 31 March 2022.

35 The Company does not hold any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

36 The Company does not have transactions with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956.

37 The company is not declared wilful defaulter by any bank or financial Institution or other lender.

38 Proposed Scheme of Merger by Absorption

On January 29, 2021, the Board of Directors of the Company passed a resolution to consider and approve the Scheme of Merger by Absorption of the Company and Tech Mahindra Business Services Limited (Fellow Subsidiary) with its Holding Company i.e. Tech Mahindra Limited and their respective shareholders under the provisions of section 230 to 232 of the Companies Act, 2013. Accordingly, the Company has filed the application before Hon'ble National Company Law Tribunal (""NCLT""), Chennai Bench. The appointed date under the proposed scheme is April 1, 2021. However, as the Hon'ble National Company Law Tribunal, Chennai Bench ('NCLT') is yet to approve the same, the Scheme is not yet effective.

Once this Scheme comes into effect, the Company will stand dissolved without winding-up. The entire business and whole of the Undertaking of the Company shall be and stand vested in or be deemed to have been vested in the Holding Company, as a going concern.

39 Previous year figures have been regrouped wherever necessary, to correspond with the current year's classification / disclosure.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248 W/W-100022

Ashish Gupta
Partner
Membership No. 215165

Place: Pune
Date: 4 July 2022

For and on behalf of the Board of Directors of
Born Commerce Private Limited
CIN: U93090TN2011PTC094977

Vivek Agarwal
Director
DIN: 05218475

Place: Chennai
Date: 4 July 2022

Gautam Shirali
Director
DIN: 07452020

Place: Chennai
Date: 4 July 2022

BORN GROUP PTE. LTD.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1ST APR 2021 TO 31 MARCH 2022

Board of Directors
Mr.Vivek Satish Agarwal
Mr. Manish Goenka

Registered Office
77, Robinson
Road,#16-00,
Robinson 77,
Singapore-068896

Bankers
DBS Bank

Born Group Pte. Ltd.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

Particulars	**Note**	**As at Mar 2022**	**As at Mar 2021**
Assets		US$	US$
Non-current assets			
Property, plant and equipment	4	1,188,363	1,514,310
Goodwill	5	11,309,823	11,639,017
Intangible assets	4	2,212,828	-
Investment in subsidiaries	5	13,930,083	-
Other receivables	6	288,774	308,777
Deferred tax assets		4,058,925	1,536,049
		32,988,796	**14,998,153**
Current assets			
Trade and other receivables	6	26,163,792	17,113,619
Prepayments	7	1,027,589	955,410
Other financial asset (Escrow account)	6	211,282	1,100,000
Cash and bank balances	8	3,162,573	1,976,224
		30,565,236	**21,145,253**
Total Assets		**63,554,032**	**36,143,406**
Equity and Liabilities			
Equity attributable to owners of the Company			
Share capital	9(a)	60,829,909	47,979,909
(Accumulated losses)/Retained earnings	9(b)	(37,503,499)	(36,519,028)
Foreign currency translation reserve	9(c)	(2,102,233)	(1,283,415)
Total Equity		**21,224,177**	**10,177,466**
Current liabilities			
Provision for taxation		23,485	84,554
Borrowings	10	7,197,019	4,000,000
Trade and other payables	11	34,184,916	20,593,983
		41,405,420	**24,678,537**
Non Current liability			
Provisions		-	107,776
Other financial liability		889,519	1,179,628
Deffered tax liabiity		34,916	
		924,435	**1,287,404**
Total equity and liability		**63,554,032**	**36,143,406**

For and on behalf of BORN Group PTE Limited

Sebastian Murphy

Group CFO

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the period 1st Apr 2021 to 31st March 2022

Particulars	Note	1 April 2021 to 31 March 2022	1 January 2020 to 31 March 2021
		US$	US$
Revenue from rendering of services	12	95,899,208	94,070,782
		95,899,208	**94,070,782**
Cost of sales	14	(80,155,783)	(75,474,392)
Gross profit		**15,743,424**	**18,596,390**
Other income	13	5,170,066	4,889,457
Selling and distribution cost	14	(8,786,061)	(9,334,483)
Administrative expenses	14	(15,127,702)	(13,822,943)
Operating profit		**(3,000,272)**	**328,421**
Finance costs	15	(195,490)	71,735
Profit before tax		**(3,195,762)**	**400,156**
Income tax expense		(246,621)	(345,373)
Deferred Tax		2,457,786	1,521,307
Profit for the year, representing total comprehensive income for the year		**(984,598)**	**1,576,089**
Other comprehensive income / (loss) for the year, net of tax			
Net other comprehensive (loss) / gain to be reclassified to statement of comprehensive income in subsequent years			
Exchange differences on translation of foreign operations		818,818	(165,561)
Total comprehensive income for the year attributable to owners of the Company		**(165,780)**	**1,410,528**

Born Group Pte. Ltd.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period 1st Apr 2021 to 31st March 2022

	Attributable to the owners of the Company			
Particulars	**Share capital (Note 9(a))**	**Accumulated losses (Note 9(b))**	**Foreign currency translation reserve (Note 9(c))**	**Total Equity**
	US$	US$	US$	US$
Group				
31-Dec-19	**47,979,909**	**(38,166,174)**	**(1,448,976)**	**8,364,759**
Profit for the period 1-Jan-2020 to 31-Mar-2021	-	1,576,089	-	1,576,089
Other comprehensive income/(loss)				
Exchange differences on translation of foreign operations	-	-	165,561	165,561
Total comprehensive income/(loss) for the year	**-**	**1,576,089**	**165,561**	**1,741,650**
Others	-	71,057	-	71,057
At 31 Mar 2021	**47,979,909**	**(36,519,028)**	**(1,283,415)**	**10,177,466**
Profit for the year, net of tax	-	(984,598)	-	(984,598)
Other comprehensive income/(loss)				
Exchange differences on translation of foreign operations		-	(818,818)	(818,818)
Total comprehensive income/(loss) for the year	**-**	**(984,598)**	**(818,818)**	**(1,803,416)**
Issued during the year	12,850,000			12,850,000
Employee stock option expired/forfeited during the year				
Others		127		127
At 31 Mar 2022	**60,829,909**	**(37,503,499)**	**(2,102,233)**	**21,224,177**

CONSOLIDATED CASH FLOW STATEMENTS

For the period 1st Apr 2021 to 31st March 2022

Particulars	Note	2022	2021
		US$	US$
Operating activities			
Profit before tax		(3,195,762)	400,156
Adjustments for:			
Depreciation of property, plant and equipment	4	687,401	34,975
Amortization of intangible assets	4	164,535	9,802
Impairment loss on financial asset		-	1,712,550
Finance cost	15	195,264	(71,735)
Accrued interest on income tax		21,566	
Unrealised exchange loss/profit recognised in profit and loss		(25,062)	101,727
Total adjustments		**1,043,703**	**1,787,320**
Operating cash flows before changes in working capital		(2,152,059)	2,187,476
Changes in working capital:			
Increase in trade, other receivables and prepayments		(4,851,768)	(1,714,822)
Increase / (decrease) in provision for employee benefits		(107,775)	107,775
Increase in trade and other payables		(245,540)	(3,255,119)
Decrease (increase) in trade and other payables-BORN Group		1,629,612	
Net working capital adjustment		**(3,575,471)**	**(4,862,167)**
		(5,727,530)	**(2,674,690)**
Interest on income tax paid		-	64,478
Income tax paid /(refund)		161,862	(488,011)
Net cash flows from / (used in) operating activities		**(5,565,668)**	**(3,098,223)**
Investing activities			
Purchase of property, plant and equipment	4	(325,751)	(1,137,691)
Purchase of investments		(6,981,324)	-
Net cash flows used in investing activities		**(7,307,075)**	**(1,137,691)**
Financing activities			
Proceeds from issue of shares and share application money received		12,779,337	
Proceeds from borrowings		1,875,000	2,512,327
Repayment of borrowings		-	46,460
Finance cost	15	(485,375)	71,735
Net cash flows used in financing activities		**14,168,961**	**2,630,522**
Net (decrease) / increase in cash and cash equivalents		1,296,218	(1,605,393)
Effect of exchange rate changes on cash and cash equivalents		(109,872)	(1,875,456)
Cash and cash equivalents at the beginning of the period		1,976,227	5,457,069
Cash and cash equivalents at the end of the period		3,162,573	1,976,220
Borrowing		(5,697,019)	(4,000,000)
Net cash position		**(2,534,446)**	**(2,023,780)**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on [date of signing].

1 Domicile and activities

Born Group Pte. Ltd. ("the Company") is a limited liability company incorporated and domiciled in Singapore. The registered office and principal place of business of the Company is located at 77 Robinson Road, #16-00 Robinson 77, Singapore 068896.

The principal activities of the Company are investment holding to conduct business and to provide global marketing solutions in digital and e-commerce segment.

The immediate holding company is Tech Mahindra (Singapore) Pte. Ltd., a company incorporated in Singapore and the ultimate holding company is Tech Mahindra Limited, a company incorporated in India.

2 Basis of preparation

2.1 Going concern

As at 31 March 2022, the Company suffered net losses of US$984,598 (2021: net profit of US$1,576,089) and had net current liabilities of US$41,405,420(2021: US$24,678,357). Notwithstanding these, the financial statements of the Company have been prepared on a going concern basis, as the ultimate holding company, i.e. Tech Mahindra Limited, has undertaken to provide continuing financial support to the Company for at least 12 months from the date of this report, to enable it to continue its operations and meet its liabilities as and when they fall due. Management has assessed that the ultimate holding company has the ability to provide the financial support

2.2 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS").

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.4 Functional and presentation currency

These financial statements are presented in United States Dollars ("US$") which is the Company's functional and presentation currency.

2.5 Use of estimates and judgments

The preparation of the financial statements in conformity with FRSs 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 an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Notes 3.5 and 5 – determination of cash-generating units and measurement of recoverable amounts of investment in subsidiaries
- Notes 3.5, 7 and 17 – measurement of expected credit loss (ECL) allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate.

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.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. 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).

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 (with Level 3 being the lowest).

2.6 Changes in accounting policies

New standards and amendments

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2021:

- COVID-19-Related Rent Concessions (Amendments to FRS 116)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116)

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.6, which addresses changes in accounting policies.

3.1 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on settlement or translation of monetary items at end of reporting period are recognised in profit or loss.

3.2 Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses. Consolidated financial statements for the Company and its subsidiaries have not been prepared as the Company is itself a wholly owned subsidiary of Tech Mahindra Limited, which publishes consolidated financial statements which are available for public use. The registered address of Tech Mahindra Limited is Gateway Building, Apollo Bunder, Mumbai 400001.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments 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 (unless it is a trade receivable without a significant financing component) or financial 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. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

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.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position 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.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Preference share capital

The Company's redeemable preference shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

3.4 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

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

Any gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised 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 derecognised. The costs of the day-to-day servicing of plant and equipment are recognised 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, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset. Land is not depreciated.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

- Computer and accessories 3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Impairment

(i) Non-derivative financial assets and contract assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- contract assets.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime 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.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

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

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

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

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

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

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

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) 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 under short-term cash bonus or profit-sharing plans 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.

3.7 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows 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 the discount is recognised as finance cost.

3.8 Revenue

Rendering of services

Revenue from rendering of services in the ordinary course of business is recognised when the Company satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the POs if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3.9 Leases

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.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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 end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is 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 right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'plant and equipment' and lease liabilities 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 leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.10 Finance income and finance costs

The Company's finance income and finance costs include:

- interest income; and
- interest expense from convertible redeemable preference shares.

Interest income or expense is recognised using the 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 instrument to:

- the gross carrying amount of the financial asset; 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.

3.11 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 Provisions, Contingent Liabilities and Contingent Assets.

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 at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

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 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 realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. 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 realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.12 Government grants

A conditional grant related to staff costs is recognised in profit or loss as a deduction of staff costs. Grants for expenses are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss as a deduction against expenses on a systematic basis in the same periods in which the expenses are recognised.

3.13 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Company's financial statements.

- FRS 117 Insurance Contracts and amendments to FRS 117 Insurance Contracts
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to FRS 116)
- Reference to the Conceptual Framework (Amendments to FRS 103)
- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to FRS 16)
- Onerous Contracts – Costs of Fulfilling a Contract (Amendments to FRS 37)
- Classification of Liabilities as Current or Non-current (Amendments to FRS 1)
- Annual Improvements to FRSs 2018 – 2020
- Disclosure of Accounting Policies (Amendments to FRS 1 and FRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to FRS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to FRS 12)

4 Plant and equipment

Group	Computer and accessories	Furniture and fittings	Office equipments	Leasehold Improvements	Building	Grand Total
Cost	US$	US$	US$	US$	US$	US$
As at 31st Dec 2019	1,213,209	147,689	133,330	698,377	3,446,246	5,638,851
Additions	239,494	843	379	66,165	1,665,100	1971981
Acquisition of subsidiaries (Refer note 21)						-
Disposals	(3,444)	-	-	-	(832,550)	(835,994)
Exchange differences	36,465	1,582	4,997	34,466	(1,734,682)	(1,657,172)
At 31 March 2021	**1,485,724**	**150,114**	**138,706**	**799,008**	**2,544,114**	**5,117,666**
Additions	318,920	-	-	6,831	-	325,751
Disposals	-	-	-	-	-	-
Exchange differences	(67,448)	(12,774)	(34,965)	(52,674)	-	(167,861)
At 31 Mar 2022	**2,190,963**	**418,295**	**853,547**	**1,151,468**	**2,544,114**	**7,158,387**
Accumulated depreciation						
As at 31st Dec 2019	900,961	136,246	128,642	695,976	1,652,479	3,514,304
Depreciation charge for the year	225,248	11,185	3,496	48,808	724,835	1,013,572
Acquisition of subsidiaries (Refer note 23)						-
Disposals					(978,600)	(978,600)
Exchange differences	26,817	1,610	4,932	33,368	(12,646)	54,081
At 31 March 2021	**1,153,026**	**149,041**	**137,070**	**778,152**	**1,386,068**	**3,603,356**
Depreciation charge for the period	282,132	987	661	6,576	397,044	687,400
Acquisition of subsidiaries (Refer note 21)	403,434	280,954	749,806	398,304	-	1,832,498
Disposals	-	-	-	-	-	-
Exchange differences	(53,849)	(12,760)	(34,916)	(51,705)	-	(153,230)
At 31 Mar 2022	**1,784,743**	**418,222**	**852,621**	**1,131,327**	**1,783,112**	**5,970,024**
Net carrying amount						
At 31 Mar 2022	**406,220**	**73**	**926**	**20,142**	**761,002**	**1,188,363**
At 31 March 2021	**332,698**	**1,074**	**1,636**	**20,856**	**1,158,046**	**1,514,310**
As at 31st Dec 2019	**312,248**	**11,443**	**4,688**	**2,401**	**1,793,767**	**2,124,547**

4 Intangible assets

	Software	Customer relationship	Total
Cost	**US$**	**US$**	
As at 31st Dec 2019	776,693	-	776,693
Addition during the year	-	-	-
Exchange difference	34,761	-	34,761
At 31 March 2021	**811,454**	**-**	**811,454**
Addition during the year	7,569	-	7,569
Additions from Business Acquistion	-	2,468,020	2,468,020
Exchange difference	(37,598)	(195,572)	(233,170)
At 31 Mar 2022	**781,425**	**2,272,448**	**3,053,872**
Accumulated amortisation			
As at 31st Dec 2019	767,389	-	767,389
Amortisation during the year	9,802	-	9,802
Exchange difference	34,263	-	34,263
At 31 March 2021	**811,454**	**-**	**811,454**
Amortisation during the year	-	164,535	164,535
Additions from Business Acquistion	7,568		7,568
Exchange difference	(37,597)	(104,915)	(142,512)
At 31 Mar 2022	**781,425**	**59,620**	**841,044**
Net carrying amount			
At 31 Mar 2022	**-**	**2,212,828**	**2,212,828**
At 31 March 2021	-	-	-
As at 31st Dec 2019	9,304	-	9,304

5 Goodwill and its impairment (Group)

Born Group Pte. Ltd. recognized US$ 4,477,639 as goodwill consequent to the acquisition of Pod1 Inc., USA on 31 May 2012 and the global synergies expected pursuant to this acquisition, in addition to the goodwill of US$ 8,392,642 (transalated value, 31-Mar-2022 - US$6,832,184; 31 March 2021 - US$ 7,161,378) recognized for acquisition of Born London limited in 2011.

	31-Mar-22	31-Mar-21
	US$	**US$**
Acquisition of Pod 1 Inc., USA	4,477,639	4,477,639
Acquisition of BORN London Limited, UK	6,832,184	7,161,378
	11,309,823	**11,639,017**

6 Investment

On 25 October 2021, Born London Limited acquired the Share Capital of We Make Websites Ltd, which includes its own subsidiary We Make Websites Inc.

Cost or valuation	**GBP**	**USD**
1-Apr-21		
Addition	10606370	13930083
31-Mar-21	**10606370**	**13930083**

		% held	
Name of undertaking	Class of shares	**Direct**	**Indirect**
We Make Websites Ltd	Ordinary shares	100%	-
We Make Websites Inc.	Ordinary shares	-	100%

6 Trade and other receivables

		Group	Group
		31-Mar-22	**31-Mar-21**
		US$	US$
Current			
Trade receivables*	(a)	15,093,577	11,963,490
Contract asset		9,693,932	4,804,551
Refundable deposits		490,406	57,862
Other receivables	(b) & (c)	211,282	1,387,716
Receivable from other related parties		885,877	-
		26,375,074	**18,213,619**
Non-current			
Refundable deposits		-	73,500
Income tax credit		288,774	235,277
		288,774	**308,777**
Total trade and other receivables		26,663,848	18,522,396
Add : Cash and cash balances		3,162,573	1,976,224
Total loans and receivables		**29,826,421**	**20,498,620**

(a) Trade receivables are non-interest bearing and are generally on 30-90 day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) Other receivables represents corporation tax receivables, advances recoverable from employees, client reimbursements and tax deducted at source recoverable.

(ç) Included in other receivables represent amount deposited in escrow account in accordance with the terms of Share Purchase Agreement (the "SPA") dated 25 November 2019 entered between the Company's holding company, i.e. Tech Mahindra (Singapore) Pte Limited ('the Buyers') and erstwhile shareholders ('the Sellers').). As per SPA, the Company, holds an escrow account for (a) the Indemnity Escrow Amount US$ 1,000,000 plus (b) the Seller Representative Expense Escrow Amount US$ 100,000. The escrow account is maintained to indemnify the Buyers for losses arising except on account of fraud or a breach of the fundamental representations up to fifteen months from the date of closing, subject to the limitations set forth in SPA. At the end of the fifteen months, the outstanding balance in escrow account will be released to the Sellers in accordance with the terms of the escrow agreement. Accordingly, a corresponding liability of US$ 1,100,000 has been recognised under 'Trade and other payables' as at 31 March 2022 (note 10).

*Trade receivables denominated in foreign currencies at 31 December are as follows:

	31-Mar-22	31-Mar-21
	US$	US$
Great Britain Pounds	1,852,266	1,144,109
Euro	25,284	474,182
Singapore Dollars	46,479	1,037,136
Australian Dollars	-	35,149
Swiss Franc	84,898	135,215
Japanese yen	15,387	18,741
Canadian Dollars	347,906	42,897
Malaysia Ringgits	1,310,750	646,416
Danish Karone	32,889	
Total amount denominated in foreign currencies	**3,715,859**	**3,533,844**

Trade receivables are non-interest bearing and are generally on 30-90 day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

At the end of the year, the ageing analysis of trade receivables is as follows:

	US$	**US$**
Neither past due nor impaired	11,469,395	8,905,279
Past due but not impaired		
Lesser than 30 days	1,808,930	1,897,904
30 - 60 days	800,250	735,160
61 - 90 days	38,339	40,803
91 - 120 days	13,215	36,216
More than 121 days	963,447	348,128
Total Trade receivables	**15,093,577**	**11,963,490**

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	31-Mar-22	31-Mar-21
	US$	US$
Trade receivables - nominal amounts	15,595,968	12,015,081
Less: Allowance for impairment	(502,391)	(51,591)
	15,093,577	**11,963,490**

7 Prepayments

The prepaid expenses comprise of remaining prepaid balances of insurance premium of employees and annual maintenance contracts whose benefits are consumed beyond this financial year.

8 Cash and bank balances

	31-Mar-22	31-Mar-21
	US$	US$
Cash at bank and on hand*	3,162,573	1,976,224
	3,162,573	**1,976,224**

* The cash at bank and on hand are primarily current account balances and does not earn any interest.

Cash at bank and on hand denominated in foreign currencies at 31 December are as follows:

	31-Mar-22	31-Mar-21
	US$	US$
Great Britain Pounds	595,140	498,408
Singapore Dollars	224,895	116,902
Australian Dollar	-	-
Malaysian Ringgit	270,265	428,286
Japanese yen	139,008	66,820
Canadian Dollars	-	23,680
Total amount denominated in foreign currencies	**1,229,308**	**1,134,096**

For the purpose of the cash flow statement, cash and cash equivalents comprise the following at the end of the reporting year:

	31-Mar-22	31-Mar-21
	US$	US$
Cash at bank and on hand	3,162,573	1,976,224
Working capital loans	(7,197,019)	(4,000,000)
Cash and cash equivalents	**(4,034,446)**	**(2,023,776)**

9(a) Share capital

	Number of shares	US$
Fully paid ordinary shares with no par value		
At 31 December 2019	266,205	47,979,909
At 31 March 2021	266,205	47,979,909
Issuance of ordinary shares	32,882	12,850,000
At 31 March 2022	299,087	60,829,909

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 meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to monitor and adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder or issue new shares. In the event that the Company requires additional capital, monies would be infused by the shareholders to provide appropriate financial support to the Company.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, convertible redeemable preference shares, trade and other payables, less cash and short-term deposits. Capital represents equity attributable to the owners of the Company less the fair value adjustment reserve.

	Note	31-Mar-22	31-Mar-21
		US$	US$
Trade and other payables	11	41,381,935	24,593,983
Less: Cash and bank balances	8	-3,162,573	-1,976,224
Net debt (A)		**38,219,362**	**22,617,759**
Equity attributable to owners of the Company (B)		21,224,177	10,177,466
Capital and net debt (C) = (A) + (B)		**59,443,540**	**32,795,225**
Gearing ratio (A)/(C)		64%	69%

No changes were made in the objective, policies or processes during the year ended 31 March 2022.

9(b) Retained earnings

	31-Mar-22	31-Mar-21
	US$	US$
As at 1st Apr 2021/ 1st Jan 2020	(36,519,028)	(38,166,174)
Profit for the year, representing total comprehensive income for the year	(984,598)	1,576,089
Others	127	71,057
At 31st March 2022/As at 31st Mar 2021	**(37,503,499)**	**(36,519,028)**

9(c) Foreign currency translation reserve

	31-Mar-22	31-Mar-21
	US$	US$
As at 1st Apr 2021/ 1st Jan 2020	(1,283,415)	(1,448,976)
Exchange differences on translation of foreign operations	(818,818)	(165,561)
At 31st March 2022/As at 31st Mar 2021	**(2,102,233)**	**(1,283,415)**

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

10 Borrowings (current)

		Interest rate	Maturity	US$
2022				
Working capital loan*	(a)	1.33%	On demand	4,375,000
Working capital loan*	(a)	1.68%	On demand	500,000
Working capital loan*	(a)	1.72%	On demand	1,000,000
Working capital loan*	(b)	1.09%	On demand	1,322,019
				7,197,019

		Interest rate	Maturity	US$
2021				
Working capital loan*	(a)	1.4% p.a	On demand	4,000,000
				4,000,000

* The Working capital loans forms part of the cash and cash equivalents as disclosed in Note 12.

Note:

(a) Working capital bank loan from Western alliance bank, an Arizona corporation with the credit limit of USD 3 million. This is secured against the book debts.

(b) Working capital bank loan (unsecured) from Tech Mahindra London Limited

11 Trade and other payables

	Note	31-Mar-22	31-Mar-21
		US$	US$
Trade payables	(a)	15,812,880	3,506,752
Contract liabilities	13(b)	2,611,905	2,494,964
Advance from customers		507,865	526,817
Statutory dues payable		(179,405)	971,315
Payable to employees		1,767,522	2,162,110
Other payables	(b)	662,791	1,504,532
Due to other related parties	('c) & 18 (b)	13,001,358	9,427,493
Total trade and other payables		**34,184,916**	**20,593,983**
Borrowings	10	7,197,019	4,000,000
Other payable		-	
Total financial liabilities carried at amortised cost		**41,381,935**	**24,593,983**

Terms and conditions of the above financial liabilities:

(a) Trade payables are non-interest bearing and are normally settled on 30-day terms on average.

(b) Other payables are non-interest bearing and have an average term of 45 days. For explanations on the credit risk management processes (Note 23).

(c) Amounts due to related parties are trade related, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Trade payables denominated in foreign currencies as at 31 December are as follows:

	31-Mar-22	31-Mar-21
	US$	US$
Great Britain Pounds	10,831,972	1,085,005
Singapore Dollar	-	11,260
Hong Kong Dollar	-	19,444
Euro	174,066	23,238
Japanese Yen	-	326
Australian Dollar	495,419	-
Hungarian Forint	-	65,857
Canadian Dollars	-	276,577
Malaysian Ringgit	40,096	-
South Korean Won	100,752	-
Total amount denominated in foreign currencies	**11,642,305**	**1,481,706**

12 Revenue

a) Disaggregation of revenue

	1 Apr 2021 to 31 March 2022	1 January 2020 to 31 March 2021
Rendering of services	**US$**	**US$**
Time and material	34,534,581	54,044,068
Fixed price	40,515,124	40,026,714
Cost plus	20,849,502	
	95,899,207	**94,070,782**

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Time and material

Nature of goods or services	Time and material
When revenue is recognised	Revenue is recognised over the implementation services period.
Significant payment terms	Invoices are issued to the customers according to their respective billing plans and are normally payable within 30-60 days.

Fixed price

Nature of goods or services	Fixed price
When revenue is recognised	Revenue from fixed price development contracts is recognised as performance obligations are satisfied. Where performance obligations are satisfied over time as work progresses, revenue is recognised progressively based on the percentage of completion method. The stage of completion is determined as the proportion of the total time cost expected to install the software services that has elapsed at the end of the reporting period (input method). Revenue from fixed price maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered.
Significant payment terms	Invoices are issued to the customers after the services are performed and are normally payable within 30-60 days.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by geographical markets and timing of revenue recognition:

Revenue by Geography	**1 Apr 2021 to 31 March 2022**	**1 January 2020 to 31 March 2021**
	US $	**US $**
United States of America	43,098,350	47,251,559
United Kingdom	6,777,367	9,303,968
Indonesia	1,048,545	809,896
Japan	1,730,759	4,003,141
Switzerland	8,873,275	11,256,142
Singapore	2,835,416	6,018,073
Malaysia	2,117,939	3,425,104
India	20,215,909	4,496,952
Canada	1,944,745	2,008,539
Egypt	1,803,607	1,970,725
Thailand	1,663,297	
China	1,111,541	
Other countries	2,678,458	3,526,683
Total	**95,899,207**	**94,070,782**

b) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Note	**1 Apr 2021 to 31 March 2022**	**1 January 2020 to 31 March 2021**
		US $	**US $**
Receivables from contract with customers	6	15,093,577	11,963,490
Contract assets	6	9,693,932	4,804,551
Contract liabilities	11	2,611,905	2,494,964

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers or for which the Group has billed in advance before performance as required under the contract.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.

	Contract assets		Contract liabilities	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	US$	US$	US$	US$
Revenue recognised from prior year balance	–	–	2,494,964	–
Cash received in advance and not recognised as revenue	–	–	2,611,905	2,494,964
Changes in measurement of progress	9,693,932	4,804,551	–	–
Contract asset reclassified to trade receivables	4804551	9,693,932	–	–

Significant judgements are used to estimate these total contract costs to complete. In making these estimates, management has relied on the expertise of project teams to determine the progress of the fixed price contracts and on past experience of completed projects. The estimated total contract costs are reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

31-Mar-22	2022	2023	2024	Total
	US$	US$	US$	US$
Time and material	40,746,099	33,697,275	2,932,359	77,375,733
Fixed price	11,755,387	5,740,357	426,955	17,922,700

31-Mar-21	2022	2023	2024	Total
	US$	US$	US$	US$
Time and material	24,292,000	18,992,300	9,833,000	53,117,300
Fixed price	7,301,000	2,850,000	324,000	10,475,000

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amount presented above.

13 Other income

	1 April 2021 to 31 March 2022	1 January 2020 to 31 March 2021
	US$	US$
Rental income	747,156	948,713
Billable out of pocket expenses	3,805,448	354,360
Grant from Government	261,568	
Other miscellaneous income	355,894	3,586,385
Total	**5,170,066**	**4,889,457**

14 Operating expenses

	1 April 2021 to 31 March 2022	1 January 2020 to 31 March 2021
	US$	US$
By function:		
Cost of sales	80,155,783	75,474,392
Operating expenses		
Selling and distribution costs	8,786,061	9,334,483
Administrative expenses	15,127,702	13,822,943
Total operating expenses	23,913,763	23,157,426
Total	**104,069,546**	**98,631,818**
By nature:		
Outsourced work	41,546,979	34,697,208
Depreciation	687,400	34,975
Amortization of intangible assets	164,535	9,802
Equipment rentals	90,813	80,424
Employee benefits expense (Note 4.4)	51,204,782	52,855,926
Recruitment charges	1,391,733	1,205,541
Insurance	96,276	132,786
Rent	1,337,261	2,880,812
Repairs and maintenance	197,346	136,992
Software maintenance	2,373,962	1,831,402
Power and fuel	80,940	53,315
Printing and stationery	11,293	14,524
Postage and courier	41,532	32,944
Travelling expenses	456,125	589,703
Telephone expenses and communication expenses	329,575	355,850
Advertisement and sales promotion	775,368	632,354
Entertainment	191,128	80,948
Net foreign exchange loss	12,439	213,495
Bad debts written off	-	1,017,745
Others	84,599	130,648
Total	**104,069,546**	**98,631,818**

15.1 Employee benefits expense

	1 April 2021 to 31 March 2022	1 January 2020 to 31 March 2021
	US$	US$
Wages and salaries	47,003,386	49,016,727
Social security costs	4,201,396	3,839,199
Total	**51,204,782**	**52,855,926**

15 Finance Cost

	1 April 2021 to 31 March 2022	1 January 2020 to 31 March 2021
	US$	US$
Interest expense on:		
- Bank borrowings	101,316	102,784
- Others	94,174	(174,519)
Total	**195,490**	**(71,735)**

16 Related party disclosures

A) Related party relationships

Subsidiaries

Particulars		Country of incorporation	% of equity interest Subsidiary	% of equity interest Step down subsidiary
Group FMG Holdings B.V.		Netherlands	100%	-
Born London Limited	(a)	United Kingdom	56%	44%
Born Group Inc.	(a)	United States of America	37%	63%
Born Group HK Company Limited	(a)	Hong Kong	-	100%
Whitefield Holdings Asia Limited		Mauritius	100%	-
Born Japan Kabhushiki Kaisha		Japan	100%	-
Born Digital SDN BHD		Malaysia	100%	-
Born Creative Commerce Group Inc.		Canada	100%	
We Make Websites Ltd	(c)	United Kingdom		100%
We Make Websites Inc.	(c)	United Kingdom		100%

(a) 100% of equity capital of Born Group HK Company Limited, 63% of equity capital of Born Group Inc. and 44% equity capital of Born London Limited are held by Group FMG Holdings B.V

(b) On 24th November 2021 Born Creative Commerce Group Inc. got liquidated

(c) On 25 October 2021, Born London Limited acquired the Share Capital of We Make Websites Ltd, which includes its own subsidiary We Make Websites Inc.

The Immediate holding Company

Name of the entity	% of equity interest
Tech Mahindra Singapore Pte Ltd*	100.00%

The Ultimate holding Company

Name of the entity	% of equity interest
Tech Mahindra Limited*	100.00%

Fellow Subsidiaries

Name of the entity	% of equity interest
Born Commerce Private Limited*	100% subsidiary of Tech Mahindra Limited

Key Management Personnel	Relationship
Manish Goenka	Director, Born Group Pte. Ltd.
Vivek Satish Agarwal	Director, Born Group Pte. Ltd.

No other directors or persons of the Company, its subsidiaries and the holding Company have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Directors' interests in employee share option plan

No options were granted or exercised during the period/year ended 31 March 2022 and 31 March 2021.

At the end of the reporting year, the total number of outstanding share options granted by the Company to the directors under the employee share option plan is Nil (2021: Nil).

B) Related party transactions

		(All stated in US$, unless stated otherwise)		
Transactions with related parties	**Year**	**Holding Company and Ultimate Holding Company**	**Key Management Personnel**	**Subsidiaries & Fellow Subsidiaries**
Investments during the year	2022	12,850,000		13,595,042
	2021	–	–	4,924,103
Outwork Charges	2022	2,667,583		20,042,795
	2021	261393	–	7,990,021
Remuneration – short-term employee benefits	2022		323,750	
	2021	–	24,739	–
Reimbursement of Expenses	2022	3,386,995	71,511	
	2021	209,163	–	–
Amounts payable	2022	1,452,529	–	12,278,998
	2021	275555	551498	3,131,334
Amounts receivable	2022	4,912,421		885,877
	2021	38,237		92,558

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured, interest free, repayable on demand, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period/year ended 31 March 2022 and 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. 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.

17 Fair value of assets and liabilities

The carrying amounts of total loans and receivables, and total financial liabilities carried at amortised cost are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are 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.

Particulars		Group		
		Fair value measurement using		
	Total	Quoted prices in active markets US$	Significant observable inputs US$	Significant unobservable inputs US$
2022	**US$**	**(Level 1)**	**(Level 2)**	**(Level 3)**
Other financial assets				
Refundable deposits	490,406		490406	
Financial instruments - Unquoted equity shares*	NIL*	-	-	NIL*
2021	-			
Other financial assets	-			
Refundable deposits	131,362	-	131,362	-
Financial instruments - Unquoted equity shares*	NIL*	-	-	NIL*

18 Financial risk management objectives and policies

The Company's principal financial liabilities are comprised of convertible redeemable preference shares and trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company has trade receivables, other receivables and cash balances that arise directly from its operations.

Financial risk factors

The Company's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company currently does not hedge or use derivative financial instruments to mitigate foreign exchange related risk exposures. 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 demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

Market risk

Market risk is the risk that the fair value of future cash flows if a financial instrument will fluctuate because of changes in market prices. The principal market risk impacting the Company is currency risk. Financial instruments affected by market risk include deposits, accounts receivable, and accounts payable.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables). Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Company's historical information.

To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Company considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors ability to meet its obligations
- Significant changes in the expected performance and behaviour of the debtors, including changes in the payment status of debtors in the group and changes in the operating results of the debtors.

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 Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the debtors
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtors will enter bankruptcy or other financial reorganisation”

The Company categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets:

(i) Non-trade Financial assets at amortised cost

The Company uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information specific to the counterparty and other external information that could affect the counterparty’s behaviour.

The Company compute expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Company considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjust for forward looking information such as forecast of economic condition, which has a bearing on default rates.

A summary of the Company’s internal grading category in the computation of the Company’s expected credit loss model for the debt instruments and loans is as follows:

Category	**Definition of Category**	**Basis for recognition of expected credit loss provision**
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12 month expected credit losses
Grade II	Financial assets for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/ or principal repayments are 30 days past due.	Lifetime expected credit losses
Grade III	Interest and/or principal repayments are 60 days past due.	Lifetime expected credit losses

There are no significant changes to estimation techniques or assumptions made during the year. No loss allowance provision for other non-trade financial assets has been provided as management has assessed the impact to be not significant

The gross carrying amount of other non-trade financial asset at amortised cost without taking into account of any collaterals held or other credit enhancements which represents the maximum exposure to loss, is as follows:

	Particulars	**31-Mar-22**	**31-Mar-21**
12 month ECL	Non-trade financial asset at amortised cost	1,587,565	1,519,078

The gross carrying amount of trade receivables and contract assets of the Group are disclosed in Note 6.

(ii) Trade receivables and contract assets:

The Company provides for lifetime expected credit losses for all trade receivables, and contract assets using a provision matrix. The provision rates are determined based on the Company’s historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 31 March 2022 and 31 March 2021 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Summarised below is the information about the credit risk exposure on the Group's trade receivables and contract assets using provision matrix, grouped by geographical region:

Group	**Contract assets**	**Not due**	**0-90 days past due**	**91-180 days past due**	**Total**
31 March 2022					
Gross carrying amount	9,693,932	11,469,395	2,647,519	1,479,053	25,289,899
Loss allowance provision				(502,391)	(502,391)
31 March 2021					
Gross carrying amount	4,804,551	8,905,279	2,673,867	435,935	16,819,632
Loss allowance provision	-	-	-	(51,591)	(51,591)

Information regarding loss allowance movement of trade receivables and contract assets are disclosed in Note 6.

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. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Particulars	**Neither past due nor impaired**	**Past due but not impaired**	**Total**
As at 31-Mar-2022	**US$**	**US$**	**US$**
Trade receivables	12,355,272	3,624,182	15,979,454
Contract assets	9,693,932	-	9,693,932
Other receivables	990,462	-	990,462
Cash and bank balances	3,162,573	-	3,162,573
Total	**26,202,239**	**3,624,182**	**29,826,421**

Particulars	**Neither past due nor impaired**	**Past due but not impaired**	**Total**
As at 31-Mar-2021	**US$**	**US$**	**US$**
Trade receivables	8,905,279	3,058,211	11,963,490
Contract assets	4,804,551	-	4,804,551
Other receivables	1,754,355	-	1,754,355
Cash and bank balances	1,976,224	-	1,976,224
Total	**17,440,409**	**3,058,211**	**20,498,620**

Liquidity risk

The Group monitors its risk to a shortage of funds using its forecasts. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank finance, finance leases and hire purchase contracts. The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	**On Demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**
As at 31-Mar-2022					
Trade and other payables	(179,405)	21,362,963	13,001,358		34,184,916
Borrowings	7,197,019				7,197,019
Total	**7,017,614**	**21,362,963**	**13,001,358**	**-**	**41,381,935**

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	US$	US$	US$	US$	US$
As at 31-Mar-2021					
Trade and other payables	971,315	10,195,175	9,427,493	-	20,593,983
Borrowings	4,000,000	-	-	-	4,000,000
Total	**4,971,315**	**10,195,175**	**9,427,493**	**-**	**24,593,983**

19 Events occurring after the end of the reporting year:

There are no significant events occurring after the end of the reporting year, which can materially change the financial results and financial position for the year.

BOARD OF DIRECTORS

Chairman *	Paolo Pininfarina
Chief Executive Officer	Silvio Pietro Angori (4)
Directors	Manoj Bhat
	Romina Guglielmetti (2) (3)
	Chander Prakash Gurnani
	Jay Itzkowitz (1) (2) (3)
	Licia Mattioli (1)
	Sara Miglioli (2)
	Antony Sheriff (1)

(1) Member of the Nomination and Remuneration Committee

(2) Member of the Control and Risk Committee

(3) Member of the Committee for Transactions with Related Parties

(4) Responsible for the Internal Control and Risk Management System

Board of Statutory Auditors

Chairman	Massimo Miani
Standing Statutory Auditors	Francesca Golfetto
	Claudio Battistella
Alternate Statutory Auditors	Luciana Dolci
	Fausto Piccinini

Secretary to the Board of Directors and Manager in charge of

financial reporting	Gianfranco Albertini
Independent Auditors	KPMG S.p.A.

***Powers**

Pursuant to article 22 of the bylaws, the Chairman is the parent's legal representative vis-à-vis third parties and in court proceedings.

DIRECTORS' REPORT

Pininfarina Group, the coronavirus and the reference market

The conditions of the Pininfarina Group's reference market for 2021 were better than those of one year earlier.

The Group did not have to interrupt or restrict any of its activities during the year as a result of the Covid-19 pandemic.

The general pick-up in demand with substantially stable prices was stronger in the design activities, both for the automotive and industrial design and architecture markets.

All the group companies grew their design activities leading to a generalised upturn in profit margins, while the engineering operations' volume is in line with 2020, with a significant reduction in operating losses.

The Group discontinued its engineering business in Italy, which was operated by Pininfarina Engineering S.r.l., as a result of the decision of 26 October 2020 to wind up the subsidiary. The winding up procedure should be completed in 2022.

Turning to the performance of the various group companies, Pininfarina S.p.A.'s revenue rose by roughly 9% over 2020, recording an operating profit and a returning to making a profit for the year. It achieved these results partly thanks to the non-recurring effects of reversing impairment losses previously recognised on certain assets and releasing provisions for risks and charges. The upsurge in demand in all sectors combined with the reduction in operating expenses and overheads drove this turnaround from the losses recorded in the previous two years.

In Germany, Pininfarina Deutschland GmbH's revenue was in line with 2020 and it managed to reduce its losses significantly thanks, in part, to its plan to reduce its workforce and operating expense commenced in the previous year.

The Chinese operations, run by Pininfarina Shanghai, which had been adversely affected by the public health emergency, especially in the first six months of the 2020, picked up by approximately 48% with a consequent improvement in profit margins.

The architecture and industrial design sectors, managed by Pininfarina of America in the US market, continued to expand, with volumes up 48%, confirming the improvement in profitability already seen in 2020.

Covid-19 pandemic management measures

At the onset of the public health emergency, the parent, Pininfarina S.p.A., established a Covid-19 committee responsible for assessing and deciding on all of the measures to be taken by the group companies to address issues related to their workers' health and management of their business. The committee meets when necessary to define all the measures required to comply with the regulations issued from time to time by the government (sanitisation of the work premises, availability of personal protective equipment, organisation of video conferences, specific rules for the use of the canteen, social distancing, management of essential business trips, checking Green Passes, etc.). During the year, remote working continued to be encouraged as much as possible, in line with the individual duties, involving 72% of the parent's employees on a rotation basis.

The costs incurred by the Group to purchase materials and to comply with the public health emergency safety regulations amounted to approximately €50 thousand during the year.

Cash flows

The Group's cash and cash equivalents (€29.4 million) increased by €0.8 million during the year, mostly due to the parent's capital increase completed on 25 June 2021.

The Group paid off all its bank overdrafts. Its non-current bank loans and borrowings decreased by €2.5 million, due to the combined effect of the repayment of an annual instalment of €3.6 million, the forgiveness of Pininfarina of America Corp's loan of €0.2 million and the parent's unrealised interest expense of €1.3 million arising from amortised-cost accounting.

Neither the parent, Pininfarina S.p.A., nor its subsidiary Pininfarina Engineering S.r.l. in liquidation availed themselves of the loans provided for by the measures approved by the Italian government to support companies or granted by banks. The subsidiary Pininfarina of America Corp. received a bank loan of roughly €0.2 million as part of the measures introduced by the Small Business Administration to tackle the effects of the pandemic in the United States. In April 2021, the Small Business Administration waived its right to repayment of the loan.

Pininfarina S.p.A.'s financial debt

The parent has continued to meet its obligations, without undue distress, including those under the debt rescheduling agreement (2016-2025) with certain banks. Such agreement, which came into force on 30 May 2016, provides for just one financial covenant (consolidated equity at a minimum of €30 million), compliance with which is assessed at 31 March each year up until repayment of the loan. At 31 March 2021, the covenant had been complied with and, although irrelevant for contractual purposes, it is still complied with at the reporting date. Should the minimum equity threshold not be complied with, the agreement would not be automatically terminated, as it provides for specific remedies and the lending banks can also waive their right to take action. The Mahindra Group has provided a surety that is enforceable if the parent fails to meet its obligations under the rescheduling agreement. Reference should be made to the financial risk management section of the notes for more information on the parent's financial debt and debt rescheduling agreement.

Pininfarina Group's financial performance and financial position

The Group recognised revenue of €66.8 million for 2021, in line with the previous year (€67 million). The current year figure no longer includes the results of Pininfarina Engineering S.r.l. as it commenced its winding up process in October 2020.

The gross operating loss of €7.1 million for 2020 improved to a gross operating profit of €2.3 million thanks to the growth and consequent operating profitability achieved in the design and architecture segment by all group companies.

The operating profit came to €4.1 million, partly attributable to the reversal of impairment losses previously recognised on certain assets (€2.7 million) and the release of some provisions (€2.8 million), compared to an operating loss of €21.5 million in 2020. In addition to the gross operating loss, the 2020 operating loss was due to the impairment losses of €1.8 million recognised on buildings and other assets, net accruals of €6.5 million to the restructuring provision, as well as other impairment losses of €5.2 million. These accruals and impairment losses were partially offset by the utilisation of the provision for losses to complete contracts (€3.1 million). In 2021, the Group did not recognise any specific impairment losses or accruals; on the contrary, as mentioned above, it reversed impairment losses previously recognised on certain assets by €2.7 million and released €2.8 million from the restructuring provision.

Net financial expense decreased to €1.4 million from €1.9 million for 2020. The improvement is mainly due to a decrease in interest expense incurred by the parent and Pininfarina Deutschland and the financial gain arising from the Small Business Administration's forgiveness of the loan of approximately €0.2 million granted to Pininfarina of America.

The Group recognised a tax expense of €0.2 million compared to €1 million in the previous year, when the deferred tax assets recognised by the Pininfarina Deutschland Group were reversed.

As a result of the above, the Group recorded a profit for the year of €2.4 million compared to a loss of €24.4 million for the previous year.

Equity increased by €6 million to €40.2 million at the reporting date, principally due to the profit for the year and the capital increase carried out during the year.

The Group's net financial position came to €6.9 million, compared to €2.4 million at 31 December 2020. The improvement is mostly due to the same reasons for the increase in equity described above.

The workforce numbered 486 at the reporting date (31 December 2021: 639; -24%). The decrease is mostly due to the winding up of Pininfarina Engineering S.r.l. in Italy and the reduction of the engineering activities' personnel in Germany. A breakdown by business segment and by geographical segment is provided below.

Business segment

	Design	Engineering	General staff	TOTAL
31 December 2021	259	146	81	486
31 December 2020	237	308	94	639

Geographical segment

	Italy	Germany	China	USA	TOTAL
31 December 2021	250	167	49	20	486
31 December 2020	373	215	38	13	639

Support and relief measures

In accordance with ESMA recommendations (Public Statement 32-63-972 of 20 May 2020 and reiterated in Public Statement 32-63-1186 of 29 October 2021), the support and relief measures already enjoyed or that will be enjoyed by the Group are summarised below:

- in Italy, the Covid-19-government-sponsored lay-off scheme for 70 employees for a total of 22,740 hours;
- in Germany, the government-sponsored lay-off scheme (Kurzarbeit) for 68 workers for a total of 26,761 hours;
- in 2020, in the US, the subsidiary Pininfarina of America Corp. received a loan of approximately €0.2 million, bearing interest at 1% p.a. and repayable in 18 monthly instalments starting from January 2021. On 23 April 2021, the subsidiary was notified of the Small Business Administration's acceptance of its application for the non-repayment of the loan as part of the measures for helping businesses to overcome the negative effects of the spread of the coronavirus.

The Group plans to continue to use the social shock absorbers made available by the government in Italy.

Information required by Consob (the Italian Commission for listed companies and the stock exchange) pursuant to article 114.5 of Legislative decree no. 58/98

1) The net financial position of the Pininfarina Group and Pininfarina S.p.A., with separate classification of current and non-current items, is respectively shown on pages 29 and 24 hereof.
2) The Group has no past-due liabilities (of a commercial, financial, tax or social security nature). No actions against the Group have been filed by creditors.
3) The Group's and parent's related party transactions are respectively detailed on pages 160 and 76 hereof. Except for a major trading transaction (supply of design and engineering services) between the parent and its associate Automobili Pininfarina GmbH during the year, the related party transactions are substantially unchanged from those reported in the interim separate and condensed interim consolidated financial statements at 30 June 2021. Revenue from related party transactions accounted for 6% of the Group's total revenue for the year, compared to 7.1% for the first half of 2021 (19% in 2020);
4) Under the existing Rescheduling Agreement between the parent and the banks, there is just one financial covenant, to be checked annually beginning from 31 March 2018: consolidated equity at a minimum level of €30 million. At 31 March 2021, it had been complied with. The Group has no further loans and borrowings carrying clauses that limit its use of financial resources.
5) On 12 May 2021, when the shareholders approved the interim financial report at 31 March 2021, Pininfarina S.p.A. announced that its outlook for 2021 was revenue in line with 2020, along with an operating loss and a loss for the year although they would be smaller than those for the previous year. These expectations were confirmed when both the interim financial reports at 30 June and 30 September 2021 were approved. On the basis of the consolidated figures for the entire year, the expectation about revenue was confirmed, while its forecast smaller operating loss and loss for the year were better than expected as it recognised an operating profit and a profit for the year. Other than the above, the parent has not disclosed any other financial forecasts.

Pininfarina S.p.A.

Significant events of the year

No other significant events took place during the year.

Human resources and the environment

During 2021:

- the Group implemented some procedures of the Covid-19-government-sponsored lay-off scheme;
- with reference to the Cambiano and Bairo facilities, the Group implemented two procedures as per Law decree no. 104 of 14 August 2020 offering termination benefits to a total of five employees;
- with reference to the Bairo facility, the Group signed a trade union agreement before the relevant ministry for an extraordinary government-sponsored lay-off scheme due to business discontinuation for the whole of 2020. In October 2020, it replaced it with a Covid-2021- government-sponsored lay-off scheme up until June 2021. The extraordinary government- sponsored lay-off scheme due to business discontinuation was then applied again from 27 June to 2 September 2021 (the end of the 12-month scheme).

In August 2021, the Group signed a trade union agreement before the relevant ministry for an extension of the extraordinary government-sponsored lay-off scheme due to business discontinuation for another six months, i.e., until March 2022;

- there were no deaths in the workplace and there was just one accident leading to an employee's absence for less than 15 days. The parent was not found liable for occupational diseases contracted by employees or former employees or mobbing;
- the parent reached agreements regarding remuneration issues with former employees and no cases were brought against the parent for financial and/or physiological damage (e.g., personal injuries, moral damage, hedonic damage, etc.).

After the start of its winding-up procedure at the end of October 2020, on 2 November 2020, Pininfarina Engineering S.r.l. in liquidation commenced a collective redundancy procedure for business discontinuation. After negotiations with the trade unions, an agreement was reached for a 12-month extraordinary government-sponsored lay-off scheme due to business discontinuation (until 1 November 2021) and the implementation of an accompanying social plan. At the end of the scheme term, all remaining employment agreements were terminated.

With reference to investments in safety in the workplace and the environment, the parent pays utmost attention to the continuous upgrading and/or improvement of operating layouts and machinery/equipment in line with relevant legislation. Expected investments for 2022 amount to roughly €690,000.

In general, the parent considers protecting the environment and health and safety in the workplace to be essential to achieve its objectives. Pininfarina S.p.A. has a 2015 UNI EN ISO 14001-certified environmental management system. A notified body carried out the check to renew the certification of the system's compliance in all Italian facilities in 2021, finding it compliant. The certification was renewed up to October 2024.

Further to the agreement (31 December 2009) to sell the Grugliasco facility to Sviluppo Investimenti Territorio S.r.l. (SIT), an environmental audit was carried out in 2011 on the site where the facility stands. It found that the hydrocarbons parameter in one small area exceeded the legal limit. The parent immediately commenced the reclamation procedures provided for by the environmental legislation. A dispute commenced with the Grugliasco local authorities during their approval of the risk analysis, as they requested that the analysis be extended to the entire facility, which they erroneously believed to be "abandoned". A hearing had been set for 18 November 2019 for the appeal pending before the Italian council of state. With its ruling no. 8170/2019, the council of state dismissed the appeal due to lack of interest, given Pininfarina S.p.A.'s willingness to become proactive, carrying out the reclamation activities as a non-accountable party (article 245 of Legislative decree no. 152/2006 as subsequently amended). Indeed, in 2018, Pininfarina S.p.A. had presented a site characterisation plan to the Grugliasco local authorities as an "interested" but not accountable party following the change in the facts and judicial grounds of the legal dispute. The local authorities approved the plan and calculated the costs to be borne by SIT for the activities that could have prevented the site's characterisation. The procedure is at an advanced stage. On 11 February 2020, executive order no. 106 was issued approving the site's risk assessment report with certain remedies, including the preparation of the reclamation operational plan to be sent to the local authorities. The remedies were implemented, including the filing of the operational plan on 17 December 2020. Further to additional requirements notified by the bodies, the parent presented an updated operational plan to the Grugliasco local authorities that incorporates and supplements these requirements on 27 July 2021. The Grugliasco local authorities approved the updated operational plan with executive decision no. 993 issued on 17 December 2021 and sent to the parent on 30 December 2021.

In December 2019, SIT sued the parent before the Turin Court for alleged damage caused by the sale of the site in 2009 at an unfair price. The parent appeared in court requesting the dismissal of the claim. The case is currently pending. In December 2021, the judge invited the parties to consider a settlement agreement, which the parties are currently finalising.

The next hearing will be held on 28 March 2022.

Research

The Group did not carry out any research during the year.

Going concern

The estimated effects of Covid-19 for 2021

The Group was not directly negatively affected (e.g., downturns in activities and/or cancellations of orders) by the coronavirus during 2021. The outlook for 2022 does not currently anticipate adverse impacts caused by Covid-19.

Group's performance, outlook and going concern issues

In their comments on the 2020 figures, the directors had explained that the sluggish conditions of the Group's reference markets were due to two factors: the continuation of the negative economic cycle of the global automotive industry and the Covid-19 pandemic, which put additional constraints on commercial projects, slowing down the acquisition of new contracts and/or reducing expected contract profit margins.

In this environment of weak reference markets and given the expectations about their future performance, the parent tackled three closely related issues:

- maintaining an appropriate level of liquidity for the Group’s requirements;
- protecting the capitalisation level required by the law and bank agreements;
- creating the conditions for restoring profitability as soon as possible.

The capital increase resolved by the shareholders on 16 March 2021 to strengthen the parent’s liquidity and capitalisation was successfully concluded on 25 June 2021. The parent collected proceeds totalling €23.6 million, increasing its liquidity accordingly. They partly arose from injections already made by its majority shareholder in the previous year (€20 million) and partly by the non- controlling investors’ subscription of their shares in 2021 (€3.6 million).

As mentioned in the previous year’s financial reports, the subsidiary Pininfarina Deutschland Holding GmbH collected the outstanding consideration for the sale of one of its buildings in the first quarter of 2021. Considering the nature of the Group’s customers, there are no particular collection issues as there are no past due amounts which may affect the Group’s cash flows from operating activities and its working capital performance was satisfactory.

In the foreseeable future, the following should be taken into account: the parent’s net financial position amounts to €6.9 million, comprising cash and cash equivalents and financial assets of €27.3 million and loans and borrowings of €20.4 million, whose current portion amounts to €3.8 million. The Group’s net financial position amounts to €6.9 million at the reporting date. According to the 12-month cash budget prepared by the directors, the parent’s and Group’s financial resources at the reporting date should be adequate to cover the expected operating requirements, as well as the outlays necessary to complete the winding up procedure of Pininfarina Engineering S.r.l. in liquidation and to repay the current portion of loans and borrowings when they become due.

Based on the current situation, the directors believe that the parent’s and Group’s financial resources at the reporting date are adequate to cover cash outflows for the next twelve months.

In order to comply with the requirements of the Italian Civil Code governing share capital protection, the parent must monitor its equity at consolidation level closely. Indeed, the only financial covenant provided for by the existing debt restructuring agreement is a minimum level of €30 million (this is checked on 31 March every year and had been complied with at 31 March 2021). Considering the Group’s performance in the first few months of 2022, there are no reasons to believe that compliance with the financial covenant at the next assessment date of 31 March 2022 is at risk. The Mahindra Group has provided a surety that is enforceable if the parent fails to meet its obligations under the rescheduling agreement.

The recently-completed capital increase to strengthen the parent’s financial position has already been discussed.

In order to tackle their performance issues and return to a profit-making position, considering the market performance of the last two years and currently foreseeable outlook, the parent and the Group adopted various measures in 2020 and 2021, including the winding up of the subsidiary Pininfarina Engineering S.r.l., given the market conditions and its no longer sustainable performance, implementation of a redundancy plan for Pininfarina Deutschland GmbH, involving 46 people (approximately 20% of its workforce), reduction of the number of direct and indirect staff working at Pininfarina S.p.A., in order to bring the professional skills and number of resources into line with the current market requirements and a plan to reduce operating expense and overheads, also by increasing resort to outsourcing in some cases. Moreover, the Group developed new commercial projects to better tailor its services to the continuous changes in market demand.

With respect to the winding up of Pininfarina Engineering S.r.l., in the previous year, the Group recognised a restructuring provision to fully cover the obligations reasonably expected at 31 December 2020 on the basis of the collective trade union agreements, the legal requirements, the individual agreements and, given the usual outcome of these procedures, the possible refusal to participate in the plan envisaged by the collective agreements by employees who oppose the agreement. The winding up procedure continued throughout 2021 and all the subsidiary’s employment agreements were terminated in the first half of November 2021 substantially in line with the established redundancy plan and using less outflows of resources than those reasonably forecast when the provision was accrued. The procedure is currently nearing completion, the residual risks have been identified and, at the reporting date, the Group maintained a restructuring provision of €0.5 million expected to be used while releasing the excess accrual of €2.3 million.

At 30 September 2021, all the individual agreements with the redundant 46 workers at Pininfarina Deutschland GmbH envisaged in its restructuring plan had been signed. They cover the workers’ termination benefits as provided for in the restructuring plan at 31 December 2020.

Operating profit margins improved considerably in 2021 compared to the previous year, confirming the soundness of the actions taken in this respect in the previous year. Business opportunities and prices offered were stable, in line with the trend envisaged by the directors for this year.

As described in the 2020 annual financial report, the market situation of that year, which reflected social difficulties that are well known throughout the world, was one of the most difficult in recent decades, particularly in the market sectors in which the Pininfarina Group operates. The demand for services continues to exist for design-related activities albeit much less so for pure engineering based on technical deliverables and the downwards pressure on prices seen in 2020 has eased.

In order to deal with this situation, the parent and the Group are rapidly redirecting their available resources towards those activities considered most likely to generate profits.

The directors also checked whether the previously-prepared financial projections, which are based on the positive effects of the restructuring and refocusing actions undertaken by the Group starting from 2020 and the use of operating cash flows in 2022, were still valid. The 2021 figures show considerable improvement in the operating performance even though sales volumes are in line with the previous year's lows. The Group recognised an operating profit of €4.1 million. Net of the releases of provisions and reversals of impairment losses recognised during the year, the Group would have recognised an operating loss of €0.4 million (nearly at break-even point), which, despite being still negative, would have been significantly better than the €21.5 million operating loss recognised in the previous year.

Although the Group's financial position, financial performance and cash flows improved considerably in 2021, its ability to continue as a going concern will still require significant efforts in terms of sales volumes, cost containment and costs to win future contracts.

According to the directors, given the issues described above, there continues to be significant uncertainty about the achievement of the production volumes and improved profitability goals, as they depend on a prolonged recovery of the markets in which the Group and the parent operate in the next few years, as well as on changes in the costs to win future contracts and procurement costs to maintain the conditions for them to continue to be profitable. This uncertainty may cast material doubts as to their ability to continue as going concerns.

Notwithstanding the above, the directors deem that all measures to limit operating cash outflows and all possible measures to contain costs and provide the Group with sufficient liquidity to support its operations have been successfully implemented. They have assessed existing and prospective projects based on commercial relationships with customers, as well as the Group's available financial resources. After having carried out all relevant checks and evaluated the above uncertainty, including based on the results for 2021, management reasonably expects that the parent and the Group have sufficient resources available to continue their operations for the foreseeable future, as provided for by the IFRS. Due to the above reasons, the directors deem it correct to prepare this annual financial report at 31 December 2021 on a going concern basis.

2021 performance by business segment

Design segment

In addition to the revenue from the automotive and non-automotive design activities of all kinds, this segment includes revenue from architecture services, royalties for the use of the Pininfarina trademark, revenue from aerodynamic and aeroacoustics services and the costs arising from the parent's property management. It recognised revenue of €50.3 million, up by roughly 13% on the €44.6 million recognised in 2020.

Its operating profit came to €2.6 million compared to an operating loss of €6.2 million for 2020, thanks to an improvement in operations and the reversal of the impairment losses on assets recognised in the previous two years. There was an upturn in volumes and profitability of all the group companies.

Engineering segment

This segment, comprising the German engineering businesses, recognised revenue of €16.5 million (€22.4 million in 2020, down by 26%). The current year figures no longer include the results of Pininfarina Engineering S.r.l. in liquidation as it commenced its winding up process in October 2020.

The segment's operating profit came to €1.5 million compared to an operating loss of €10.2 million for 2020. The 2021 figure solely relates to the German operations and mainly reflects the release of the restructuring provision relating to Pininfarina Engineering S.r.l. in liquidation. On a like-for-like basis, the Pininfarina Deutschland Group recognised revenue substantially in line with the previous year, with a significant reduction in operating losses thanks to measures to contain operating expense commenced in 2020.

Group companies

Pininfarina S.p.A.			
€'million	31.12.2021	31.12.2020	Variation
Revenue	42.7	39.1	3.6
Operating profit (loss)	4.0	(28.7)	32.7
Profit (loss) for the year	3.0	(29.9)	32.9
Net financial position	6.9	4.7	2.2
Equity	51.4	45.2	6.2
Employees (no.)	250	246	4
Pininfarina Engineering S.r.l. in liquidation			
€'million	31.12.2021	31.12.2020	Variation
Revenue	0.7	13.5	(12.8)
Operating profit (loss)	2.2	(9.7)	11.9
Profit (loss) for the year	2.2	(9.8)	12.0
Net financial position	0.3	0.3	0.0
Equity	17.0	9.0	8.0
Employees (no.)	0	127	(127)

Pininfarina Deutschland Group			
€'million	31.12.2021	31.12.2020	Variation
Revenue	16.4	16.2	0.2
Operating loss	(0.7)	(3.2)	2.5
Loss for the year	(0.8)	(4.2)	3.4
Net financial debt	(2.9)	(4.0)	1.1
Equity	10.6	11.4	(0.8)
Employees (no.)	167	215	(48)

Pininfarina Shanghai Co. Ltd			
€'million	31.12.2021	31.12.2020	Variation
Revenue	7.7	5.2	2.5
Operating profit (loss)	0.5	(0.2)	0.7
Profit (loss) for the year	0.4	(0.2)	0.6
Net financial position	0.8	0.4	0.4
Equity	1.8	1.2	0.6
Employees (no.)	49	38	11

Pininfarina of America Corp.			
€'million	31.12.2021	31.12.2020	Variation
Revenue	4.0	2.7	1.3
Operating profit	0.7	0.1	0.6
Profit for the year	0.7	0.1	0.6
Net financial position	1.8	0.9	0.9
Equity	1.8	1.5	0.3
Employees (no.)	20	13	7

Other information

During the period from the reporting date to the date of preparation of this report, none of the group companies has approved the distribution of dividends to Pininfarina S.p.A..

Reference should be made to the “General information” section of the notes for details on branches.

The parent does not hold shares of its ultimate parent; reference should be made to note 13 for details on treasury shares.

Reference should be made to the “Financial risk management” section (pages 49 and 133) for the disclosure required by article 2428.6-bis.a)/b) of the Italian Civil Code.

Related party transactions are detailed in the “Other information” section of the notes to the separate financial statements of Pininfarina S.p.A. and the consolidated financial statements of the Pininfarina Group.

Report on corporate governance and ownership structure

With reference to article 123-bis.3 of the Consolidated Finance Act, the information on the adoption of the codes of conduct (Report on corporate governance and ownership structure) is available in the “Investor Relations” section of the parent’s website (www.pininfarina.it) as well as through the other methods provided for by current legislation.

Remuneration report

With reference to article 84-quater of the Issuers’ Regulation, the remuneration report will be available in the “Investor Relations” section of the parent’s website (www.pininfarina.it) as well as through the other methods and within the timeline provided for by current legislation.

Consolidated non-financial statement

Pursuant to the obligation introduced by Legislative decree no. 254/2016 about the presentation of a consolidated non-financial statement, this statement is available in the “Investor Relations” section of the parent’s website (www.pininfarina.it) as well as through the other methods provided for by current legislation.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION OF THE PININFARINA GROUP

Financial performance

Including the revenue from contracts with customers and royalties, revenue increased by €0.8 million to €66.3 million from €65.5 million in the previous year. The change in finished goods was a negative €26 thousand (positive €11 thousand in 2020). Other revenue and income decreased to €0.6 million from €1.5 million in the previous year.

2021 consolidated revenue amounted to €66.8 million, substantially unchanged from the previous year. A breakdown of revenue by business segment is given later on. Net gains on the sale of non-current assets totalled €0.1 thousand in 2021 (€0.9 million in 2020) and mostly related to the sale of two buildings by Pininfarina Deutschland Holding GmbH.

Operating expense, including changes in inventories, came to €28.1 million (€25.9 million in 2020).

Value added fell by €3.5 million to €38.6 million from €42.1 million in the previous year.

Labour cost amounted to €36.3 million (€49.1 million in the previous year).

The gross operating loss of €7.1 million for 2020 improved to a gross operating profit of €2.3 million thanks to the better performance and operating profitability achieved in the design and architecture segment by all group companies.

Amortisation and depreciation amounted to €3.1 million with a decrease of €1 million (€4.1 million for 2020), mainly related to the impairment losses recognised by Pininfarina Engineering S.r.l. in liquidation in the previous year and the sale of buildings by Pininfarina Deutschland.

Additions to/utilisation of provisions and impairment gains and losses came to a positive €4.9 million (negative €10.4 million for 2020). Releases of restructuring provisions amounted to €2.8 million (additions of €6.5 million in 2020), impairment losses on foreign withholding taxes came to €0.6 million (€5.2 million in the previous year) and reversals of impairment losses amounted to €2.7 million (impairment losses of €1.8 million in 2020). Additions to and utilisations of the provision for losses to complete contracts substantially offset each other in 2021 (reversal of €3.1 million in 2020).

As a result, the Group recognised an operating profit of €4.1 million (operating loss of €21.5 million in 2020).

Net financial expense decreased to €1.4 million from €1.9 million for 2020. The improvement is mainly due to a decrease in interest expense incurred by the parent and Pininfarina Deutschland and the financial gain arising from the Small Business Administration’s forgiveness of the loan granted to Pininfarina of America. The Group recognised an income tax expense of €0.2 million compared to €1 million in the previous year, which included the impairment of deferred tax assets in Germany.

The profit for 2021 came to €2.4 million compared to a loss of €24.4 million for the previous year.

RECLASSIFIED INCOME STATEMENT

(€'000)

	2021	%	2020	%	Variation
Revenue from sales and services	66,260	99.17	65,485	97.74	775
Change in finished goods	(26)	(0.04)	11	0.02	(37)
Other revenue and income	580	0.87	1,500	2.24	(920)
Revenue	**66,814**	**100.00**	**66,996**	**100.00**	**(182)**
Net gains on the sale of non-current assets	**1**	**-**	**948**	**1.42**	**(947)**
Materials and services (*)	(28,130)	(42.10)	(25,946)	(38.74)	(2,184)
Change in raw materials	(93)	(0.14)	78	0.12	(171)
Value added	**38,592**	**57.76**	**42,076**	**62.80**	**(3,484)**
Labour cost (**)	(36,340)	(54.39)	(49,148)	(73.36)	12,808
Gross operating profit (loss)	**2,252**	**3.37**	**(7,072)**	**(10.56)**	**9,324**
Amortisation and depreciation	(3,100)	(4.64)	(4,106)	(6.12)	1,006
(Additions to)/utilisation of provisions and impairment (losses) and gains	4,918	7.36	(10,370)	(15.48)	15,288
Operating profit (loss)	**4,070**	**6.09**	**(21,548)**	**(32.16)**	**25,618**
Net financial expense	(1,667)	(2.49)	(1,941)	(2.90)	274
Gain on the extinguishment of financial liabilities	208	0.31	-	-	208
Share of profit of equity-accounted investees	29	0.04	13	0.02	16
Profit (loss) before taxes	**2,640**	**3.95**	**(23,476)**	**(35.04)**	**26,116**
Income taxes	(193)	(0.29)	(962)	(1.44)	769
Profit (loss) for the year	**2,447**	**3.66**	**(24,438)**	**(36.48)**	**26,885**

(*) **Materials and services** are net of utilisations of the provisions for product warranties and risks (€60 thousand and €32.9 thousand for 2020 and 2021, respectively) and the restructuring provision (€207 thousand and nil for 2021 and 2020, respectively).

(**) **Labour cost** is net of utilisations of the restructuring provision (€2,653 thousand and nil for 2021 and 2020, respectively).

As required by Consob resolution no. DEM/6064293 of 28 July 2006, a reconciliation of the data in the consolidated financial statements with those in the reclassified schedules is provided below:

- **Materials and services** include raw materials and components, other variable production costs, external variable engineering services, exchange gains and losses and other expenses.
- **Amortisation and depreciation** comprise amortisation of intangible assets and depreciation of property, plant and equipment, investment property and right-of-use assets.
- **(Additions to)/utilisation of provisions and impairment (losses) and gains** include additions to/utilisation of provisions, net impairment losses and inventory write-downs.
- **Net financial expense** comprises net financial income (expense) and dividends.

Financial position

Net capital requirements at 31 December 2021 increased by €1.4 million on the previous year end, mainly due to an increase in net non-current assets and working capital requirements.

Specifically:

net non-current assets totalled €44.1 million, down by €1.1 million on 31 December 2020, comprising an increase of €0.7 million in intangible assets (reversal of impairment losses of €0.3 million, additions of €0.5 million and amortisation of €0.1 million) and of €1 million in property, plant and equipment (reversal of impairment losses of €2.3 million, additions of €0.7 million and depreciation of €2 million) and a decrease of €0.6 million in right-of-use assets;

working capital fell by €0.2 million to a negative €8.1 million from a negative €7.9 million at 31 December 2020;

post-employment benefits amounted to €2.7 million, down €0.5 million on the prior year end (€3.2 million), due to payments made by the parent during the year;

capital requirements were funded by:

- a €6 million increase in equity, which went from €34.2 million at 31 December 2020 to €40.2 million at 31 December 2021. The increase is mainly attributable to the capital increase and comprehensive income;
- net financial position of €6.9 million, up from the €2.4 million recognised at 31 December 2020, mainly due to working capital trends.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(€'000)

	31.12.2021	31.12.2020	Variation
Net non-current assets (A)			
Net intangible assets	6,287	5,590	697
Net property, plant and equipment and investment property	33,940	32,952	988
Right-of-use assets	2,972	3,557	(585)
Equity investments	896	867	29
Total A	**44,095**	**42,966**	**1,129**
Working capital (B)			
Inventories	330	448	(118)
Contract assets	5,434	4,576	858
Net trade receivables and other assets	16,630	20,951	(4,321)
Assets held for sale	-	5,156	(5,156)
Deferred tax assets	19	17	2
Trade payables	(16,881)	(16,831)	(50)
Contract liabilities	(6,452)	(6,061)	(391)
Provisions for risks and charges	(1,189)	(6,787)	5,598
Other liabilities (*)	(5,995)	(9,347)	3,352
Total B	**(8,104)**	**(7,878)**	**(226)**
Net invested capital (C=A+B)	**35,991**	**35,088**	**903**
Post-employment benefits (D)	**2,734**	**3,239**	**(505)**
Net capital requirements (E=C-D)	**33,257**	**31,849**	**1,408**
Equity (F)	**40,187**	**34,236**	**5,951**
Net financial position (G)			
Non-current loans and borrowings	17,818	20,949	(3,131)
Net current financial position	(24,748)	(23,336)	(1,412)
Total G	**(6,930)**	**(2,387)**	**(4,543)**
Total as in E (H=F+G)	**33,257**	**31,849**	**1,408**

(*) Other liabilities include the following items: deferred tax liabilities, other financial liabilities, current tax liabilities and other liabilities.

PININFARINA S.P.A.

NET FINANCIAL POSITION

(€'000)

	31.12.2021	31.12.2020	Variation
Cash and cash equivalents	29,358	28,529	829
Current bank overdrafts	-	(41)	41
Lease liabilities	(1,018)	(1,521)	503
Loans and borrowings - related parties and joint ventures	-	-	-
Current portion of bank loans and borrowings	(3,592)	(3,631)	39
Net current financial position	**24,748**	**23,336**	**1,412**
Non-current loans and receivables - third parties	-	-	-
Non-current loans and receivables - related parties	550	550	-
Non-current lease liabilities	(2,322)	(3,025)	703
Non-current bank loans and borrowings	(16,046)	(18,474)	2,428
Non-current loans and borrowings	**(17,818)**	**(20,949)**	**3,131**
NET FINANCIAL POSITION	**6,930**	**2,387**	**4,543**

NET FINANCIAL POSITION (ESMA)

(ESMA Guidelines 32-382-1138 of 4 March 2021)

(€'000)

		31.12.2021	31.12.2020	Variation
A.	Cash and cash equivalents	(29,358)	(28,529)	(829)
B.	Cash equivalents	-	-	-
C.	Other current financial assets	-	-	-
D.	**Total cash and cash equivalents (A+B+C)**	**(29,358)**	**(28,529)**	**(829)**
E.	Current loans and borrowings	-	41	(41)
F.	Current portion of non-current debt	4,610	5,152	(542)
G.	**Current financial debt (E+F)**	**4,610**	**5,193**	**(583)**
H.	**Net current financial position (G-D)**	**(24,748)**	**(23,336)**	**(1,412)**
I.	Non-current loans and borrowings	18,368	21,499	(3,131)
J.	Debt instruments	-	-	-
K.	Trade payables and other current liabilities	-	-	-
L.	**Net non-current financial debt (I+J+K)**	**18,368**	**21,499**	**(3,131)**
M.	**Net financial position (H+L)**	**(6,380)**	**(1,837)**	**(4,543)**

The "Net financial position" set out above is presented in accordance with the format recommended by ESMA Guidelines 32-82-1138 enacting Regulation (EU) 2017/1129 applicable since 5 May 2021. Because the purpose of this table is to show "Net financial debt", assets are shown with a minus sign and liabilities with a plus sign. On the contrary, in the "Net financial position" table provided on the previous page, assets are shown with a plus sign and liabilities with a minus sign.

The reason for the difference between the amount of the "Net financial position" of the first table and that of the ESMA table is that the latter does not include non-current loan assets. The total amount of these differences at the relevant reporting dates is shown below:

- At 31 December 2020: €550 thousand
- At 31 December 2021: €550 thousand

The net financial position at the reporting date comprises the effect of IFRS 16 (approximately €3.3 million compared to €4.5 million at 31 June 2020).

RECONCILIATION BETWEEN THE PARENT'S PROFIT AND EQUITY AND CONSOLIDATED PROFIT AND EQUITY

The parent's profit and equity as at and for the year ended 31 December 2021 are reconciled with the Group's figures below.

	Profit (loss) for the year		Equity	
	2021	**2020**	**31.12.2021**	**31.12.2020**
Pininfarina S.p.A.'s separate financial statements	**3,033,874**	**(29,940,143)**	**51,412,919**	**45,184,866**
- Subsidiaries' contribution	2,536,834	(12,005,326)	(5,118,008)	(4,681,499)
- Elimination of trademark licence in Germany	-	-	(6,749,053)	(6,749,053)
- Intragroup dividends	(523,697)	(500,000)	-	-
- Impairment losses on equity investments	-	2,359,000	-	-
- Waiver of amounts due from subsidiary being wound up	-	6,607,248	-	-
- Provision for the winding up procedure	-	-	641,533	-
- Additions to the provision for the winding up procedure	(2,600,000)	9,041,532	-	481,493
Consolidated financial statements	**2,447,011**	**(24,437,689)**	**40,187,391**	**34,235,807**

OUTLOOK FOR 2022

Based on the current situation of the business sectors where the Pininfarina Group operates, its outlook for 2022 is an increase in revenue compared to 2021.

With regard to the current geopolitical context characterised by the Russia-Ukraine conflict, the Pininfarina Group sales to countries affected by the current war are immaterial and the effect of their suspension is minimal. The macroeconomic scenario is likely to be adversely impacted by a significant increase in energy and commodity prices. However, since the Group does not make major use of these resources, any negative impact is expected to only be indirect and marginal.

Chief Executive Officer
Silvio Pietro Angori
(signed on the original)
Turin, 23rd March 2022

PININFARINA GROUP
CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2021

PININFARINA S.P.A.

STATEMENT OF FINANCIAL POSITION

	Note	31.12.2021	31.12.2020
Land and buildings	1	**26,838,482**	27,892,366
Land		**5,365,936**	5,365,936
Buildings		**21,472,546**	22,526,430
Plant and machinery	1	**5,034,534**	4,183,712
Machinery		**1,350,169**	76,672
Plant		**3,684,365**	4,107,040
Furniture, fixtures and other assets	1	**2,035,104**	790,592
Furniture and fixtures		**640,280**	549,714
Hardware and software		**970,844**	146,016
Other assets, including vehicles		**423,980**	94,862
Assets under construction		**32,327**	84,880
Property, plant and equipment		**33,940,447**	32,951,550
Investment property	2	**-**	-
Licences and trademarks	3	**710,192**	-
Other	3	**5,576,506**	5,590,176
Intangible assets		**6,286,698**	5,590,176
Right-of-use assets	4	**2,972,489**	3,557,340
Associates	5	**644,283**	615,145
Other companies	6	**252,017**	252,017
Equity investments		**896,300**	867,162
Deferred tax assets	18	**18,593**	17,161
Loans and receivables	7	**550,000**	550,000
Third parties		**-**	-
Related parties		**550,000**	550,000
Non-current financial assets		**550,000**	550,000
TOTAL NON-CURRENT ASSETS		**44,664,527**	43,533,389
Raw materials		**195,478**	288,235
Finished goods		**134,122**	160,040
Inventories	8	**329,600**	448,275
Third parties		**5,433,708**	4,575,923
Related parties		**-**	-
Contract assets	9	**5,433,708**	4,575,923
Assets held for trading		**-**	-
Loans and receivables		**-**	-
Current financial assets		**-**	-
Trade receivables	10	**13,317,405**	15,695,121
Third parties		**12,726,605**	13,541,112
Related parties		**590,800**	2,154,009
Other assets		**3,313,073**	5,256,337
Third parties	11	**3,313,073**	5,256,337
Related parties		**-**	-
Trade receivables and other assets		**16,630,478**	20,951,458
Cash in hand and cash equivalents		**7,419**	8,821
Short-term bank deposits		**29,350,291**	28,520,350
Cash and cash equivalents	12	**29,357,710**	28,529,171
TOTAL CURRENT ASSETS		**51,751,496**	54,504,827
Assets held for sale	2	**-**	5,155,582
TOTAL ASSETS		**96,416,023**	103,193,798

	Note	31.12.2021	31.12.2020
Share capital	13	**56,465,974**	54,271,170
Share premium reserve	13	**22,905,478**	2,053,660
Reserve for treasury shares	13	**175,697**	175,697
Legal reserve	13	**10,854,234**	10,854,234
Stock option reserve	13	**2,216,799**	2,216,799
Translation reserve	13	**184,917**	(125,477)
Other reserves	13	**8,078,983**	27,923,223
Losses carried forward	13	**(63,141,702)**	(38,695,810)
Profit (loss) for the year		**2,447,011**	(24,437,689)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		**40,187,391**	34,235,807
Equity attributable to non-controlling interests		**-**	-
EQUITY		**40,187,391**	34,235,807
Lease liabilities	4	**2,322,319**	3,024,798
Other loans and borrowings		**16,045,840**	18,474,109
Third parties		**16,045,840**	18,474,109
Related parties		**-**	-
Non-current loans and borrowings	14	**18,368,159**	21,498,907
Post-employment benefits	15	**2,733,990**	3,239,401
TOTAL NON-CURRENT LIABILITIES		**21,102,149**	24,738,308
Bank overdrafts		**-**	41,132
Lease liabilities		**1,018,238**	1,521,454
Other loans and borrowings		**3,591,615**	3,630,554
Third parties		**3,591,615**	3,630,554
Related parties		**-**	-
Current loans and borrowings	14	**4,609,853**	5,193,140
Wages and salaries payable		**3,129,331**	6,234,200
Social security charges payable		**980,289**	961,593
Other		**1,262,462**	1,568,955
Other financial liabilities	16	**5,372,082**	8,764,748
Third parties		**16,363,653**	14,845,034
Related parties		**261,709**	560,460
Other liabilities - third parties		**255,575**	1,425,105
Other liabilities - related parties		**-**	-
Trade payables	16	**16,880,937**	16,830,599
Third parties		**5,692,660**	4,613,710
Related parties		**759,389**	1,447,011
Contract liabilities	9	**6,452,049**	6,060,721
Direct tax liabilities		**200,219**	20,181
Other tax liabilities		**422,122**	562,836
Current tax liabilities	18	**622,341**	583,017
Provision for product warranties		**53,236**	53,236
Restructuring provision		**869,482**	6,495,647
Other provisions		**266,503**	238,575
Provisions for risks and charges	17	**1,189,221**	6,787,458
TOTAL CURRENT LIABILITIES		**35,126,483**	44,219,683
TOTAL LIABILITIES		**56,228,632**	68,957,991
TOTAL LIABILITIES AND EQUITY		**96,416,023**	103,193,798

Pursuant to Consob resolution no. 15519 of 27 July 2006, an ad hoc statement of financial position showing related party transactions has not been prepared as these are already shown in the consolidated financial statements schedules. As for transactions with other related parties, such as directors and statutory auditors, “Trade payables - third parties” include accrued fees for the year of €38,723, relating to Pininfarina S.p.A..

PININFARINA S.P.A.

STATEMENT OF PROFIT OR LOSS

	Note	2021	of which: related parties	2020	of which: related parties
Revenue from sales and services	**19**	**66,259,378**	**4,036,283**	65,485,648	12,707,099
Internal work capitalised		**-**		-	
Change in finished goods		**(25,918)**		10,755	
Other revenue and income		**580,334**		1,499,962	
Revenue		**66,813,794**	**4,036,283**	66,996,365	12,707,099
Gains on sale of non-current assets and equity investments		**962**		948,270	
Gain on sale of equity investments		**-**		-	
Raw materials and components	**20**	**(6,748,254)**	**(14,795)**	(4,204,274)	(56,106)
Change in raw materials		**(67,753)**		77,839	
Inventory write-downs		**(25,004)**		-	
Raw materials and consumables		**(6,841,011)**	**(14,795)**	(4,126,435)	(56,106)
Consumables		**(538,237)**	**(128)**	(621,093)	
External maintenance		**(1,191,037)**		(1,159,650)	
Other variable production costs		**(1,729,274)**	**(128)**	(1,780,743)	-
External variable engineering services	**21**	**(10,843,063)**	**(139,365)**	(8,804,259)	(471,105)
Blue collars, white collars and managers		**(35,134,693)**		(46,687,145)	
Independent contractors and temporary workers		**-**		(1,101,112)	
Social security contributions and other post-employment benefits		**(1,205,596)**		(1,359,582)	
Wages, salaries and employee benefits	**22**	**(36,340,289)**	**-**	(49,147,839)	-
Depreciation of property, plant and equipment and investment property		**(2,057,638)**		(2,509,400)	
Amortisation of intangible assets		**(111,521)**		(174,775)	
Depreciation of right-of-use assets		**(930,618)**		(1,422,185)	
Losses on sale of non-current assets and equity investments		**-**		-	
(Additions to)/utilisation of provisions and impairment losses	**23**	**4,917,911**		(10,370,525)	
Amortisation, depreciation and impairment losses		**1,818,134**	**-**	(14,476,885)	-
Net exchange gains (losses)		**62,147**		(67,327)	
Other expenses	**24**	**(8,871,237)**	**(27)**	(11,088,896)	(2,232)
Operating profit (loss)		**4,070,163**	**3,881,968**	(21,547,749)	12,177,656
Net financial expense	**25**	**(1,667,304)**		(1,941,165)	
Dividends	**26**	**-**		-	
Share of profit of equity-accounted investees	**5**	**29,138**		13,003	
Profit (loss) before taxes		**2,640,121**	**3,881,968**	(23,475,911)	12,177,656
Income taxes	**18**	**(193,110)**		(961,778)	
Profit (loss) for the year		**2,447,011**	**3,881,968**	(24,437,689)	12,177,656
Of which:					
- Profit(loss) for the year attributable to the owners of the parent		**2,447,011**		(24,437,689)	
- Profit (loss) for the year attributable to non-controlling interests					
Basic/diluted earnings (loss) per share:					
- Profit (loss) for the year attributable to the owners of the parent		**2,447,011**		(24,437,689)	
- Number of ordinary shares, net		**78,657,878**		54,271,170	
- Basic/diluted earnings (loss) per share		**0.03**		(0.45)	

STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
Profit (loss) for the year	**2,447,011**	(24,437,689)
Other comprehensive income (expense):		
Items that will not be reclassified to profit or loss		
- Actuarial losses on defined benefit plans - IAS 19	**(8,203)**	(159,754)
- Related tax		
Total items of other comprehensive income (expense) that will not be reclassified to profit or loss, net of tax effect:	**(8,203)**	(159,754)
Items that will or may be subsequently reclassified to profit or loss:		
- Gains (losses) from translation of financial statements of foreign operations - IAS 21	**310,394**	(168,090)
Total items of other comprehensive income (expense) that will be subsequently reclassified to profit or loss, net of tax effect:	**310,394**	(168,090)
Total other comprehensive income (expense), net of tax effect	**302,191**	(327,844)
Comprehensive income (expense)	**2,749,202**	(24,765,533)
Of which:		
- Comprehensive income (expense) attributable to the owners of the parent	**2,749,202**	(24,765,533)
- Comprehensive income (expense) attributable to non-controlling interests	**-**	-
Of which:		
- Comprehensive income (expense) from continuing operations	**2,749,202**	(24,765,533)
- Comprehensive income (expense) from discontinued operations	**-**	-

Pursuant to Consob resolution no. 15519 of 27 July 2006, the effects of related party transactions on the statement of profit or loss of the Pininfarina Group are shown in the table provided above and in the “Other information” section of the notes.

PININFARINA S.P.A.

STATEMENT OF CHANGES IN EQUITY

	31.12.2019	Comprehensive expense	Allocation of prior year profit	Capital injection for capital increases	Capital increase transaction costs	Capital increase	31.12.2020
Share capital	54,271,170						54,271,170
Share premium reserve	2,053,660						2,053,660
Reserve for treasury shares	175,697						175,697
Legal reserve	10,854,234						10,854,234
Stock option reserve	2,216,799						2,216,799
Translation reserve	42,613	(168,090)					(125,477)
Other reserves	7,923,223			20,000,000			27,923,223
Losses carried forward	(15,461,391)	(159,754)	(23,074,665)				(38,695,810)
Loss for the year	(23,074,665)	(24,437,689)	23,074,665				(24,437,689)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	39,001,340	(24,765,533)	-	20,000,000	-	-	34,235,807
Equity attributable to non-controlling interests							
EQUITY	**39,001,340**	**(24,765,533)**	**-**	**20,000,000**	**-**	**-**	**34,235,807**

	31.12.2019	Comprehensive expense	Allocation of prior year profit	Capital injection for capital increases	Capital increase transaction costs	Capital increase	31.12.2020
Share capital	54,271,170					2,194,804	56,465,974
Share premium reserve	2,053,660				(364,618)	21,216,436	22,905,478
Reserve for treasury shares	175,697						175,697
Legal reserve	10,854,234						10,854,234
Stock option reserve	2,216,799						2,216,799
Translation reserve	(125,477)	310,394					184,917
Other reserves	27,923,223					(19,844,240)	8,078,983
Losses carried forward	(38,695,810)	(8,203)	(24,437,689)				(63,141,702)
Profit (loss) for the year	(24,437,689)	2,447,011	24,437,689				2,447,011
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	34,235,807	2,749,202	-	-	(364,618)	3,567,000	40,187,391
Equity attributable to non-controlling interests							
EQUITY	**34,235,807**	**2,749,202**	**-**	**-**	**(364,618)**	**3,567,000**	**40,187,391**

STATEMENT OF CASH FLOWS

	2021	2020
Profit (loss) for the year	**2,447,011**	(24,437,689)
Adjustments:		
- Income taxes	**193,110**	961,778
- Depreciation of property, plant and equipment and investment property	**2,057,638**	2,509,400
- Amortisation of intangible assets	**111,521**	174,775
- Depreciation of right-of-use assets	**930,618**	1,422,185
- Impairment losses, provisions, (utilisations) and change in accounting estimates	**(7,734,097)**	10,281,420
- Gains on the sale of non-current assets	**(962)**	(948,270)
- Financial expense	**1,681,292**	1,987,955
- Financial income	**(214,582)**	(46,790)
- Share of profit of equity-accounted investees	**(29,138)**	(13,003)
- Other adjustments	**301,296**	(454,011)
Total adjustments	**(2,703,304)**	15,875,439
Change in working capital:		
- (Increase)/decrease in inventories	**126,570**	(59,559)
- (Increase)/decrease in contract assets	**(857,785)**	40,862
- Decrease in trade receivables and other assets	**2,212,190**	14,887,597
- (Increase)/decrease in trade receivables - related parties	**1,563,209**	(1,146,007)
- Decrease in trade payables, other financial liabilities and other liabilities	**(2,408,195)**	(2,638,703)
- Increase/(decrease) in trade payables, other liabilities - related parties	**(298,751)**	396,402
- Increase/(decrease) in contract liabilities	**1,078,950**	(7,918,693)
- Decrease in contract liabilities - related parties	**(687,622)**	(644,886)
- Other changes	**(629,553)**	136,098
Total changes in working capital	**99,013**	3,053,111
Gross cash flows used in operating activities	**(157,280)**	(5,509,139)
- Interest expense	**(157,721)**	(221,038)
- Income taxes	**(153,786)**	(249,465)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(468,787)**	(5,979,642)
- Purchases of non-current assets and equity investments	**(1,147,625)**	(1,398,656)
- Proceeds from the sale of non-current assets and equity investments	**4,206,797**	2,779,553
- Financial income	**13,988**	46,790
- Other changes	**(35,757)**	2,732,762
CASH FLOWS FROM INVESTING ACTIVITIES	**3,037,403**	4,160,449
- Capital injection for capital increases	**3,567,000**	20,000,000
- Decrease in lease liabilities and other loans and borrowings - third parties	**(41,132)**	(2,327,040)
- Repayment of other loans and borrowings - Third parties	**(3,617,028)**	(3,640,048)
- Decrease in lease liabilities	**(1,607,785)**	(1,472,636)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**(1,698,945)**	12,560,276
TOTAL CASH FLOWS	**869,671**	10,741,083
Opening net cash and cash equivalents	**28,488,039**	17,746,956
Closing net cash and cash equivalents	**29,357,710**	28,488,039
Of which:		
- Cash and cash equivalents	**29,357,710**	28,529,171
- Bank overdrafts	**-**	(41,132)

Pursuant to Consob resolution no. 15519 of 27 July 2006, the impact of transactions with related parties, which are those with the ultimate parent, PF Holding B.V., the Mahindra group companies and the associates Goodmind S.r.l. and Signature S.r.l., are disclosed in notes 5, 7, 10 and 16 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Foreword

The core business of the Pininfarina Group (the "Group") is based on the establishment of comprehensive partnerships with carmakers. Operating as a global partner enables it to work with customers through the entire process of developing new products, including design, planning, development, industrialisation and manufacturing, or to provide support separately during any one of these phases with the utmost flexibility.

Pininfarina S.p.A., the Group's parent, is listed on the Italian Stock Exchange. Its registered office is in Via Raimondo Montecuccoli 9, Turin. Market investors own 21.16% of its share capital, with the remaining 78.84% held by the following shareholders:

- PF Holdings B.V. 78.82%,
- treasury shares held by Pininfarina S.p.A. 0.02%.

On 5 July 2021, after filing the capital increase certification with the Turin company registrar, PF Holdings B.V.'s (its majority shareholder) investment in the parent increased from 76.15% to 78.82%.

At the reporting date, PF Holdings BV is controlled by Tech Mahindra Limited, which holds 60% of its share capital. Mahindra & Mahindra Limited holds the other 40%.

Tech Mahindra Limited, an Indian company listed on the National Stock Exchange of Mumbai (India), is a public company, specialised in IT services and solutions. It is not controlled by any major shareholder. Mahindra & Mahindra Limited holds an investment of 26% therein at the reporting date. Mahindra & Mahindra Limited is a company incorporated under Indian law, with registered office in India, whose shares are listed on the Indian National Stock Exchange. It is specialised in the production of cars, commercial vehicles, buses and tractors.

Despite being directly controlled by PF Holdings B.V., which is part of the Mahindra Group, Pininfarina S.p.A. is neither managed nor coordinated by PF Holdings B.V. pursuant to article 2497 and following articles of the Italian Civil Code. PF Holdings B.V. is simply a vehicle incorporated under Dutch law without an operating structure. There is no authorisation or reporting procedure in place that Pininfarina S.p.A. should follow in the relationships with its parent and, therefore, it has full autonomy to define its strategic and operating objectives, since it has (i) a structured organisation able to perform all business and corporate activities, (ii) its own distinct strategic and financial planning process and (iii) the ability to make proposals about how to conduct and develop its business.

A list of the group companies, with their complete name and address, is provided later on.

The consolidated financial statements are presented in Euros, the functional and presentation currency of the parent, where most of the activities and consolidated revenue are concentrated, and its main subsidiaries.

All amounts are presented in Euros, unless stated otherwise.

The Board of Directors approved these consolidated financial statements on 23 March 2022. They were authorised for publication according to the legal terms.

Basis of presentation

In accordance with IAS 1 - Presentation of financial statements, the consolidated financial statements have the same basis of presentation as that of the parent. They include the following:

- statement of financial position, in which current and non-current assets and liabilities are classified separately;
- statement of profit or loss and statement of comprehensive income, shown as two separate schedules in which costs are classified by nature;
- statement of cash flows, presented in accordance with the indirect method, as allowed by IAS 7 - Statement of cash flows;
- statement of changes in equity.
- notes to the consolidated financial statements.

These schedules present the corresponding prior year annual figures for comparative purposes.

Moreover, as required by Consob resolution no. 15519 of 28 July 2006, the Group presents the following information in separate schedules:

- net financial position, with a breakdown of the main components and balances with related parties.
- the effects of non-recurring events or transactions, i.e., those transactions or events that are not repeated frequently in the normal course of business.

Related party transactions are not presented in separate schedules because they are listed as separate items in the statement of financial position.

Basis of preparation

These consolidated financial statements are prepared on a going concern basis, which the directors deemed appropriate.

These consolidated financial statements at 31 December 2021 comply with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. They are also consistent with the regulations enacted to implement article 9 of Legislative decree no. 38/2005.

The term IFRS includes the International Financial Reporting Standards, the International Accounting Standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously called the Standing Interpretations Committee ("SIC"), endorsed by the European Commission as of the date of the Board of Directors' meeting convened to approve the consolidated financial statements and listed in the applicable regulations published by the European Union as of the above-mentioned date.

These consolidated financial statements are prepared in accordance with the general principle of historical cost, except for those items that, pursuant to the IFRS, shall be measured at fair value, as explained in the "Accounting policies" section.

The accounting policies adopted to prepare these consolidated financial statements at 31 December 2021 are the same as those used in 2020, except as noted in the following section.

Actuarial valuations of post-employment benefits are performed during the preparation of the condensed interim consolidated financial statements at 30 June and annual consolidated financial statements.

New standards, amendments and interpretations applicable from 1 January 2021

The following standards, interpretations and amendments to existing standards became applicable on 1 January 2021, without having a significant effect on the Group's consolidated financial statements:

Interest rate benchmark reform (amendments to IFRS 9, IAS 39 and IFRS 7)

The IASB published the amendments, necessary after the reform of the IBOR, to reflect the reform's consequences on financial reporting and provide guidance on how entities can continue to comply with the rules assuming that the existing interest rate benchmarks are not modified after the interest rate benchmark reform. The amendments to IFRS 9 and IAS 39 - Financial instruments - recognition and measurement provide practical expedients applicable to all hedging relationships directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform generates uncertainty about the timing and/or amount of the cash flows based on reference parameters of the hedged item or the hedging instrument. These amendments did not affect these consolidated financial statements as the Group has not agreed interest rate hedges.

New standards, amendments and interpretations published but not yet applied early by the Group

Standards and/or amendments applicable from 1 January 2022:

- Onerous contracts - Cost of fulfilling a contract (amendments to IAS 37)

  The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. These costs are:

- incremental costs (direct labour and materials);
- an allocation of other costs (for example, an allocation of the depreciation charge for an item of property, plant and equipment).

  These amendments are effective for annual reporting periods beginning on or after 1 January 2022 and to contracts not yet fulfilled at the date of their initial application. At such date, the cumulative effect of applying the amendments shall be recognised as an adjustment to the opening balance of retained earnings or other equity items, as the case may be, with no restatement of comparative amounts.

  Under a group policy, the group already applies the requirements of the amendments to IAS 37 and, therefore, it does not expect that their future application will affect its consolidated financial statements.

Other standards/amendments which are not expected to produce significant effects:

- Covid-19-related rent concessions beyond 30 June 2021 (amendment to IFRS 16);
- Annual improvements to IFRS Standards (cycle 2018-2020) - Amendments to IFRS 1, IFRS 9, illustrative example of IFRS 16 and IAS 41;
- Property, plant and equipment - Proceeds before intended use (amendments to IAS 16)
- Reference to the Conceptual Framework (amendments to IFRS 3)

Standards and/or amendments applicable from 1 January 2023:

- Classification of liabilities as current or non-current (amendment to IAS 1)
- IFRS 17 - Insurance contracts
- Definition of accounting estimates (amendments to IAS 8)
- Disclosures of accounting policies (amendments to IAS 1 and IFRS Practice Statement 2)
- Deferred tax related to assets and liabilities arising from a single transaction (amendments to IAS 12).

The above standards/amendments are not expected to significantly affect the Group's consolidated financial statements.

ACCOUNTING POLICIES

Consolidated financial statements

The consolidated financial statements include the financial statements of all subsidiaries from the date the group acquires control until such control ceases to exist. Joint ventures (if any) and associates are measured using the equity method.

Intragroup expenses, revenue, receivables, payables, gains and losses are eliminated in the consolidation process.

When necessary, the accounting policies of subsidiaries, associates and joint ventures are amended to make them consistent with those of the parent.

(a) Subsidiaries and business combinations

A list of the companies consolidated line by line is provided below:

Name	Registered office	Investment %	Held by	Currency	Share/quota capital
Pininfarina of America Corp.	501 Brickell Key Drive, Suite 200, Miami FL 33131 USA	100%	Pininfarina S.p.A.	USD	10,000
Pininfarina Engineering S.r.l. in liquidation	Via Raimondo Montecuccoli 9, Turin, Italy	100%	Pininfarina S.p.A.	€	100,000
Pininfarina Deutschland Holding GmbH	Riedwiesenstr. 1, Leonberg, Germany	100%	Pininfarina Engineering S.r.l. in liquidation	€	3,100,000
Pininfarina Deutschland GmbH	Frankfurter Ring 81, Munich, Germany	100%	Pininfarina Deutschland Holding GmbH	€	25,000
Pininfarina Shanghai Co. Ltd	Unit 1, Building 3, Lane 56, Antuo Road, Anting, 201805, Jiading district, Shanghai, China	100%	Pininfarina S.p.A.	CNY	3,702,824

The reporting date of the subsidiaries is the same as that of the parent, Pininfarina S.p.A..

As discussed earlier, at their meeting of 26 October 2020, Pininfarina Engineering S.r.l.'s quotaholders resolved to wind it up.

(b) Acquisition/sale of equity investments subsequent to the acquisition of control

Acquisitions and sales of equity investments subsequent to the acquisition of control that do not result in a loss of control are accounted for as owner transactions.

In the case of acquisitions, the difference between the consideration paid and the pro rata interest in the carrying amount of the net assets acquired is recognised in equity. In the case of sales, the resulting gain or loss is also recognised directly in equity.

If the Group loses control or significant influence, the remaining non-controlling interest is remeasured at fair value and any positive or negative difference between its carrying amount and fair value is recognised in profit or loss.

(c) Associates

Associates are listed below:

Name	Registered office	Investment %	Held by	Currency	Quota capital
Goodmind S.r.l.	Corso Vittorio Emanuele II 12, Turin, Italy	20%	Pininfarina S.p.A.	€	20,000
Signature S.r.l.	Via Paolo Frisi 6, Ravenna, Italy	24%	Pininfarina S.p.A.	€	10,000

(d) Other companies

Investments in other companies that are available-for-sale financial assets are measured at fair value, if feasible, and any resulting gains or losses are recognised in equity until the investments are sold. At that point, fair value gains or losses accumulated in equity are immediately reclassified to profit or loss.

If the equity investments are not listed on a regulated market and their fair value cannot be reliably determined, they are measured at cost, adjusted for any impairment losses, which cannot be reversed.

Translation of foreign currency captions

(a) Presentation currency and translation of financial statements denominated in currencies other than the Euro

The Group's presentation currency is the Euro.

The table below lists the exchange rates used to translate financial statements denominated in functional currencies different from the presentation currency:

Euro vs currency	31.12.2021	2021	31.12.2020	2020
US dollar - USD	1.13	1.18	1.23	1.14
Chinese renminbi (yuan) - CNY	7.19	7.63	8.02	7.87

(b) Foreign currency assets, liabilities and transactions

Transactions carried out in currencies other than the Euro are initially translated at the exchange rate in force on the date of the transaction.

At the reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated into Euros at the closing rate. All resulting exchange gains and losses are recognised in profit or loss, except for those stemming from foreign currency loans that hedge investments in foreign operations, which are recognised directly in equity, net of the related tax effects. When the equity investment is sold, the accumulated translation differences are reclassified to profit or loss.

Non-monetary items that are carried at historical cost are translated into Euros at the exchange rate in force when the underlying transaction was initially recognised. Non-monetary items that are carried at fair value are translated into Euros at the exchange rate in force on the measurement date.

None of the group companies operate in a hyperinflationary economy.

Property, plant and equipment

Property, plant and equipment comprise items used in production, including those held under finance lease. They are recognised at purchase or production cost, net of accumulated depreciation and impairment losses (if any), except for land, which is not depreciated.

The cost includes all purchase-related outlays, i.e., those incurred to bring the asset to the place and conditions necessary for its operation.

Depreciation of buildings and other generic assets is calculated on a straight-line basis, in order to allocate their residual carrying amount over their estimated useful life.

The depreciation rates applied to each asset category are set out below:

	Useful life (years)	
Category	**Bairo and San Giorgio facilities**	**Other facilities**
Land	Indefinite	Indefinite
Buildings	50	33
Machinery	20	10
Plant	20	10
Machinery	-	5
Furniture and fixtures	10	8
Hardware	-	5
Other, including vehicles	-	5

Land is recognised separately and is not depreciated but tested for impairment whenever the Group identifies indicators that the carrying amount exceeds the recoverable amount. Subsequent costs are capitalised only if it is probable that they will generate future economic benefits and their amount can be determined reliably. Should a portion be replaced, its carrying amount is derecognised. Costs that do not meet these requirements are immediately recognised in profit or loss. The carrying amount and useful life of property, plant and equipment are reviewed at each reporting date and adjusted, if necessary, prospectively pursuant to paragraphs from 32 to 38 of IAS 8 - Accounting policies, changes in accounting estimates and errors. Gains and losses on the sale, calculated as the difference between the asset's carrying amount and sales price, are recognised in profit or loss. In these notes, impairment losses mean the amounts recognised to adjust the assets' carrying amounts to their recoverable amount.

Government grants

Government grants are recognised at fair value only if the Group is reasonably certain that they will be disbursed and has met all conditions for their collection. They are recognised as revenue in proportion to the costs incurred. As required by paragraph 17 of IAS 20 - Accounting for government grants and disclosure of government assistance, grants related to assets are recognised as deferred income and reclassified to profit or loss in line with the depreciation pattern of the related asset.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. They are controlled by the Group and generate measurable future economic benefits. They are recognised at cost, calculated using the same criteria as for property, plant and equipment.

(a) Software and other licences

Software and other similar licences are recognised as assets at cost, including that incurred to use them. They are amortised over their estimated useful life, which ranges between three and five years. Costs incurred to maintain software programs are immediately recognised in profit or loss. Those incurred to develop identifiable software that is controlled by the Group, which are very likely to produce future economic benefits exceeding the costs incurred, if any, are recognised as intangible assets and amortised over their useful life, which does not exceed three years.

(b) Research and development expenditure

Research expenditure, as defined by IAS 38 - Intangible assets, is expensed when incurred in accordance with IAS 38.54. Development expenditure is recognised as an intangible asset only if it can be measured reliably and if it is probable that the related project is likely to be successful, with reference to its technical feasibility, the availability of financial resources to complete it and its commercial penetration. Development expenditure that does not meet these requirements is expensed when incurred. This expense is never reclassified as an asset in subsequent years, if the requirements for its recognition as an asset are met after it is recognised in profit or loss. Development expenditure is amortised from when the related output is marketed over the estimated period during which it will generate economic benefits, which can never exceed five years. It is tested for impairment when the Group identifies indicators that its carrying amount exceeds its recoverable amount. The Group carries out development projects on behalf of third parties as part of both design, engineering and car manufacturing contracts and solely design and engineering contracts. Development expenditure incurred as part of design and engineering contracts sold to third parties is classified as a contractual cost under IFRS 15 and, accordingly, no intangible asset is recognised. Development expenditure related to design, engineering and manufacturing contracts which give the Group a total or partial guarantee that the investment made on behalf of a customer will be recovered is classified as a financial asset under IFRIC 4 - Determining whether an arrangement contains a lease, or, when the conditions for the application of this interpretation are not met, in the carrying amount of the specific equipment under property, plant and equipment.

(c) Other intangible assets

Other intangible assets acquired separately are recognised at cost. Those acquired as a result of a business combination are recognised at their acquisition-date fair value. After initial recognition, those with a finite useful life are subsequently measured at cost, adjusted for accumulated amortisation and impairment losses, whereas those with an indefinite useful life are measured at cost but not amortised. They are tested for impairment at least annually. Their useful life is checked at least annually. Where possible, any changes are made prospectively pursuant to paragraphs from 32 to 38 of IAS 8 - Accounting policies, changes in accounting estimates and errors.

Impairment of non-financial assets

Intangible assets with an indefinite useful life, including goodwill, are tested for impairment at least annually and whenever there are indicators of impairment. Property, plant and equipment, investment property and intangible assets with a finite useful life are tested for impairment only if the Group identifies indicators that their carrying amount may exceed their recoverable amount. The 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, which is calculated as the present value of the future cash flows expected to be derived from an asset, to be based on reasonable and supportable assumptions that represent management's best estimate of the future economic conditions. The discount rate used reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. This rate for the Group is the weighted average cost of capital ("WACC").

When the carrying amount of an asset exceeds its recoverable amount, the Group recognises the difference as an impairment loss in profit or loss. If the reasons for the impairment loss no longer exist in future years, the impairment loss is reversed to the extent of the pre-impairment carrying amount, less amortisation/depreciation. Impairment losses on goodwill can never be reversed. Cash-generating units are identified in line with the Group's organisational structure and business, by grouping those assets that are able to generate cash inflows independently, as required by IAS 36 - Impairment of assets; they are not larger than the two operating segments identified under IFRS 8 - Operating segments: 1) design; 2) engineering. In assessing the recoverable amount for impairment testing purposes, the Group makes reference to the fair value of owned real estate complexes, measured using the market valuations available at the Public Real Estate Registry Office and possibly appraisals prepared by independent experts.

Non-current assets held for sale

Non-current assets, together with current and non-current assets included in disposal groups, whose carrying amount will be recovered through their sale rather than continuing use, are classified as held for sale. Assets held for sale and directly-associable liabilities are classified in the statement of financial position separately from the Group's other assets and liabilities, in accordance with paragraphs from 38 to 40 of IFRS 5 - Non-current assets held for sale and discontinued operations. Assets held for sale are not amortised or depreciated and are measured at the lower of their carrying amount and fair value less costs to sell. Any difference between the carrying amount and fair value less costs to sell is recognised in profit or loss as an impairment loss. Any subsequent improvement in fair value less costs to sell is recognised as a reversal to the extent of the impairment losses previously recognised, including those recognised prior to the classification of the asset as held for sale.

Investments in associates

Investments in associates are recognised in the consolidated financial statements using the equity method, as required by IAS 28 - Investments in associates and joint ventures and IFRS 11 - Joint arrangements. An associate is an entity in which the Group holds at least 20% of its voting rights and over which it exercises a significant influence but not control or joint control.

Under the equity method, the equity investment is recognised in the statement of financial position at cost, increased by subsequent changes in the Group's share of the associate's net assets.

Equity investments in other companies

The other equity investments (other than in subsidiaries and associates) are classified as non-current or current assets, depending on whether the Group intends to maintain the investment in its assets for a period longer or shorter than twelve months, respectively.

Equity investments in other companies are initially recognised at acquisition cost and subsequently measured at FVTPL, as required by IFRS 9.

In the absence of a principal active market, the Group identifies the investment's fair value as its acquisition cost, considering it as the most reliable input in accordance with IFRS 13.

Financial assets and liabilities

The Group initially measures financial assets at fair value plus, except in the case of financial assets at fair value through profit or loss, transaction costs.

IFRS 9 classifies financial assets into three main categories: at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL).

The classification is based on either the business model adopted by the Group to manage the asset or the SPPI (solely payments of principal and interest) test, if the financial instruments' contractual cash flows solely comprise payments of principal and interest.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt instrument; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument 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
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group 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: assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

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, 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 instruments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, 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 never reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is 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 recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial expense

In accordance with IAS 23 - Borrowing costs, borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Otherwise, they are recognised in profit or loss on an accruals basis.

Inventories

Inventories are recognised at the lower of cost and net realisable value, which is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Under IAS 2 - Inventories, the cost is calculated using the FIFO (“first-in first-out”) method. The cost of finished goods and semi-finished products includes design, raw materials and direct labour costs, other direct costs and other indirect costs that can be directly allocated to the production activity based on normal production capacity. This cost does not include borrowing costs. Based on the assets’ expected future use and net realisable value, materials, finished goods, spare parts and other obsolete or slow-moving items are written down through an allowance account. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents

Net cash and cash equivalents include cash-in-hand, on-demand bank deposits, other investments that may be sold within three months and bank overdrafts, which are recognised in the relevant caption under current liabilities. In accordance with paragraph 8 of IAS 7 - Statement of cash flows, the cash flow for the year is equal to the change in net cash and cash equivalents.

Share capital

Ordinary shares are classified in equity. There are no other share categories. Costs directly related to the issue of ordinary shares or options are recognised in equity. If a group company acquires the parent’s shares, or if the parent itself repurchases its own shares within the limits established by article 2357 of the Italian Civil Code, the consideration paid, net of any transaction cost, is deducted from equity attributable to the owners of the parent until the treasury shares are cancelled, possibly assigned to employees or resold. The parent’s share capital comprises 78,673,836 ordinary shares without a nominal amount.

Employee benefits

(a) Pension plans

The Pininfarina Group’s employees participate in defined contribution plans and defined benefit plans. The latter are a portion of the Italian post-employment benefits provided for by article 2120 of the Italian Civil Code and, therefore, do not comprise any plan assets. Defined contribution plans are formalised plans for post-employment benefits that require that the Group pay contributions to an insurance company or a pension fund. By doing this, the Group does not have any other legal or constructive obligation to pay additional contributions should the fund not have sufficient resources to pay all benefits accrued by employees over their current and past service periods when the benefits become due. These contributions paid in exchange for the service rendered by employees are recognised as an expense on an accruals basis. This category includes the payments made to the Cometa and Previp funds. Under defined benefit plans, the Group has a future obligation to pay the pension benefit to the employee upon termination of employment. The amount of the benefit depends on different factors, such as age, seniority and remuneration. The Group, therefore, takes on actuarial and investment risks arising from the plan. It calculates the present value of the plan liability and the service cost using the projected unit credit method, based on the actuarial calculation that uses demographic (mortality rate and turnover) and financial (discount rate and future salary and benefit increases) variables. The post-employment benefits of the Group’s Italian employees are classified as follows pursuant to IAS 19 - Employee benefits:

- defined benefit plan for the portion vested prior to enactment of the Finance Act (Law no. 296 of 27 December 2006) and related implementing decrees;
- defined contribution plan for the portion accrued thereafter.

At the annual and half year reporting dates, the Group calculates the benefits using an actuarial valuation. The accumulated actuarial losses and gains arising from changes in estimates are recognised in a specific caption of comprehensive income. Any curtailment or extinguishment of a plan liability is immediately recognised in profit or loss.

(b) Incentives, bonuses and profit-participation plans

The Group recognises a cost and a liability for its obligations for incentives, bonuses and profit-participation plans. The liability is recognised when the Group has a legal or constructive obligation and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(c) Termination benefits

The Group recognises a liability and personnel expense when it is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Group is demonstrably committed to a termination when, and only when, it has a detailed formal plan for the termination and is without realistic possibility of withdrawal.

(d) Share-based payments

The Group has granted additional benefits to its key management personnel in the form of equity-settled share based plans (e.g., stock options). Under IFRS 2 - Share-based payment, the fair value of the stock options calculated at the grant date using the Black & Scholes method is recognised as personnel expense in profit or loss on a straight-line basis over the vesting period, with a balancing entry recognised in equity.

The effects of the non-market vesting conditions are not considered in the fair value measurement of the options granted, but are taken into account in measuring the number of expected exercisable options.

The Group revises its estimates of expected exercisable options at each reporting date.

The resulting effects are recognised in profit or loss over the vesting period with a balancing entry recognised in equity.

When the options are exercised, the amounts received from employees, net of directly attributable transaction costs, increase the share capital to the extent of the nominal amount of the issued shares. The remainder increases the share premium reserve.

Provisions for risks and charges, contingent liabilities

The provisions for risks and charges include specific costs and losses whose existence is certain or probable but whose amount or due date is unknown at the reporting date. Provisions are recognised when all the following conditions are met: (i) the Group has a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; (iii) a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation or transfer it to third parties at the reporting date. Where the effect of the time value of money is material and the payment dates can be estimated reliably, the provision is discounted to present value. The Group recognises expected restructuring costs when a restructuring plan is formalised only if it has raised a valid expectation in those affected that it will carry out the restructuring. The liability accrued in the provisions for risks and charges is regularly adjusted for changes in estimated costs, expected timing and discount rates. Changes in estimates of provisions are recognised in the same income statement caption as the related addition. Disclosures about contingent liabilities, i.e.: (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; (ii) a present obligation that arises from past events, whose amount cannot be measured reliably or whose settlement will probably not require an outflow of resources embodying economic benefits are provided in the notes.

Leases

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For the purpose of this assessment, the Group applies IFRS 16.

i. Model for lessees

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for leases of buildings, the Group has elected not to separate non-lease components and instead accounts for the lease and non-lease components as a single lease component.

The Group 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, including the initial measurement of the lease liability adjusted by lease payments made at or before the commencement date, increased by initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the underlying asset or the site on which it is located, net of any lease incentives received.

The right-of-use assets are subsequently depreciated on a straight-line basis from the commencement date over the lease term, unless their ownership is transferred to the Group at the end of the lease term or, considering the right-of-use assets, it is expected that the Group will exercise a purchase option. In that case, the right-of-use asset is depreciated over its estimated useful life, determined on the same basis as for property and equipment. Furthermore, the right-of-use assets are regularly tested for impairment and adjusted for remeasurement 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group's incremental borrowing rate is calculated based on interest rates obtained from various external financing sources adjusted to reflect the lease terms and the leased asset:

– fixed payments (including in-substance fixed payments);
– variable lease payments for leases depending on an index or a rate, initially measured by reference to an index or rate at the commencement date;
– amounts expected to be payable under residual value guarantees; and
– the price of a purchase option, which the Group is reasonably certain to exercise, lease payments due in the optional renewal period, if the Group is reasonably certain to exercise the option to extend the lease, and termination penalties unless the Group is reasonably certain not to cancel the lease before the end of the lease term.

The lease liability is measured at amortised cost using the effective interest method and is remeasured to reflect a change in an index or a rate used to determine lease payments, a change in the amount expected to be payable under residual value guarantees, a change in the assessment of whether a purchase, extension or termination option is reasonably certain to be exercised, or a revision of in-substance fixed payments.

When a lease liability is remeasured, the lessee adjusts the related right-of-use asset accordingly. If the carrying amount is decreased to zero, the lessee recognises the adjustment in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment property under "Right-of-use assets" and lease liabilities under "Lease liabilities" in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. It recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. Model for lessors

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

At the inception of the lease, the Group determines whether each lease is a finance lease or an operating lease.

To this end, it makes an overall assessment of whether the lease transfers substantially all of the risks and rewards of ownership of the underlying asset. In this case, the lease is a finance lease; if not, it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the useful life of the underlying asset.

With regard to sub-leases, as intermediary lessor, the Group accounts for its interest in the head lease and the sub-lease separately. To this end, the Group classifies the sub-lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset. If the head lease is a short-term lease to which the Group applies the aforementioned exemption, the sub-lease is classified as an operating lease.

If a contract contains a lease component and one or more non-lease components, the Group applies IFRS 15 to allocate the contract consideration.

The Group applies the derecognition and impairment losses requirements of IFRS 9 to the net investment in a lease (reference should be made to note 45(R)(i)). It periodically revises the estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises the lease payments associated with operating leases as income on a straight-line basis over the lease term under "Other revenue and income".

In general, the accounting policies applied by the Group as a lessor in the previous year did not differ significantly from the IFRS 16 requirements, except for the sub-lease entered into during the year, which has been classified as a finance lease.

Income taxes

(a) Current taxes

Current taxes are recognised by each group company on the basis of their estimated taxable profit using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date, taking into account any domestic tax consolidation arrangements, applicable exemptions and tax assets.

(b) Deferred taxes

Under IAS 12 - Income taxes, deferred taxes are calculated for all temporary differences between the assets' and liabilities' tax bases and carrying amounts, except in two cases: (i) goodwill arising from a business combination, (ii) the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit (tax loss). Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period 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 reporting date. Deferred tax assets and liabilities are respectively classified as non-current assets and liabilities. They are offset at individual company level if related to taxes that can be legally offset. The resulting balance, if positive, is recognised as a deferred tax asset and, if negative, as a deferred tax liability. Current and deferred taxes related to transactions directly affecting equity are recognised in equity. The Group recognises deferred tax assets to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Deferred taxes on undistributed profits of the group companies are recognised only if the company really intends to distribute such profits and, in any case, if there are no tax consolidation arrangements cancelling their taxation.

Revenue recognition

IFRS 15 requires an entity to recognise revenue at the amount of consideration to which it expects to be entitled in exchange for transferring promised goods or services to a customer.

Based on the above, IFRS 15 provides an articulated and detailed series of requirements that, as a whole, make up the new single model for the recognition of revenue from contracts with customers. The model provides for the following five steps:

- step 1 – identification of the contract;
- step 2 – identification of the performance obligations;
- step 3 – determination of the transaction price;
- step 4 – allocation of the transaction price to the performance obligations;
- step 5 – recognition of revenue when (or as) the entity satisfies the performance obligations.

Step 1 – identification of the contract

IFRS 15 defines a "contract" as an agreement between two or more parties that creates enforceable rights and obligations, specifying that enforceability of the rights and obligations in a contract is a matter of law. The contract may be approved in writing, orally or in accordance with other customary business practices.

Step 2 – identification of the performance obligations

At contract inception, an entity shall assess the goods or services promised in a contract with a customer and shall identify as a performance obligation each promise to transfer to the customer either:

a) a good or service (or a bundle of goods or services) that is distinct; or

b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A contract may include promises to transfer more than one good or service to a customer. An entity shall assess the goods or services promised in order to identify which good or service (or bundle of goods or services) that is promised to a customer is distinct and may constitute a separate performance obligation.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer;

b) the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

If a promised good or service is not distinct, an entity shall combine that good or service with other promised goods or services until it identifies a bundle of goods or services that is distinct. In some cases, that would result in the entity accounting for all the goods or services promised in a contract as a single performance obligation.

Step 3 – determination of the transaction price

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes).

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The consideration may include fixed amounts, variable amounts, or both.

When determining the transaction price, the Group considers the effects of all of the following:

- variable consideration and constraining estimates of variable consideration;
- the existence of a significant financing component in the contract;
- non-cash consideration;
- consideration payable to a customer.

Step 4 – allocation of the transaction price to the performance obligations

The transaction price identified in step 3 is allocated to each performance obligation identified in step 2 on a relative stand-alone selling price basis.

Step 5 – recognition of revenue when (or as) the entity satisfies the performance obligations

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;

b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The Group considers the terms of the contract, as well as any laws that apply to the contract, when evaluating whether it has an enforceable right to payment for performance completed to date.

When recognising revenue over time from the provision of design and engineering services, the Group measures the progress towards complete satisfaction of that performance obligation using the percentage of completion method on a cost-to cost-basis.

Incremental costs of obtaining contracts

An entity shall recognise as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs.

The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission).

As a practical expedient, the Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

An asset recognised for incremental costs of obtaining a contract is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Contract assets and liabilities

An entity shall present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. An entity shall present any unconditional rights to consideration separately as a receivable.

If an entity performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the entity shall present the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. The Group assesses a contract asset for impairment in accordance with IFRS 9.

If a customer pays consideration, or an entity has a right to an amount of consideration that is unconditional (i.e., a receivable), before the entity transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). A contract liability is 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.

Licensing

A licence establishes a customer's rights to the intellectual property of an entity.

If the promise to grant the licence is a separate performance obligation, an entity shall not apply the general revenue recognition model but the specific guidelines set out in Appendix B to the standard and described below.

- revenue shall be recognised at a point in time if the entity's promise is to provide the customer with a right to use its intellectual property as it exists at the point in time at which the licence is granted;

- revenue shall be recognised over time if the entity's promise is to provide the customer with a right to access its intellectual property as it exists throughout the licence period.

Notwithstanding the nature of the licence ("right to use" or "right to access"), an entity shall recognise revenue for a sales-based or usage-based royalty promised in exchange for a licence of intellectual property only when (or as) the later of the following events occurs:

a) the subsequent sale or usage occurs; and

b) the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Dividend distribution

The Group recognises a liability for dividends to be distributed when the distribution has been approved by the shareholders.

Earnings or losses per share

Basic earnings or losses per share are calculated by dividing the profit or loss for the year attributable to the owners of the parent's ordinary shares by the weighted average number of ordinary shares outstanding during the year. Diluted earnings or losses per share are derived by adjusting the weighted average number of outstanding shares for all potential ordinary shares with a dilutive effect.

Events after the reporting date

The events after the reporting date are those events, favourable and unfavourable, that occur between the reporting date (31 December for the Group) and the date when the financial statements are authorised for issue. Two types of events can be identified: (i) those that provide evidence of conditions that existed at the reporting date and (ii) those that are indicative of conditions that arose after the reporting date.

In accordance with IAS 10 - Events after the reporting period, in the first case (i) the Group adjusts the carrying amounts for the events that occurred after the reporting date and in the second case (ii) the Group does not adjust the carrying amounts, but discloses the events held significant in the notes.

Reference should be made to the "Other information" section of the directors' report for further details.

Statement of cash flows

The statement of cash flows is presented in accordance with the indirect method allowed by IAS 7 - Statement of cash flows.

Repayments of loans and receivables, recognised under IFRIC 4 - Determining whether an arrangement contains a lease, are recognised as cash flows from investing activities at the line "Repayment of loans and receivables - third parties", in line with the definition of investing activities set out in IAS 7, with the Group's financial position and net financial debt structures and in accordance with IAS 7.16-f.

ASSESSMENTS THAT AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS

(a) Going concern

Pininfarina Group, the coronavirus and the reference market

The conditions of the Pininfarina Group's reference market for 2021 were better than those of one year earlier.

All the group companies grew their design activities leading to a generalised upturn in profit margins, while the German engineering operations' volume is in line with 2020.

The Group discontinued its engineering business in Italy, which was operated by Pininfarina Engineering S.r.l., as a result of the decision of 26 October 2020 to wind up the subsidiary. The winding up procedure should be completed in 2022.

The estimated effects of Covid-19 for 2021

The Group was not directly negatively affected (e.g., downturns in activities and/or cancellations of orders) by the coronavirus during 2021. The outlook for 2022 does not currently anticipate adverse impacts caused by Covid-19.

Group's performance, outlook and going concern issues

In their comments on the 2020 figures, the directors had explained that the sluggish conditions of the Group's reference markets were due to two factors: the continuation of the negative economic cycle of the global automotive industry and the Covid-19 pandemic, which put additional constraints on commercial projects, slowing down the acquisition of new contracts and/or reducing expected contract profit margins.

In this environment of weak reference markets and given the expectations about their future performance, the parent tackled three closely related issues:

- maintaining an appropriate level of liquidity for the Group's requirements;
- protecting the capitalisation level required by the law and bank agreements;
- creating the conditions for restoring profitability as soon as possible.

The capital increase resolved by the shareholders on 16 March 2021 to strengthen the parent's liquidity and capitalisation was successfully concluded on 25 June 2021. The parent collected proceeds totalling €23.6 million, increasing its liquidity accordingly. They partly arose from injections already made by its majority shareholder in the previous year (€20 million) and partly by the non-controlling investors' subscription of their shares in 2021 (€3.6 million).

As mentioned in the previous year's financial reports, the subsidiary Pininfarina Deutschland Holding GmbH collected the outstanding consideration for the sale of one of its buildings in the first quarter of 2021. Considering the nature of the Group's customers, there are no particular collection issues as there are no past due amounts which may affect the Group's cash flows from operating activities and its working capital performance was satisfactory.

In the foreseeable future, the following should be taken into account: the parent's net financial position amounts to €6.9 million, comprising cash and cash equivalents and financial assets of €27.3 million and loans and borrowings of €20.4 million, whose current portion amounts to €3.8 million. The group's net financial position amounts to €6.9 million at the reporting date. According to the 12-month cash budget prepared by the directors, the parent's and Group's financial resources at the reporting date should be adequate to cover the expected operating requirements, as well as the outlays necessary to complete the winding up procedure of Pininfarina Engineering S.r.l. in liquidation and to repay the current portion of loans and borrowings when they become due.

Based on the current situation, the directors believe that the parent's and Group's financial resources at the reporting date are adequate to cover cash outflows for the next twelve months.

In order to comply with the requirements of the Italian Civil Code governing share capital protection, the parent must monitor its equity at consolidation level closely. Indeed, the only financial covenant provided for by the existing debt restructuring agreement is a minimum level of €30 million (this is checked on 31 March every year and had been complied with at 31 March 2021). Considering the group's performance in the first few months of 2022, there are no reasons to believe that compliance with the financial covenant at the next assessment date of 31 March 2021 is at risk. The Mahindra Group has provided a surety that is enforceable if the parent fails to meet its obligations under the rescheduling agreement.

The recently-completed capital increase to strengthen the parent's financial position has already been discussed.

In order to tackle their performance issues and return to a profit-making position, considering the market performance of the last two years and currently foreseeable outlook, the parent and the Group adopted various measures in 2020 and 2021, including the winding up of the subsidiary Pininfarina Engineering S.r.l., given the market conditions and its no longer sustainable performance, implementation of a redundancy plan for Pininfarina Deutschland GmbH, involving 46 people (approximately 20% of its workforce), reduction of the number of direct and indirect staff working at Pininfarina S.p.A., in order to bring the professional skills and number of resources into line with the current market requirements and a plan to reduce operating expense and overheads, also by increasing resort to outsourcing in some cases. Moreover, the Group developed new commercial projects to better tailor its services to the continuous changes in market demand.

With respect to the winding up of Pininfarina Engineering S.r.l., in the previous year, the Group recognised a restructuring provision to fully cover the obligations reasonably expected at 31 December 2020 on the basis of the collective trade union agreements, the legal requirements, the individual agreements and, given the usual outcome of these procedures, the possible refusal to participate in the plan envisaged by the collective agreements by employees who oppose the agreement. The winding up procedure continued throughout 2021 and all the subsidiary's employment agreements were terminated in the first half of November 2021 substantially in line with the established redundancy plan and using less outflows of resources than those reasonably forecast when the provision was accrued. The procedure is currently nearing completion, the residual risks have been identified and, at the reporting date, the Group maintained a restructuring provision of €0.5 million expected to be used while releasing the excess accrual of €2.3 million.

At 30 September 2021, all the individual agreements with the redundant 46 workers at Pininfarina Deutschland GmbH envisaged in its restructuring plan had been signed. They cover the workers' termination benefits as provided for in the restructuring plan at 31 December 2020.

Operating profit margins improved considerably in 2021 compared to the previous year, confirming the soundness of the actions taken in this respect in the previous year. Business opportunities and prices offered were stable, in line with the trend envisaged by the directors for this year.

As described in the 2020 annual financial report, the market situation of that year, which reflected social difficulties that are well known throughout the world, was one of the most difficult in recent decades, particularly in the market sectors in which the Pininfarina Group operates. The demand for services continues to exist for design-related activities albeit much less so for pure engineering based on technical deliverables and the downwards pressure on prices seen in 2020 has eased.

In order to deal with this situation, the parent and the Group are rapidly redirecting their available resources towards those activities considered most likely to generate profits.

The directors also checked whether the previously-prepared financial projections, which are based on the positive effects of the restructuring and refocusing actions undertaken by the Group starting from 2020 and the use of operating cash flows in 2022, were still valid. The 2021 figures show considerable improvement in the operating performance even though sales volumes are in line with the previous year's lows. The Group recognised an operating profit of €4.1 million. Net of the releases of provisions and reversals of impairment losses recognised during the year, the Group would have recognised an operating loss of €0.4 million (nearly at break-even point), which, despite being still negative, would have been significantly better than the €21.5 million operating loss recognised in the previous year.

Although the Group's financial position, financial performance and cash flows improved considerably in 2021, its ability to continue as a going concern will still require significant efforts in terms of sales volumes, cost containment and costs to win future contracts.

According to the directors, given the issues described above, there continues to be significant uncertainty about the achievement of the production volumes and improved profitability goals, as they depend on a prolonged recovery of the markets in which the Group and the parent operate in the next few years, as well as on changes in the costs to win future contracts and procurement costs to maintain the conditions for them to continue to be profitable. This uncertainty may cast material doubts as to their ability to continue as going concerns.

Notwithstanding the above, the directors deem that all measures to limit operating cash outflows and all possible measures to contain costs and provide the Group with sufficient liquidity to support its operations have been successfully implemented. They have assessed existing and prospective projects based on commercial relationships with customers, as well as the Group's available financial resources. After having carried out all relevant checks and evaluated the above uncertainty, including based on the results for 2021, management reasonably expects that the parent and the Group have sufficient resources available to continue their operations for the foreseeable future, as provided for by the IFRS. Due to the above reasons, the directors deem it correct to prepare this annual financial report at 31 December 2021 on a going concern basis.

(a) Additions to the provisions for risks and charges and contingent liabilities and contingent assets

Provisions for risks and charges are liabilities whose due date and amount are uncertain. The directors measure them based on the estimated costs to be incurred to extinguish the obligation at the reporting date.

Contingent liabilities and assets are not recognised in the consolidated financial statements in accordance with paragraphs 27 and 31, respectively, of IAS 37 - Provisions, contingent liabilities and contingent assets.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is an unrecognised possible asset that arises from past events and whose existence 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.

Where necessary, the directors make their estimates with the assistance of their legal advisors and experts.

(c) Impairment testing

The scope of the impairment test is to check whether the group companies' non-current assets are impaired.

In order to perform the impairment tests, cash-generating units/activities are identified, along with estimates of their value in use, any impairment losses and the assets attributable to them.

The Group's reportable segments are:

- the design segment;
- the engineering segment.

The Group has adopted an impairment testing procedure pursuant to IAS 36, approved by the Board of Directors on 17 February 2020.

With regard to the design segment, the following CGUs/activities were identified to be tested for impairment:

  - other design activities: all other activities related to the design segment, currently carried out by Pininfarina S.p.A.;
  - Pininfarina Shanghai Co. Ltd;
  - Pininfarina of America Corp.;
  - the wind tunnel;
  - the building and other assets related to the Bairo Canavese production facility, currently idle;
  - the building and other assets related to the San Giorgio production facility, currently idle;
  - other minor buildings.

With regard to the engineering segment, the following CGUs/activities were identified:

  - engineering Italy, comprising Pininfarina Engineering in liquidation ("PF Eng");
  - engineering Germany, comprising all activities carried out by the German subsidiary Pininfarina Deutschland GmbH

The parent appointed an independent expert, Ms. Donatella Busso, to draw up a report on impairment testing pursuant to IAS 36 for the purposes of the preparation of its separate and consolidated financial statements.

The directors identified the following CGUs and adopted the following approach for consolidated financial statements purposes:

- the other design activities CGU was tested for impairment to assess whether to reverse the impairment losses recognised in previous years considering the profits recorded in 2021 and the projections for 2022 and subsequent years;
- the carrying amounts of the Bairo Canavese and San Giorgio Canavese CGUs (comprised of the related buildings) have been compared to the related fair values, based on updated appraisals;
- the other minor buildings CGU was fully impaired in the previous year and there was no need to test it for impairment to assess whether to reverse the impairment losses;
- no indicators of impairment have been identified for the other CGUs of the design segment.
- the engineering Italy CGU, relating to Pininfarina Engineering S.r.l. in liquidation, is being wound up and, therefore, will no longer generate future cash flows through continuing use. The parent had already adjusted the carrying amount of the related intangible assets and property, plant and equipment to their realisable value in the previous year. Accordingly, at the reporting date, there are no items of property, plant and equipment, intangible assets or right-of-use assets having a carrying amount different to their realisable value confirmed by the liquidator;

- the engineering Germany CGU recorded an operating loss for the year, but also showed important signs of recovery in the second half of the year thanks to the major restructuring process and cost cutting implemented since 2020. Despite its projections for 2022 and subsequent years indicating additional operating improvements, the parent has nonetheless decided to test it for impairment.

Cash flows are forecast by directors based on reasonable and supportable assumptions that represent their best estimate of the future economic conditions.

The discount rate used reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

(d) Fair value measurement and hierarchy for financial instruments

Pursuant to IFRS 7 – Financial instruments: Disclosures, the classification of financial instruments at fair value is based on the quality of the inputs used for measurement purposes. The IFRS 7 classification is based on the following fair value hierarchy:

- Level 1: fair value is determined based on prices quoted on an active market for identical assets or liabilities. This category includes financial assets classified as “held for trading”, which are mainly government bonds and high-rating bonds.
- Level 2: fair value is determined based on inputs that, while different from the quoted prices used in Level 1, can be observed either directly or indirectly. These consolidated financial statements do not present any financial instruments of this type.
- Level 3: fair value is determined based on valuation models, the inputs of which are not based on observable market data. These consolidated financial statements do not present any financial instruments of this type.

(e) Current and deferred taxes

Current taxes are calculated on the basis of a best estimate of the tax expense for the year, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are measured on the basis of the parent’s and Group’s expectations on how the carrying amount of their assets and liabilities will be recovered/extinguished, subject to the probability that they will earn future taxable profit. Deferred tax assets and liabilities are measured on the basis of tax rates that are expected to be applicable when the assets will be realised or the liabilities will be extinguished, therefore based on tax rates or changes to tax laws that have been enacted by the reporting date.

(f) Italian post-employment benefits

Following the supplementary pension reform, the portion of Italian post-employment benefits vested before 1 January 2007 is considered to be a defined benefit under IAS 19 - Employee benefits. Under defined benefit plans, the amount of the benefit due to the employee upon termination of employment depends on different factors, such as age, seniority and remuneration. Despite being prudently estimated and based on internal historical figures, these estimated parameters may be subject to change.

The directors estimated the post-employment benefit obligation assisted by an independent expert included in the Italian Actuary Register.

(g) Stock option plans

The Group’s stock option plan is reserved for the parent’s key management personnel and is aimed at incentivising their achievement of the parent’s objectives and enhancing their loyalty to the parent.

The options are measured using the Black-Scholes valuation approach.

The directors calculated the carrying amounts relating to the stock option plan with the assistance of an independent expert.

TYPES OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY

The financial instruments held by the Group include:

- cash and cash equivalents
- non-current loan liabilities;
- lease liabilities;
- trade receivables and payables and loans and receivables - related parties.
- other current financial assets and liabilities.

As required by IFRS 7, the table below lists the types of financial instruments included in the consolidated financial statements and shows the measurement criteria adopted:

	Nota	Financial instruments at fair value through:		Fair value hierarchy	Financial instruments not at fair value	31.12.2021	Fair value at 31.12.2021	31.12.2020	Fair value at 31.12.2020
		profit or loss	equity						
Assets:									
Equity investments in other companies (*)	6	-	-		252,017	**252,017**		252,017	
Loans and other financial assets (*)	7	-	-		550,000	**550,000**		550,000	
Trade receivables (*)	10	-	-		13,317,405	**13,317,405**		15,695,121	
Cash and cash equivalents (*)	12	-	-		29,357,710	**29,357,710**		28,529,171	
Liabilities:									
Lease liabilities (*)	4	-	-		3,340,557	**3,340,557**		6,060,721	
Other loans and borrowings - third parties	14	-	-		19,623,929	**19,623,929**	**21,504,450**	21,851,604	24,617,224
Other bank borrowings (*)	14				13,526	**13,526**		253,059	
Trade payables (*)	16	-	-		16,880,937	**16,880,937**		16,830,599	

(*) Information on the fair value of those financial instruments (i.e., equity investments in other companies, cash and cash equivalents, trade receivables, loans and other financial assets, trade payables, other bank loans and borrowings and lease liabilities) whose carrying amount reasonably approximates their fair value is not presented.

Pursuant to IFRS 7 – Financial instruments: Disclosures, the classification of financial instruments at fair value is based on the quality of the inputs used for measurement purposes. The IFRS 7 classification is based on the following fair value hierarchy:

- Level 1: fair value is determined based on prices quoted on an active market for identical assets or liabilities.
- Level 2: fair value is determined based on inputs that, while different from the quoted prices used in Level 1, can be observed either directly or indirectly. These consolidated financial statements do not present any financial instruments of this type.
- Level 3: fair value is determined based on valuation models, the inputs of which are not based on observable market data. These consolidated financial statements do not present any financial instruments of this type.

An independent valuation expert determined the financial liabilities' fair value as follows:

- they identified the interest and principal cash flows generated by the financial liabilities, based on the effective interest rate and the relevant repayment plan;
- they discounted the cash flows by applying the additional rate applicable to the company at the reporting date. That spread is held to objectively reflect the parent's credit rating and no subsequent significant differences should emerge considering its current financial position.

FINANCIAL RISK MANAGEMENT

Financial risk factors, as identified in IFRS 7 – Financial instruments: Disclosures, are described below:

- Market risk: the risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in market prices. Market risk includes currency risk, interest rate risk and price risk.
- Currency risk: the risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in exchange rates.
- Interest rate risk: the risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in interest rates.
- Price risk: the risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in market prices (other than changes covered by the interest rate and currency risks), irrespective as to whether such fluctuations are determined by factors specific to the financial instrument or its issuer or by factors that affect all similar market-traded financial instruments.
- Credit risk: the risk that one of the parties causes the other party to incur a financial loss by failing to fulfil an obligation.
- Liquidity risk: the risk that an entity may be unable to fulfil obligations associated with financial liabilities.

(a) Currency risk

The Group entered into most of its financial instruments in Euros, which is its functional and presentation currency. Although it operates in an international environment, its exposure to fluctuations in exchange rates is limited to the following currencies against the Euro: US dollar (USD), and Chinese renminbi (CNY).

(b) Interest rate risk

This risk is due to the Group's exposure to fluctuations in market interest rates, since the interest expense on its debt is indexed thereto.

The Restructuring Agreement signed by Pininfarina S.p.A. with the lending institutions, effective from 30 May 2016 to 31 December 2025, defined a fixed contractual interest rate of 0.25% per annum, based on a year of 360 days.

If the six-month Euribor exceeds 4% during an interest accruing period, the contractual interest rate will be increased by the difference between the actual six-month Euribor and 4%.

The Group does not currently deem it necessary to hedge the portion of its debt subject to interest rate risk given the current Euribor trend.

	31.12.2021	**%**	**31.12.2020**	**%**
- Fixed rate	**19,637,455**	**100.0%**	22,052,198	99.6%
- Variable rate	**-**	**0.0%**	93,597	0.4%
Gross financial debt with third parties	**19,637,455**	**100.0%**	**22,145,795**	**100.0%**

(c) Price risk

The Group mainly carries out design and engineering activities, therefore it is not significantly exposed to price risk on the commodities it purchases.

(d) Credit risk

The Group is exposed to credit risk, defined as the probability of an impairment loss on exposures with a commercial or financial counterparty. With reference to commercial transactions, the Group's most significant projects have a limited number of counterparties, most of which may be qualified as of a primary credit standing. At group level, credit risk is especially concentrated in Asia (Iran, India and China).

Counterparty risk in the case of countries in which the Group does not usually undertake commercial transactions is analysed and assessed at the offering phase in order to identify and mitigate any solvency risks.

Despite the global Covid-19 pandemic, since it mainly operates with counterparties of high credit standing, the Group's credit risk on existing trade receivables has not significantly increased. Only the Chinese subsidiary Pininfarina Shanghai has recognised a specific loss allowance of €193 thousand for one of its exposures.

The Group operates in markets that are or have been recently affected by geopolitical or financial tensions. Specifically, the following exposures are considered to bear geopolitical risk:

	Iran
(€'000)	
Assets	3,040
Contract liabilities	(1,468)
Net exposure	**1,572**

Reference should be made to the relevant note for a breakdown of trade receivables by geographical segment.

(e) Liquidity risk

This is the risk that the Group may be unable to fulfil the obligations associated with its financial liabilities.

The Group's liquidity management approach is to ensure that it always has sufficient funds to fulfil its obligations when they fall due, under both normal conditions and financial stress, without incurring borrowing costs at above-market interest rates. Generally, the Group ensures that there is sufficient cash to cover expected short-term operating expense, including those related to loans and borrowings. Potential effects resulting from unusual circumstances that cannot be reasonably foreseen, such as natural disasters, are excluded.

The objective of the Group's financial strategy is to adequately balance the maturity of its liabilities in order to reduce the risk of having to refinance its debt. The company has historically been able to meet its obligations regularly and was able to refinance its debt before maturity.

In brief, the Rescheduling Agreement signed on 14 December 2015 and effective as of 30 May 2016 entailed:

- settlement and extinguishment of 56.74% of the nominal amount of the parent's debt with the lending institutions that accepted this option, in addition to the interest accrued up to the effective date;
- the rescheduling of the nominal amount of the debt with the lending institutions that accepted this option, totalling €41.5 million, from 2016 to 2025;
- the application of a fixed interest rate of 0.25% per annum, based on a year of 360 days, increased by the difference between this rate and the six-month Euribor, should the latter exceed 4%.

Consequently, over the medium to long term, the liquidity risk is directly correlated to the achievement of the business plan targets.

The financial liabilities' carrying amount and the gross amount without discounting the contractual cash flows at the reporting date are set out in the following table:

	Carrying amount 31.12.2021	Contractual cash flows	Of which: due within one year	Of which: due from one to five years	Of which: due after five years
Term financing	**19,637,455**	23,594,533	3,591,615	20,002,918	-
Other loans and borrowings - third parties	**19,637,455**	23,594,533	3,591,615	20,002,918	-

At the reporting date, the Group's cash and cash equivalents amount to €29.4 million.

(f) Risk of default and debt covenants

This risk relates to the possibility that the new Rescheduling Agreement between Pininfarina S.p.A. and the lending institutions that came into force on 30 May 2016 may include acceleration clauses that would give rise to liquidity risk.

The Rescheduling Agreement requires that, as of the assessment date of 31 March of each year, the financial covenant shall be at least equal to the minimum consolidated equity, i.e., €30 million. The covenant will be checked until the expiry of the loan in 2025.

The Mahindra Group provided a first demand surety to the lending institutions that is enforceable if Pininfarina S.p.A. fails to meet its obligations.

At 31 March 2021, the above-mentioned financial covenant was met and, although irrelevant for contractual purposes, it is still complied with at the reporting date. Should the minimum equity threshold be exceeded at 31 March 2022, the agreement would not automatically be terminated, as it provides for specific remedies and the lending banks can also waive their right to take action.

(g) Business/market risk

The performance of the sectors/markets in which the parent and the Group operate has been recently adversely affected by the simultaneous existence of two overlapping problems:

- the continuation of the negative economic cycle of the global automotive industry;
- the Covid-19 pandemic.

As described in the 2020 annual financial report, the market situation of that year, which reflected social difficulties that are well known throughout the world, was one of the most difficult in recent decades, particularly in the market sectors in which the Pininfarina Group operates. However, business opportunities and prices offered were stable in 2021, in line with the trend envisaged by the directors for this year.

The demand for services continues to exist for design-related activities albeit much less so for pure engineering based on technical deliverables and the downwards pressure on prices seen in 2020 has eased.

In order to deal with this situation, the parent and the group are rapidly redirecting their available resources towards those activities considered most likely to generate profits, with a new strategic profile focused on the service lines which are considered to have greater potential in terms of profitability in the medium term.

SEGMENT REPORTING

Identification of reportable segments

The Group has identified two reportable segments, as described below, which are its core business segments.

Operating segments are identified in accordance with paragraphs 5 to 10 of IFRS 8 – Operating segments.

Design segment

In addition to the revenue from the automotive and non-automotive design activities of all kinds, this segment includes revenue from architecture services, royalties for the use of the Pininfarina trademark, revenue from aerodynamic and aeroacoustics services and the costs arising from the parent's property management.

The CGUs and assets comprised in the design segment are as follows:

- other design activities: all other activities related to the design segment, currently carried out by Pininfarina S.p.A.. Goodwill was allocated to this CGU;
- Pininfarina Shanghai Co. Ltd;
- Pininfarina of America Corp.;
- the wind tunnel;
- the building and other assets related to the Bairo Canavese production facility, which still has to be repurposed for production after the termination of a business lease on 31 December 2019;
- the building and other assets related to the San Giorgio production facility, currently idle;
- other minor buildings.

Engineering segment

This segment groups the automotive engineering services.

The Group has identified the German engineering CGU, comprising all activities carried out by the German subsidiary Pininfarina Deutschland GmbH.

The Group's business segments are not affected by seasonal factors.

In accordance with IFRS 8.4, the Group presents segment reporting in its consolidated financial statements only.

Financial income and expense and income taxes are not allocated to the reporting segments because management makes the relevant decisions on an aggregate segment basis. Intra-segment transactions are carried out at market conditions.

Segment reporting at 31 December 2021 and 2020 is set out below. Amounts are in thousands of Euros.

	2021			2020		
	Design	**Engineering**	**Total**	Design	Engineering	Total
	A	**B**	**A + B**	A	B	A + B
Revenue	**54,461**	**17,005**	**71,466**	47,074	29,705	76,779
(Intra-segment revenue)	**(4,111)**	**(541)**	**(4,652)**	(2,496)	(7,287)	(9,783)
Revenue - third parties	**50,350**	**16,464**	**66,814**	44,578	22,418	66,996
Operating profit (loss)	**2,576**	**1,494**	**4,070**	(10,750)	(10,798)	(21,548)
Net financial expense	**(1,524)**	**(144)**	**(1,667)**	(1,576)	(365)	(1,941)
Dividends			**-**			-
Share of profit of equity-accounted investees	**29**		**29**	13		13
Profit (loss) before taxes	**1,290**	**1,350**	**2,640**	(12,313)	(11,163)	(23,476)
Income taxes	**(193)**		**(193)**	(214)	(748)	(962)
Profit (loss) from continuing operations	**1,097**	**1,350**	**2,447**	(12,527)	(11,911)	(24,438)
Other information required by IFRS 8:						
- Amortisation and depreciation	**(2,243)**	**(857)**	**(3,100)**	(2,248)	(1,858)	(4,106)
- Impairment losses	**(480)**	**(43)**	**(523)**	(5,659)	(1,316)	(6,975)
- Reversals of impairment losses	**2,674**		**2,674**			
- Provisions/change in accounting estimates	**350**	**2,417**	**2,767**	(285)	(3,110)	(3,396)
- Net gains on the sale of non-current assets		**1**	**1**	22	926	948

The design and engineering segments are the operating segments whose operating results are regularly reviewed by the parent's chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

A breakdown of assets and liabilities by business segment is set out below:

	31 December 2021			31 December 2020		
	Design	**Engineering**	**Total**	Design	Engineering	Total
Assets	**108,312**	**27,297**	**135,609**	110,187	32,225	142,412
Elimination of intragroup assets	**(21,877)**	**(17,316)**	**(39,193)**	(21,471)	(17,747)	(39,218)
Liabilities	**53,287**	**6,466**	**59,753**	62,363	18,544	80,907
Elimination of intragroup liabilities	**(666)**	**(2,859)**	**(3,524)**	(9,496)	(2,453)	(11,949)
Of which: other information required by IFRS 8:						
- Equity-accounted investments	**644**	**-**	**644**	615	-	615
- Intangible assets	**6,169**	**117**	**6,287**	5,450	141	5,590
- Property, plant and equipment and investment property	**33,525**	**415**	**33,941**	32,428	523	32,952
- Assets held for sale	**-**	**-**	**-**	-	5,156	5,156
- Employees	**319**	**167**	**486**	297	342	639

Revenue is broken down by geographical segment below:

	2021	2020
Italy	**7,596**	8,811
EU	**23,036**	31,856
Non-EU countries	**34,932**	25,153
Change in contract assets	**696**	(334)
Revenue from sales and services	**66,260**	65,486

NOTES TO THE CAPTIONS

1. Property, plant and equipment

The carrying amount of property, plant and equipment at 31 December 2021 decreased to €33.9 million from €33 million at 31 December 2020.

The other design activities CGU, which comprises the parent's net invested capital excluding the assets relating to Bairo Canavese and San Giorgio Canavese, the wind tunnel, the other minor buildings and equity investments, were tested for impairment and impaired in 2019 and 2020.

At the reporting date, the directors checked whether there were indications that an impairment loss recognised on an asset other than goodwill in previous years might no longer exist or be reduced.

In doing so, the directors considered both internal and external information, as specified later on.

The CGU's 2021 performance was better than expected and the 2022-2024 plan approved by the Board of Directors on 18 January 2022 forecasts another improvement.

The CGU's 2021 actual financial performance was positive and considerably better than budgeted in the 2021-2023 plan prepared for the previous impairment test. The key drivers of this improvement were the new post-restructuring cost positioning, the streamlining of internal resources aimed at eliminating inefficiencies and better than expected market conditions.

The directors' projections for the terminal year underpinning the impairment tests are, as a whole, better than those of previous years. These projections are backed by a larger backlog of signed and potential contracts than that available to management a year ago, when preparing the 2021 budget.

The assumptions underlying the 2022-2024 plan are the following:

- development of new commercial projects to better enhance the potential of the group services to meet the continuous changes in market demand;
- an increase in the sales volumes of the more profitable service lines (different mix);
- leveraging competitively priced outsourcing of part of the engineering activities supporting design, in order to further reduce costs and consequently increase profit margins.

The value in use of the CGU in question was determined using the unlevered discounted cash flow method by determining the post-tax cash flow based on the 2022-2024 projections approved by the Board of Directors on 28 February 2022, discounted using a WACC rate of 6.99%. On a prudent basis, the growth rate used to calculate the terminal value was maintained at zero and the average for the last two years of the plan was used to determine the terminal cash flows.

Cash flows were forecast by directors, based on reasonable and supportable assumptions that represent their best estimate of the future economic conditions. The discount rate used reflects current market assessments, the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

The recoverable amount of the other design activities CGU's net invested assets tested for impairment at 31 December 2021 was considerably higher than their carrying amount.

The CGU's main assets are the Cambiano land and buildings. As a result of the previous impairment tests, which were based on appraisals prepared by an independent expert, those land and buildings, comprising the related plant, had not been impaired. A recent appraisal dated December 2021 confirmed that the total fair value of the Cambiano assets is higher than the related carrying amounts.

In accordance with IAS 36 and in light of the above, the parent reversed the impairment losses recognised on property, plant and equipment and intangible assets in the previous two years and specifically:

- property, plant and equipment other than the Cambiano building (reversal of €2.337 million);
- intangible assets excluding goodwill (reversal of €0.336 million);

The engineering Italy CGU, relating to Pininfarina Engineering S.r.l. in liquidation, is being wound up. Accordingly, the parent had already adjusted its non-current assets to reflect their realisable value in 2020.

The engineering Germany CGU was tested for impairment, without identifying any impairment losses on its consolidated net assets, also considering their modest contribution to the consolidated figures.

Changes in property, plant and equipment and an analysis of the items making up the captions are set out below.

	Land	Buildings	Total
Historical cost	12,001,743	65,002,802	77,004,545
Accumulated depreciation and impairment losses	(6,635,807)	(42,476,372)	(49,112,179)
Carrying amount at 31 December 2020	**5,365,936**	**22,526,430**	**27,892,366**
Additions	-	-	-
Depreciation	-	(1,053,884)	(1,053,884)
Impairment losses	-	-	-
Carrying amount at 31 December 2021	**5,365,936**	**21,472,546**	**26,838,482**
Of which:			
Historical cost	12,001,743	65,003,132	77,004,875
Accumulated depreciation and impairment losses	(6,635,807)	(43,530,586)	(50,166,393)

Land and buildings include the carrying amounts of real estate complexes, comprising the production facilities located in Via Castellamonte 6, Bairo Canavese (TO) and Strada provinciale per Caluso, San Giorgio Canavese (TO), the design and engineering site in Via Nazionale 30, Cambiano (TO) and a property in Beinasco (TO).

The Bairo Canavese production facility has not been used since 31 December 2019, when its lease ended, and has a carrying amount of €11.7 million, including land and building of €10.8 million and plant and other items of €0.9 million. The Group compared its carrying amount to its fair value calculated considering the facility's appraised value. The carrying amount of the facility was found to be in line with the appraisal prepared in December 2021.

The San Giorgio Canavese production facility has not been used since the end of 2015.

The Group compared its carrying amount of €4 million to its fair value calculated considering the facility's appraised value. The carrying amount of the facility was found to be in line with the appraisal prepared in December 2021 and, therefore, the company did not recognise an impairment loss.

All land and buildings located in Italy are owned by Pininfarina S.p.A..

	Machinery	Plant	Total
Historical cost	7,081,027	86,417,512	93,498,539
Accumulated depreciation and impairment losses	(7,004,355)	(82,310,472)	(89,314,827)
Carrying amount at 31 December 2020	**76,672**	**4,107,040**	**4,183,712**
Additions	-	254,162	254,162
Depreciation	(10,108)	(675,187)	(685,295)
Reversals of impairment losses	1,283,604	-	1,283,604
Carrying amount at 31 December 2021	**1,350,169**	**3,684,365**	**5,034,534**
Of which:			
Historical cost	7,081,028	86,669,724	93,750,752
Accumulated depreciation and impairment losses	(5,730,859)	(82,985,359)	(88,716,218)

Plant and machinery at 31 December 2021 include plant and machinery based at the Cambiano facility and plant located at the Bairo Canavese facility, which comprises electricity and heating systems.

The parent reversed impairment losses on machinery following a comparison between the recoverable amount of the "Other design activities" CGU and its carrying amount, as discussed at the beginning of these notes.

	Furniture and fixtures	Hardware and software	Other assets	Total
Historical cost	4,029,436	7,168,360	1,280,152	12,477,948
Accumulated depreciation and impairment losses	(3,479,722)	(7,022,344)	(1,185,290)	(11,687,356)
Carrying amount at 31 December 2020	**549,714**	**146,016**	**94,862**	**790,592**
Additions	46,873	408,806	18,299	473,978
Disposals: Historical cost	(54,596)	(479)	(16,785)	(71,860)
Disposals: Acc. depreciation and imp. losses	14,037	479	16,785	31,301
Depreciation	(106,290)	(92,098)	(63,069)	(261,457)
Reversals of impairment losses	188,429	497,690	367,818	1,053,937
Reclassifications	9,513	54,445	12,704	76,662
Other changes	(7,400)	(44,015)	(6,634)	(58,049)
Carrying amount at 31 December 2021	**640,280**	**970,844**	**423,980**	**2,035,104**
Of which:				
Historical cost	4,031,226	7,631,132	1,294,370	12,956,728
Accumulated depreciation and impairment losses	(3,390,946)	(6,660,288)	(870,390)	(10,921,624)

Additions to hardware and software for the year relate to the purchase of IT equipment for technological upgrading, mainly attributable to the parent.

The parent reversed impairment losses on the three categories following a comparison between the recoverable amount of the "Other design activities" CGU and its carrying amount, as discussed in the "Assessments that affect the consolidated financial statements" section.

2. Non-current assets held for sale

At the previous year end, non-current assets held for sale related to Pininfarina Deutschland Holding GmbH's building in Renningen (Germany), which was sold for a consideration equal to its carrying amount during the first quarter of 2021.

3. Intangible assets

The carrying amount of intangible assets at 31 December 2021 increased slightly to €6.3 million.

	Licences	Other	Total
Historical cost	7,392,521	8,191,269	16,627,285
Accumulated amortisation and impairment losses	(7,392,521)	(2,601,093)	(11,037,109)
Carrying amount at 31 December 2020	**-**	**5,590,176**	**5,590,176**
Additions	440,603	31,435	472,038
Amortisation	(56,872)	(54,649)	(111,521)
Reversals of impairment losses	326,461	9,544	336,005
Reclassifications	-	-	-
Carrying amount at 31 December 2021	**710,192**	**5,576,506**	**6,286,698**
Of which:			
Historical cost	7,833,124	8,222,704	17,099,323
Accumulated amortisation and impairment losses	(7,122,932)	(2,646,198)	(10,812,625)

The parent reversed impairment losses following a comparison between the recoverable amount of the "Other design activities" CGU and its carrying amount, as discussed in note 1.

"Other" includes the capitalisation of an advisory services agreement that the parent signed in connection with a long-term engineering contract.

The asset was recognised in 2018 at an amount equal to the liability with the supplier (see note 16) discounted on the basis of the payment plan agreed with it. Since the engineering contract has been suspended, the related asset's amortisation and contractual payments have also been suspended, pending developments in the end customer's situation.

4. Right-of-use assets and lease liabilities

This caption is required by IFRS 16 and shows the right to use the leased assets as per the leases signed by the group companies, mainly buildings housing their offices.

(a) Right-of-use assets

	2021			2020		
	Cars and other assets	**Land and buildings**	**Total**	**Cars and other assets**	**Land and buildings**	**Total**
Opening balance	**108,937**	**3,448,403**	**3,557,340**	482,522	5,302,493	5,785,015
Increase	**208,806**	**110,127**	**318,933**	328,707	402,549	731,256
Depreciation	**(98,017)**	**(832,601)**	**(930,618)**	(328,699)	(1,093,486)	(1,422,185)
Impairment losses	**-**	**-**	**-**	(206,247)	-	(206,247)
Derecognition of Pininfarina Engineering S.r.l. in liquidation	**-**	**-**	**-**	(136,547)	(1,159,035)	(1,295,582)
Reclassifications	**357**	**26,477**	**26,834**	(30,799)	(4,118)	(34,917)
Closing balance	**220,083**	**2,752,406**	**2,972,489**	108,937	3,448,403	3,557,340

(b) Amounts recognised in profit or loss

	2021	**2020**
Depreciation of right-of-use assets	**(930,618)**	(1,422,185)
Interest expense on lease liabilities	**(173,157)**	(285,271)
Impairment losses	**-**	(1,501,829)
Lease expenses for short-term leases or leases of low-value assets	**(86,916)**	(99,808)
Total	**(1,190,691)**	(3,309,093)

(c) Amounts recognised in the statement of cash flows

	2021	**2020**
Total cash outflows for leases	**1,607,785**	1,472,636

(d) Lease liabilities

Lease liabilities are broken down by due date in the following table:

	Carrying amount 31.12.2021	**Contractual cash flows**	**Of which: due within one year**	**Of which: due from one to five**	**Of which: due after five years**
Lease liabilities	3,340,557	3,686,888	1,387,859	2,299,029	-

5. Investments in associates

Investments in associates are as follows:

	31.12.2021	**31.12.2020**
Goodmind S.r.l.	134,728	126,705
Signature S.r.l.	509,555	488,440
Investments in associates	**644,283**	**615,145**

Goodmind S.r.l. provides communication services to companies and organisations. The parent's share of the associate's profit for the year is €8,023.

Signature S.r.l., incorporated in February 2018, mainly operates in the stationery sector. The parent has a 24% interest therein.

6. Equity investments in other companies

Equity investments in other companies did not change from the previous year end and are as follows:

	31.12.2021
Midi Plc	**251,072**
Idroenergia Soc. Cons. a.r.l.	**516**
Volksbank Region Leonberg	**300**
Unionfidi S.c.r.l.p.A. Turin	**129**
Equity investments in other companies	**252,017**

7. Loans and receivables

This caption relates to the non-interest bearing loan disbursed by the parent to the associate Signature S.r.l. to support its start-up phase.

8. Inventories

Raw materials mainly consist of various materials used for the production of cars and prototypes at the Cambiano facility. Finished goods comprise Pininfarina-branded products and car spare parts manufactured by the Group, which are sold to carmakers.

The tables below show a breakdown of inventories and the allowance for inventory write-down:

	31.12.2021	31.12.2020
Raw materials	**489,623**	590,275
Allowance for inventory write-down	**(294,145)**	(302,040)
Finished goods	**-**	121
Finished goods at stores	**134,122**	159,919
Inventories	**329,600**	448,275

	2021	**2020**
Opening balance	**302,040**	331,075
Additions	**25,004**	-
Utilisations	**(32,899)**	(29,035)
Closing balance	**294,145**	302,040

The allowance for raw material write-down reflects the risk of obsolete and slow-moving items.

9. Contract assets and liabilities

Contract assets show the balance of gross contract work in progress less progress payments and advances.

The change for the year is due to the progress of certain design and engineering contracts from customers inside and outside the European Union.

Contract liabilities represent the Group’s obligation to transfer goods or services to a customer for which it has received consideration (or an amount of consideration is due) from that customer.

Reference should be made to note 19. Revenue for a breakdown of contract assets and liabilities and related changes.

10. Trade receivables - third and related parties

The following table shows trade receivables at 31 December 2021 and 2020:

	31.12.2021	31.12.2020
Italy	**1,733,931**	2,556,317
EU	**2,836,469**	2,469,335
Non-EU countries	**8,870,590**	9,313,475
(Loss allowance)	**(714,385)**	(798,015)
Third parties	**12,726,605**	13,541,112
Signature S.r.l.	**81,923**	100,650
Mahindra&Mahindra Group	**155,436**	809,034
Tech Mahindra Group	**121,109**	117,225
Automobili Pininfarina GmbH	**232,962**	1,127,100
Related parties	**590,800**	2,154,009
Trade receivables	**13,317,405**	15,695,121

The Group's main counterparties are top carmakers with a high credit rating. Since the receivables are not covered by insurance policies, the Group's maximum exposure to credit risk is equal to the carrying amount of the receivables less the loss allowance. The Group did not factor any receivables. Trade receivables are mostly denominated in Euros.

The decrease in trade receivables from third parties is due to a different type of invoicing plan being used compared to the previous year.

The decrease in the loss allowance is due to the reduction in the impairment losses prudently recognised by Pininfarina Shanghai on the receivable due from an Asian customer.

Changes in the loss allowance are set out below:

	2021
Opening balance	**798,015**
Additions	**260,408**
Utilisations	**(397,696)**
Other changes	**53,658**
Closing balance	**714,385**

The following table provides information about the exposure to credit risk and expected credit losses (ECLs) for trade receivables and contract assets from individual customers as at 31 December 2021.

	Net exposure	**Loss allowance**
Contract assets	5,433,708	-
Current (not past due)	5,926,589	1,254
1–30 days past due	1,409,359	504
31–60 days past due	568,332	157
61–90 days past due	766,070	76
91–120 days past due	111,142	79
More than 120 days past due	**1,882,725**	**712,315**

With respect to exposures not individually impaired, the Group defined a provisioning matrix based on its historical credit loss figures, adjusted by the counterparties' different credit ratings and business environments.

The net exposure column shows the trade receivables net of any advances and progress payments.

11. Other assets

The following table shows other assets at 31 December 2021 and 2020:

	31.12.2021	31.12.2020
VAT	**1,919,979**	3,140,621
IRES (corporate income tax) and withholding taxes	**342,622**	349,322
IRAP (regional tax on production activities) paid on account	**25,214**	553,727
Prepayments and accrued income	**465,645**	519,119
Advances to suppliers	**98,776**	84,462
Amounts due from INAIL (the Italian Workers' Compensation Authority) and INPS (the Italian social security institution)	**1,627**	11,839
Amounts due from employees	**90,855**	221,415
Other	**368,355**	375,832
Third parties	**3,313,073**	5,256,337
Related parties	**-**	-
Other assets	**3,313,073**	5,256,337

The decrease in the VAT asset, mainly attributable to the parent, is due to the reimbursement of €2.3 million relating to 2020 received in September 2021 and the offsetting of the residual 2020 asset and the assets arising in the first and third quarters of 2021 against social security contributions of €1.5 million, net of the increase for 2021.

The parent fully impaired (€546 thousand) foreign withholdings, which are recoverable only through future taxable profits from operations carried out in their country of origin, given the uncertain actual possibility of using them before they become time-barred. This does not alter the parent's right to use them should the conditions for their use arise in the future, since their time limit is 2028. The foreign withholding taxes that are unrecognised but which can still be used amount to €4.9 million.

12. Cash and cash equivalents

The table below shows a breakdown of this caption and a comparison with the previous year-end corresponding figures:

	31.12.2021	31.12.2020
Cash in hand and cash equivalents	**7,419**	8,821
Short-term bank deposits	**29,350,293**	28,520,350
Cash and cash equivalents	**29,357,712**	28,529,171
(Bank overdrafts)	**-**	(41,132)
Net cash and cash equivalents	**29,357,712**	28,488,039

Reference should be made to the statement of cash flows for details of the cash flows for the year.

13. Equity

(a) Share capital

	31.12.2021		31.12.2020	
	amount	**No.**	amount	No.
Ordinary shares	**56,481,932**	**78,673,836**	54,287,128	54,287,128
(Treasury shares)	**(15,958)**	**(15,958)**	(15,958)	(15,958)
Share capital	**56,465,974**	**78,567,878**	54,271,170	54,271,170

The parent's share capital is comprised of 78,657,878 ordinary shares, without a nominal amount. There are no other classes of shares.

Treasury shares are held in accordance with the limits imposed by article 2357 of the Italian Civil Code.

Detailed information about the parent's shareholders is provided in the "General information" section of these notes.

On 25 June 2021, the offering in option of 27,135,585 new ordinary shares as part of the capital increase against payment and in instalments ended. The parent's board of directors had approved this capital increase on 24 May 2021 as part of the powers given to it by the shareholders on 16 March 2021 as per article 2443 of the Italian Civil Code.

The main steps of the capital increase are summarised below:

On 24 May 2021, the parent's board of directors resolved as follows:

- the capital increase maximum amount as €26,050,161.60 and the maximum number of shares to be issued as 27,135,585 without a nominal amount at a unit issue price of €0.96, including €0.87 as the premium; it also established the subscription ratio of one new share for each two shares held;
- that the rights were to be exercised during the offering period from 31 May to 21 June 2021 (inclusive) and were to be traded on the stock exchange during the period from 31 May to 21 June 2021 (inclusive). Any unopted shares were to be offered to the market during at least five business days within the month after the offering period ended pursuant to article 2441.3 of the Italian Civil Code.

On 26 May 2021, Consob approved the publication of the registration document, the information document on the financial instruments and the summary document. The offering period opened on 31 May. After completion of the auction for any unexercised rights held on 23 and 24 June, the parent announced the completion of the capital increase on 25 June 2021 with the subscription of 89.87% of the new shares offered for a total amount (including the premium) of €23,411,239.68. The parent's majority shareholder, PF Holdings B.V., subscribed shares for €19,844,239 and its post-capital increase investment is 78.82% of the 78,673,836 shares making up the new share capital.

On 5 July 2021, after filing the capital increase certification with the Turin company registrar, the parent's share capital increased by €2,194,804 due to the reclassification from other reserves of the payment for the capital increase.

(b) Share premium reserve

On 5 July 2021, after filing the capital increase certification with the Turin company registrar, this reserve increased by €21,216,436 due to the reclassification from other reserves of the share premium related to the capital increase net of the transaction costs (€364,618).

(c) Reserve for treasury shares

This reserve of €175,697, unchanged from the previous year end, is recognised in accordance with the provisions of article 2357 of the Italian Civil Code.

(d) Legal reserve

The legal reserve of €10,854,234, which pursuant to the provisions of article 2430 of the Italian Civil Code is available to cover any losses, is unchanged from the previous year end.

(e) Stock option reserve

Pursuant to article 114-bis of the Consolidated Finance Act, on 21 November 2016, the shareholders approved a stock option plan that provides for the free assignment of options for the subscription of ordinary shares to the parent's employees. The ratio is one share for each option. The plan aims at incentivising attainment of the parent's objectives and retaining employees. It provides that the maximum number of shares to be assigned to the beneficiaries is 2,225,925 and that the options' exercise price is €1.10 for each share. The plan term is seven years (2016-2023).

This reserve is unchanged from the previous year end.

The options are measured using the Black-Scholes valuation approach and the following assumptions:

1. Volatility: 80% (three-year average)
2. Risk-free rate: -0.41% (the average of the three instalments considered)
3. Dividends: no dividends are expected during the plan term
4. Average share price: €1.10
5. Vesting conditions: permanence of the employment agreement
6. Settlement method: equity instruments
7. Cost for the year: the plan costs were fully recognised from 2016 to 2019
8. Carrying amount at the reporting date: €2,216,799.

(f) Translation reserve

The translation reserve reflects the cumulative differences from the translation of financial statements of companies with functional currencies other than the Euro, which is the Group's presentation currency. These companies are Pininfarina Shanghai Co Ltd. and Pininfarina of America Corp..

(g) Other reserves

Other reserves decreased by €19,844,240 on the previous year end due to the reclassification of the amount injected for future capital increases in 2020 to share capital and to the share premium reserve.

(h) Losses carried forward

Losses carried forward totalled €63,141,702 at the reporting date, up by €24,445,89 from the 31 December 2020 figure. The increase is due to:

- the allocation of the loss for 2020 of €24,437,689;
- the negative effect for the year of the adoption of IAS 19 (revised), quantified at €8,203.

The table reconciling the parent's profit and equity as at and for the year ended 31 December 2021 with the Group's relevant figures is provided in the directors' report, to which reference is made.

14. Loans and borrowings

(a) Rescheduling Agreement

The new Rescheduling Agreement (the "Agreement") between Pininfarina S.p.A. and its lending institutions became effective on 30 May 2016. Its effects are summarised below:

- settlement and extinguishment of 56.74% of the nominal amount of the parent's debt with the lending institutions that accepted this option, in addition to the interest accrued up to the effective date;
- the rescheduling of the nominal amount of the debt with the lending institutions that accepted this option, totalling €41.5 million, to 2025;
- the application of a fixed interest rate of 0.25% per annum, based on a year of 360 days, increased by the difference between this rate and the six-month Euribor, should the latter exceed 4%.

(b) Fair value of restructured debt

On 30 May 2015, the fair value of the restructured debt was determined by discounting the cash flows as per the Rescheduling Agreement to their present value using a 6.5% rate, determined with the assistance of a third-party financial advisor, as the sum of 1) the return on risk-free investments and 2) a credit spread attributed to Pininfarina S.p.A..

The table below summarises the changes in loans and borrowings:

	31.12.2020	Unrealised interest	Repayment / Derecognition of liabilities	Current/ non-current reclassification	31.12.2021
Other loans and borrowings	18,474,109	1,350,414	(200,594)	(3,578,089)	16,045,840
Non-current portion	**18,474,109**	**1,350,414**	**(200,594)**	**(3,578,089)**	**16,045,840**
Bank overdrafts	41,132	-	(41,132)	-	-
Other loans and borrowings	3,630,554	-	(3,617,028)	3,578,089	3,591,615
Current portion	**3,671,686**	**-**	**(3,658,160)**	**3,578,089**	**3,591,615**
Current and non-current portions	**22,145,795**	**1,350,414**	**(3,858,754)**	**-**	**19,637,455**

The non-current portion of the"Repayment/derecognition of liabilities" column shows the extinguishment of the loan of €200,594 (USD246,149) taken out by Pininfarina of America from Centennial Bank as part of the measures introduced by the Small Business Administration to tackle the effect of the Covid-19 pandemic. The loan bore interest at a fixed rate of 1%. On 23 April 2021, the Small Business Administration waived its right to repayment of the entire loan.

The caption "Gain on the extinguishment of financial liabilities" in the statement of profit or loss refers to this waiver.

The decrease in bank overdrafts is due to the termination of its credit facilities by Pininfarina Deutschland GmbH.

Other loans and borrowings include the amounts due to the parent's lending institutions, parties to the Agreement, pursuant to the relevant loan and financing agreements.

A breakdown of the contractual cash flows by maturity is provided in paragraph (e) of the "Financial risk management" section.

A breakdown of changes by lender is set out below:

	31.12.2020	Unrealised interest	Repayment / Settlements	31.12.2021
Intesa Sanpaolo S.p.A.	14,145,408	874,177	(2,316,237)	12,703,348
Banca Nazionale del Lavoro S.p.A.	832,645	51,457	(136,341)	747,761
Ubi Banca S.p.A. (formerly Banca Regionale Europea S.p.A.)	3,325,011	205,483	(544,456)	2,986,038
Selmabipiemme Leasing S.p.A.	3,548,540	219,297	(581,055)	3,186,782
Volksbank Region Leonberg (Germany)	52,465	-	(38,939)	13,526
Centennial Bank	200,594	-	(200,594)	-
Other loans and borrowings	**22,104,663**	**1,350,414**	**(3,817,622)**	**19,637,455**

Pininfarina Deutschland Holding GmbH has a €19,126 loan with Volksbank Region Leonberg (Germany).

The Group's loans and borrowings are not subject to currency risk.

Reference should be made to the table presented at the end of these notes for more details on the net financial position (ESMA).

15. Post-employment benefits

Post-employment benefits show the present value of the obligation to employees under article 2120 of the Italian Civil Code. Following the changes made to Italian laws some years ago, benefits vested before 1 January 2007 are classified as defined benefit plans pursuant to IAS 19 - Employee benefits, while those accrued thereafter are classified as defined contribution plans.

Changes for the year are provided below:

	2021	2020
Opening post-employment benefits	**3,239,401**	4,243,045
Interest cost recognised in profit or loss	**(895)**	13,531
Actuarial losses recognised in other comprehensive income	**8,203**	159,754
Payments	**(512,719)**	(739,922)
Transfer due to termination of Bairo plant's business lease	**-**	830,629
Other changes	**-**	(139,698)
Reclassification	**-**	(1,127,938)
Closing post-employment benefits	**2,733,990**	3,239,401

Other changes show the prior year effect of the non-application of IAS 19-R recognised by Pininfarina Engineering S.r.l. in liquidation when it commenced its winding up procedure.

The prior year reclassification relates to the post-employment benefits of Pininfarina Engineering S.r.l. in liquidation that were reclassified to other financial liabilities.

The main assumptions underlying the actuarial calculation of the liability in the current and previous years are set out below:

	2021	2020
Annual inflation rate	**1.5%**	0.7%
Benefit discount rate	**-0.31%**	-0.03%

16. Trade payables, other financial liabilities and other liabilities

(a) Trade payables

	31.12.2021	31.12.2020
Third parties	**16,363,653**	14,845,034
Related parties	**261,709**	560,460
Other liabilities - third parties	**255,575**	1,425,105
Trade payables	**16,880,937**	16,830,599

Trade payables to third parties include roughly €5.8 million arising from an advisory services agreement that the parent signed in connection with a long-term contract.

The amount due under the agreement is recognised at the discounted value of the payment plan originally agreed with the service provider.

Since the engineering contract to which the obligation refers has been suspended, the related liability has also been suspended, pending a development in the end customer's situation.

The reporting-date balance comprises amounts that will be paid within twelve months of the reporting date, except for the trade payable described above, which will be settled over the term of the contract to which it relates.

(b) Other financial liabilities

	31.12.2021	31.12.2020
Wages and salaries payable	**3,129,331**	6,234,200
Social security charges payable	**980,289**	961,593
Other	**1,262,462**	1,568,955
Other financial liabilities	**5,372,082**	8,764,748

17. Provisions for risks and charges, contingent liabilities and litigation

(a) Provisions for risks and charges

Changes in provisions for risks and charges are set out below, with a comment on the main changes:

	31.12.2020	**Additions**	**Utilisations**	**Releases**	**31.12.2021**
Provision for product warranties	53,236	-	-	-	53,236
Restructuring provision	6,495,647	-	(2,859,164)	(2,767,001)	869,482
Other provisions	238,575	250,947	(220,234)	(2,785)	266,503
Provisions for risks and charges	**6,787,458**	**250,947**	**(3,079,398)**	**(2,769,786)**	**1,189,221**

The provision for product warranties, unchanged from the previous reporting date, represents the best estimate of the Group's contractual and legal obligations with regard to costs related to warranties provided on certain components of the vehicles it manufactured for a specific period, starting from the sale of the vehicles to end customers. The above-mentioned estimate was determined based on the Group's experience, specific contractual terms and product specifications and defect data generated by the statistical survey systems of the Group's customers.

The restructuring provision, which was accounted for in 2020, reflects the best estimate of the liabilities for restructuring relating to the parent (31 December 2021: €386,500) and the winding up of Pininfarina Engineering S.r.l. in liquidation (31 December 2021: €482,982). Specifically, the latter has been recognised to fully cover the obligations reasonably expected to date on the basis of the collective trade union agreements, the legal requirements, the individual agreements and, given the usual outcome of these procedures, the possible refusal to participate in the plan envisaged by the collective agreements by employees who oppose the agreement. The winding up procedure continued throughout 2021 and all the subsidiary's employment agreements were terminated in October. Therefore, the Group measured the residual liability until the end of the winding up procedure and released the excess portion of €2.3 million. The "Releases" column also include the €350 thousand and €117 thousand releases of the restructuring provision relating to the parent and Pininfarina Deutschland GmbH, respectively. Utilisations for the year relate to Pininfarina Deutschland GmbH (€881,271), Pininfarina Engineering S.r.l. in liquidation (€1,914,393) and the parent (€63,500).

Other provisions are made up as follows:

	31.12.2020	**Additions**	**Utilisations**	**Releases**	**31.12.2021**
Provision for litigation with former employees	2,785	-	-	(2,785)	-
Provision for losses to complete contracts	235,790	250,947	(220,234)	-	266,503
Other provisions	**238,575**	**113,825**	**(871,809)**	**(2,402,143)**	**238,575**

The provision for losses to complete contracts shows the effects of the measurement of losses to complete long-term contracts.

(b) Contingent liabilities and litigation

The parent has a pending dispute with the French company GreenGT (GGT) before the commercial court of Paris, whereby GGT claimed damages alleging the company's failure to perform a contract, leading to the consequent loss of business opportunities and reputation damage. On 9 November 2021, the court handed down its first-level decision dismissing the claim for failure to perform the contract and the alleged reputation damage, but held Pininfarina S.p.A. liable for the loss of investment and profit incurred by GGT for an amount of €2,532,800.

Confident that it will prove its point in the subsequent proceedings, the parent promptly filed an appeal and did not consider it necessary to make a specific provision.

There are no further contingent liabilities or litigation to report.

18. Current and deferred taxes

(a) Deferred taxes

The table below provides a breakdown of deferred tax assets and liabilities:

	31.12.2021	31.12.2020
Deferred tax assets	**18,593**	17,161
(Deferred tax liabilities)	**-**	-
Net deferred tax assets	**18,593**	17,161

The net deferred tax assets relate to Pininfarina of America.

(b) Current taxes

Income taxes recognised in profit or loss are detailed below:

	2021	2020
Income taxes	**(193,110)**	5,049
Addition to prior year provision	**-**	(146,501)
Current taxes	**(193,110)**	(141,452)
Change in deferred tax assets	**-**	(820,326)
Deferred taxes	**-**	**(820,326)**
Income taxes	**(193,110)**	(961,778)

19. Revenue from sales and services

a) Revenue streams

The company's revenue mainly relates to the provision of design and engineering services and sales of spare parts and prototypes.

	2021	2020
Sales - Italy	**555,610**	1,065,663
Sales - EU	**377,062**	1,898,188
Sales - Non-EU countries	**4,233,524**	1,069,344
Services - Italy	**5,915,245**	6,862,513
Services - EU	**22,502,117**	29,830,307
Services - Non-EU countries	**29,811,963**	23,475,028
Royalties - Italy	**1,125,226**	919,670
Royalties - EU	**156,536**	134,213
Royalties - Non-EU countries	**886,062**	564,513
Change in contract assets	**696,033**	(333,791)
Revenue from sales and services	**66,259,378**	65,485,648

Other sources of revenue include the following:

	2021	2020
Lease income	**107,771**	637,750
Grants for research and training	**8,803**	47,254
Prior year income	**47,330**	512,703
Insurance compensation	**100,298**	3,536
Sundry	**181,613**	122,463
Rebilling	**134,519**	176,256
Other revenue and income	**580,334**	1,499,962

Lease income refers to the building previously owned by Pininfarina Deutschland Holding GmbH and sold in February 2021.

Prior year income refers to prior year income and estimation differences, other than errors, resulting from the normal updating of estimates made in previous years.

b) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major product and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments:

	Design	**Engineering**	**Total**
Geographical market			
Italy	7,491,375	104,706	7,596,081
EU	8,093,893	16,359,069	24,452,962
Non-EU countries	34,764,751	-	34,764,751
Total	**50,350,019**	**16,463,775**	**66,813,794**
Major product/service lines			
Design services	47,975,444	-	47,975,444
Engineering services	-	16,116,110	16,116,110
Royalties	2,167,824	-	2,167,824
Lease income	-	107,771	107,771
Other	206,751	239,894	446,645
Total	**50,350,019**	**16,463,775**	**66,813,794**
Timing of revenue recognition			
Products transferred at a point in time	4,173,831	239,894	4,413,725
Products and services transferred over time	46,176,188	16,223,881	62,400,069
Total	**50,350,019**	**16,463,775**	**66,813,794**

c) Contract balances

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

	31.12.2021	01.01.2021
Amounts included in trade receivables	**14,031,790**	16,493,136
Contract assets	**5,433,708**	4,575,923
Contract liabilities	**(6,452,049)**	(6,060,721)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on made-to-order products/services.

Contract assets were impaired by €250,947 during the year. They are reclassified to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Contract liabilities represent the Group's obligation to transfer goods or services to a customer for which it has received consideration (or an amount of consideration is due) from that customer.

d) Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer.

The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Major product/service lines	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Design, engineering and operations services	The Group has determined that, for made-to-order products, the customer controls all of the work in progress as the products are being manufactured. This is because, under those contracts, products/services are made to a customer's specifications and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Invoices are issued according to contractual terms and are usually payable within 30 days. Uninvoiced amounts are presented as contract assets.	Revenue and associated costs are recognised over time - i.e., before the goods/services are made available at the customers' premises. Progress is determined based on the cost-to-cost method. When incremental in accordance with IFRS 15, costs of obtaining a contract are recognised as assets and depreciated in line with the transfer of control over the related product/service.
Architecture and design services	The Group has determined that, for design services, revenue is recognised over time. This is because, under those contracts, services are made to a customer's specifications and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Invoices are issued according to contractual terms and are usually payable within 30 days. Uninvoiced amounts are presented as contract assets.	Revenue and associated costs are recognised over time - i.e., before the services are made available at the customers' premises. Progress is determined based on the cost-to-cost method. When incremental in accordance with IFRS 15, costs of obtaining a contract are recognised as assets and depreciated in line with the transfer of control over the related product/service.
Royalties	The Group has determined that royalties are substantially related to the licence to use the Pininfarina trademark on designed products it manufactures. Even though customers do not control the trademark, they benefit therefrom. This shared benefit led the Group to believe that this is a right to access rather than use the trademark and, therefore, the related revenue is recognised over time.	Revenue is recognised over time
Lease income	The Group has determined that lease income arises from services whereby the customer simultaneously receives and uses the related benefits as the Group provides them. Accordingly, revenue from these performance obligations is recognised over time.	Revenue is recognised over time
Other	The Group determines the most appropriate recognition of other minor revenue on a case by case basis.	Revenue is recognised over time/at a point in time

20. Raw materials and components

Raw materials and components mainly include purchases of equipment and materials used for the design and engineering contracts and spare parts resold by the parent.

21. External variable engineering services

External variable engineering services mainly refer to design and technical services.

22. Wages, salaries and employee benefits

	2021	2020
Wages and salaries	**(30,415,803)**	(37,265,306)
Social security contributions	**(7,371,554)**	(9,421,839)
Independent contractors	**-**	(1,101,112)
Utilisation of restructuring provision	**2,652,664**	-
Blue collars, white collars and managers	**(35,134,693)**	(47,788,257)
Post-employment benefits - defined contribution plan	**(1,205,596)**	(1,359,582)
Wages, salaries and employee benefits	**(36,340,289)**	(49,147,839)

Post-employment benefits – defined contribution plan reflect the costs related to post-employment benefits both for defined benefit and defined contribution plans.

A breakdown of the actual number of employees at 31 December 2021 and the average number for the year is set out below, as per article 2427 of the Italian Civil Code, calculated by adding the number of employees at the beginning and end of the year and dividing the result by two.

	31.12.2021		31.12.2020	
	reporting date	**average**	reporting date	average
Managers	**22**	**22**	29	29
White collars	**435**	**481**	576	617
Blue collars	**29**	**31**	34	42
Total	**486**	**534**	639	688

23. Additions to/utilisation of provisions and impairment losses and gains

	2021	2020
Net impairment losses on loans and receivables	**(277,303)**	(81,043)
Change in accounting estimate of the loss allowance	**375,095**	-
Additions to/releases of the restructuring provision	**2,767,000**	(6,495,647)
Additions to the provision for losses to complete contracts	**(250,947)**	(113,825)
Utilisation and change in accounting estimates of provisions for risks and charges	**220,233**	3,213,882
Impairment losses on foreign withholding taxes	**(589,713)**	(5,129,767)
Reversal of impairment losses on property, plant and equipment	**2,337,541**	-
Reversal of impairment losses on intangible assets	**336,005**	-
Impairment losses on property, plant and equipment	**-**	(1,088,098)
Impairment losses on intangible assets	**-**	(469,780)
Impairment losses on right-of-use assets	**-**	(206,247)
Additions to/utilisation of provisions and impairment losses	**4,917,911**	(10,370,525)

Net impairment losses on loans and receivables and the change in accounting estimate of the loss allowance show the impairment losses and the decrease in the impairment losses recognised on receivables from two customers of the Chinese subsidiary in the previous year.

Reference should be made to note 17 for details of the release of the restructuring provision.

Reference should be made to note 17 for details of additions to the provision for losses to complete contracts and utilisation and changes in accounting estimates of provisions for risks and charges.

Reference should be made to note 11 for details of the impairment losses on foreign withholding taxes.

Reference should be made to notes 1 and 2 for details of the reversals of impairment losses on property, plant and equipment and intangible assets.

24. Other expenses

	2021	2020
Consulting and other services	**(2,840,905)**	(3,666,414)
General services and other expenses	**(973,840)**	(1,035,286)
Leases	**(953,416)**	(1,578,623)
Other personnel costs	**(725,484)**	(917,420)
Indirect taxes	**(679,257)**	(805,964)
Directors' and statutory auditors' fees	**(652,037)**	(662,593)
Postal expenses	**(448,095)**	(385,159)
Travel expenses	**(392,872)**	(536,218)
Insurance	**(392,126)**	(486,000)
Advertising	**(383,472)**	(556,751)
Cleaning and waste disposal services	**(319,422)**	(324,083)
Membership fees	**(98,691)**	(132,454)
Prior year expense	**(11,620)**	(1,931)
Other expenses	**(8,871,237)**	(11,088,896)

Consulting and other services mainly include IT, administrative and commercial consultancy fees.

General services and other expenses include costs for general services, guarantees and settlements in court.

Leases mainly refer to IT equipment under operating leases that are not covered by IFRS 16 either because they do not convey the right to use the asset or as a result of the application of the practical expedient to short-term or low value leases.

25. Net financial expense

	2021	2020
Interest and commission expense on credit facilities	**(88,991)**	(141,653)
Lease interest expense	**(173,157)**	(285,270)
Interest expense on loans and financing	**(1,419,134)**	(1,561,032)
Interest expense on trade payables	**(10)**	-
Financial expense	**(1,681,292)**	(1,987,955)
Bank interest income	**5,314**	4,335
Interest income on loans and receivables - third parties	**8,066**	42,455
Sales of unopted rights	**608**	-
Financial income	**13,988**	46,790
Net financial expense	**(1,667,304)**	(1,941,165)

Interest and commission expense refers to interest paid on credit facilities and bank fees.

Lease interest expense relates to the amortised-cost measurement of lease liabilities under IFRS 16.

Interest expense on loans and financing of €1,419,134 comprises the effect of amortised-cost accounting (€1,350,414) and interest accrued under the existing Agreement (€68,383). The remainder relates to subsidiaries.

Bank interest income accrued on the current account credit balances.

OTHER INFORMATION

Events after the reporting date

There are no other significant events that occurred after the reporting date.

Related party transactions – Pininfarina Group

The table below, which is presented pursuant to Consob communication no. DEM/6064293 of 28 July 2006, summarises related party transactions, including intragroup transactions. These transactions were carried out at market conditions, considering the nature of the goods exchanged or services provided. They were neither atypical nor unusual for the purposes of the above-mentioned communication.

	Commercial		Financial		Operating		Financial	
	Assets	Liabilities	Assets	Liabilities	Revenue	Expense	Income	Expense
Signature S.r.l.	81,293	-	550,000	-	174,391	20,092	-	-
Tech Mahindra Ltd	85,837	261,709	-	-	137,837	134,223	-	-
Tech Mahindra GmbH	35,272	-	-	-	188,272	-	-	-
Mahindra&Mahindra Ltd	155,436	-	-	-	920,863	-	-	-
Automobili Pininfarina GmbH	232,962	759,389	-	-	2,614,920	-	-	-
Total	**590,800**	**1,021,098**	**550,000**	**-**	**4,036,283**	**154,315**	**-**	**-**

Intragroup transactions include:

- Signature S.r.l.: loan agreement and services and design agreements with Pininfarina S.p.A. and purchase of goods by Pininfarina S.p.A.;
- Tech Mahindra Ltd: services agreements with Pininfarina Deutschland GmbH and a services agreement with Pininfarina S.p.A.;
- Tech Mahindra GmbH: services agreement with Pininfarina Deutschland GmbH;
- Mahindra&Mahindra Ltd: brand licence agreement and design and engineering services agreements with Pininfarina S.p.A.;
- Automobili Pininfarina GmbH: design and engineering services agreement with Pininfarina S.p.A..

In addition to the above figures:

- Studio Starclex - Studio Legale Associato Guglielmetti, related to Romina Guglielmetti (director of Pininfarina S.p.A.), provided legal assistance to the parent for €9,667; this engagement ended in April 2021.

The parent, Pininfarina S.p.A., signed eight design and engineering services agreements with Automobili Pininfarina GmbH ("AP") on 29 June 2018, 26 March 2019, 31 May 2019, 22 July 2019, 9 December 2019, 23 March 2021, 5 August 2021 and 8 November 2021, respectively, for the development of a project for the design of the interior and exterior of a new car, the design of the upper body systems of the body shell, integration of the body shell with the main operating systems and achievement of the performance requested of a new AP vehicle based on its new platform.

The parent will receive a total fee of €21,682,930 for its services to be provided under the above contracts from June 2018 to January 2022. This fee qualifies the transaction as a "major transaction" pursuant to the relevant legislation. The services provided are part of the "company's normal business activities" and are rendered on an arm's length basis. At the reporting date, services provided to the customer totalled €21,265,517, €2,322,201 of which in 2021.

Directors' and statutory auditors' fees

(€'000)	**2021**	2020
Directors	**549**	551
Statutory auditors	**103**	112
Total	**652**	663

The 2021 total fees to Pininfarina S.p.A.'s key management personnel approximate €1 million.

NET FINANCIAL POSITION

(€'000)

	31.12.2021	31.12.2020	Variation
Cash and cash equivalents	29,358	28,529	829
Current bank overdrafts	-	(41)	41
Lease liabilities	(1,018)	(1,521)	503
Loans and borrowings - related parties and joint ventures	-	-	-
Current portion of bank loans and borrowings	**(3,592)**	**(3,631)**	**39**
Net current financial position	24,748	23,336	1,412
Non-current loans and receivables - third parties	-	-	-
Non-current loans and receivables - related parties	550	550	-
Non-current lease liabilities	(2,322)	(3,025)	703
Non-current bank loans and borrowings	(16,046)	(18,474)	2,428
Non-current loans and borrowings	**(17,818)**	**(20,949)**	**3,131**
NET FINANCIAL POSITION	**6,930**	**2,387**	**4,543**

NET FINANCIAL POSITION (ESMA) (ESMA GUIDELINES 32-382-1138 OF 4 MARCH 2021)

(€'000)

		31.12.2021	31.12.2020	Variation
A.	Cash and cash equivalents	(29,358)	(28,529)	(829)
B.	Cash equivalents	-	-	-
C.	Other current financial assets	-	-	-
D.	**Total cash and cash equivalents (A+B+C)**	**(29,358)**	**(28,529)**	**(829)**
E.	Current loans and borrowings	**-**	**41**	**(41)**
F.	Current portion of non-current debt	4,610	5,152	(542)
G.	**Current financial debt (E+F)**	**4,610**	**5,193**	**(583)**
H.	**Net current financial position (G-D)**	**(24,748)**	**(23,336)**	**(1,412)**
I.	Non-current loans and borrowings	18,368	21,499	(3,131)
J.	Debt instruments	-	-	-
K.	Trade payables and other current liabilities	-	-	-
L.	**Net non-current financial debt (I+J+K)**	**18,368**	**21,499**	**(3,131)**
M.	**Net financial position (H+L)**	**(6,380)**	**(1,837)**	**(4,543)**

The "Net financial position" set out above is presented in accordance with the format recommended by ESMA Guidelines 32-82-1138 enacting Regulation (EU) 2017/1129 applicable since 5 May 2021. Because the purpose of this table is to show "Net financial debt", assets are shown with a minus sign and liabilities with a plus sign. On the contrary, in the "Net financial position" table provided at the previous page, assets are shown with a plus sign and liabilities with a minus sign.

The reason for the difference between the amount of the "Net financial position" of the first table and that of the ESMA table is that the latter does not include non-current loan assets. The total amount of these differences at the relevant reporting dates is shown below:

- At 31 December 2020: €550 thousand
- At 31 December 2021: €550 thousand

The net financial position at the reporting date comprises the effect of IFRS 16 (approximately €3.3 million compared to €4.5 million at 31 June 2020).

Significant non-recurring transactions

As required by Consob communication no. DEM/6064293 of 28 July 2006, the effects of non-recurring events or transactions, i.e., those events or transactions that do not occur frequently during the normal course of business, are shown in the tables below:

	31.12.2021	Sale of Pininfarina Deutschland's building	Pininfarina S.p.A.'s capital increase	Reversal of impairment losses on the design CGU's assets	Release of restructuring provision - Pininfarina Deutschland	Release of restructuring provision - Pininfarina S.p.A. (Bairo)	Release of restructuring provision - Pininfarina Engineering	31.12.2021, net of significant non-recurring transactions
Property, plant and equipment	33,940,447	-	-	(2,337,543)	-	-	-	31,602,904
Investment property	0	-	-	-	-	-	-	-
Intangible assets	6,286,698	-	-	(336,005)	-	-	-	5,950,693
Right-of-use assets	2,972,489	-	-	-	-	-	-	2,972,489
Equity investments	896,300	-	-	-	-	-	-	896,300
Deferred tax assets	18,593	-	-	-	-	-	-	18,593
Non-current financial assets	550,000	-	-	-	-	-	-	550,000
NON-CURRENT ASSETS	**44,664,527**	**-**	**-**	**(2,673,548)**	**-**	**-**	**-**	**41,990,979**
Inventories	329,600	-	-	-	-	-	-	329,600
Contract assets	5,433,708	-	-	-	-	-	-	5,433,708
Trade receivables and other assets	16,630,478	-	-	-	-	-	-	16,630,478
Cash and cash equivalents	29,357,710	(4,156,264)	(3,202,382)	-	-	-	-	21,999,064
CURRENT ASSETS	**51,751,496**	**(4,156,264)**	**(3,202,382)**	**-**	**-**	**-**	**-**	**44,392,850**
Assets held for sale	-	5,155,582	-	-	-	-	-	5,155,582
TOTAL ASSETS	**96,416,023**	**999,318**	**(3,202,382)**	**(2,673,548)**	**-**	**-**	**-**	**91,539,411**
Share capital and reserves	37,740,380	-	(3,202,382)	-	-	-	-	34,537,998
Profit (loss) for the year	2,447,011	(682)	-	(2,673,548)	(117,000)	(350,000)	(2,300,000)	(2,994,219)
EQUITY	**40,187,391**	**(682)**	**(3,202,382)**	**(2,673,548)**	**(117,000)**	**(350,000)**	**(2,300,000)**	**31,543,779**
Non-current loans and borrowings	18,368,159	-	-	-	-	-	-	18,368,159
Post-employment benefits and other provisions	2,733,990	-	-	-	-	-	-	2,733,990
NON-CURRENT LIABILITIES	**21,102,149**	**-**	**-**	**-**	**-**	**-**	**-**	**21,102,149**
Current loans and borrowings	4,609,853	-	-	-	-	-	-	4,609,853
Other financial liabilities	5,372,082	-	-	-	-	-	-	5,372,082
Trade payables	16,880,937	1,000,000	-	-	-	-	-	17,880,937
Contract liabilities	6,452,049	-	-	-	-	-	-	6,452,049
Current tax liabilities	622,341	-	-	-	-	-	-	622,341
Provisions for risks and charges	1,189,221	-	-	-	117,000	350,000	2,300,000	3,956,221
CURRENT LIABILITIES	**35,126,483**	**1,000,000**	**-**	**-**	**117,000**	**350,000**	**2,300,000**	**38,893,483**
TOTAL LIABILITIES	**56,228,632**	**1,000,000**	**-**	**-**	**117,000**	**350,000**	**2,300,000**	**59,995,632**
TOTAL LIABILITIES AND EQUITY	**96,416,023**	**999,318**	**(3,202,382)**	**(2,673,548)**	**-**	**-**	**-**	**91,539,411**

	2021	Sale of Pininfarina Deutschland's building	Pininfarina S.p.A.'s capital increase	Reversal of impairment losses on the design CGU's assets	Release of restructuring provision - Pininfarina Deutschland	Release of restructuring provision - Pininfarina S.p.A. (Bairo)	Release of restructuring provision - Pininfarina Engineering	2021, net of significant non-recurring transactions
Revenue from sales and services	66,259,378	-	-	-	-	-	-	66,259,378
Change in finished goods	(25,918)	-	-	-	-	-	-	(25,918)
Other revenue and income	580,334	-	-	-	-	-	-	580,334
REVENUE	**66,813,794**	**-**	**-**	**-**	**-**	**-**	**-**	**66,813,794**
Losses on the sale of non-current assets	962	(682)	-	-	-	-	-	280
Raw materials and consumables	(6,841,011)	-	-	-	-	-	-	(6,841,011)
Other variable production costs	(1,729,274)	-	-	-	-	-	-	(1,729,274)
External variable engineering services	(10,843,063)	-	-	-	-	-	-	(10,843,063)
Wages, salaries and employee benefits	(36,340,289)	-	-	-	-	-	-	(36,340,289)
Amortisation and depreciation, impairment losses and provisions	1,818,134	-	-	(2,673,548)	(117,000)	(350,000)	(2,300,000)	(3,622,414)
Net exchange gains (losses)	62,147	-	-	-	-	-	-	62,147
Other expenses	(8,871,237)	-	-	-	-	-	-	(8,871,237)
OPERATING PROFIT (LOSS)	**4,070,163**	**(682)**	**-**	**(2,673,548)**	**(117,000)**	**(350,000)**	**(2,300,000)**	**(1,371,067)**
Net financial expense	(1,667,304)	-	-	-	-	-	-	(1,667,304)
Share of profit of equity-accounted investees	29,138	-	-	-	-	-	-	29,138
PROFIT (LOSS) BEFORE TAXES	**2,640,121**	**(682)**	**-**	**(2,673,548)**	**(117,000)**	**(350,000)**	**(2,300,000)**	**(2,801,109)**
Income taxes	(193,110)	-	-	-	-	-	-	(193,110)
PROFIT (LOSS) FOR THE YEAR	**2,447,011**	**(682)**	**-**	**(2,673,548)**	**(117,000)**	**(350,000)**	**(2,300,000)**	**(2,994,219)**

The transactions identified as significant and non-recurring are as follows:

- sale of the second Renningen building (Germany) by Pininfarina Deutschland Holding GmbH;
- the parent's capital increase;
- reversal of the impairment losses relating to the "Other design activities" CGU;
- release of the restructuring provisions by Pininfarina Deutschland GmbH, Pininfarina S.p.A. and Pininfarina Engineering S.r.l. in liquidation.

Atypical and unusual transactions

As required by Consob communication no. DEM/6064293 of 28 July 2006, the Pininfarina Group specifies that it did not carry out atypical or unusual transactions during the year, as defined in the above-mentioned Communication, according to which atypical and/or unusual transactions are transactions that, because of their significance/material amount, nature of the counterparty, subject, method used to determine the transfer price and timing of the event, could create doubts as to: the accuracy/completeness of the disclosure provided in the financial statements, the existence of a conflict of interest, the safeguarding of corporate assets and the protection of non-controlling investors.

Disclosure on the independent auditors' fees required by article 149-duodecies of the Issuers' Regulation

The 2021 fees for audit and non-audit services provided by KPMG and other entities of its network are detailed below, pursuant to article 149-duodecies of the Consob Issuers' Regulation.

Service provider	Service recipient	2021 fee
KPMG S.p.A.	Pininfarina S.p.A. (1)	183,000
KPMG Advisory S.p.A.	Pininfarina S.p.A. (2)	87,000
KPMG S.p.A.	Pininfarina Engineering S.r.l. (3)	15,000
KPMG network	Subsidiaries (4)	64,600
Total		**349,600**

(1) Includes the following services for total fees of €84,500:

- audit of the consolidated reporting package at 31 March 2021 for the consolidation purposes of the Tech Mahindra Group;
- translation of financial documents;
- assistance with the preparation of the Prospectus;
- limited assurance engagement on the non-financial statement.

(2) Includes the following services:

- non-financial statement assessment and benchmarking;
- privacy security assessment.

(3) Audit of the financial statements of Pininfarina Engineering S.r.l. in liquidation.

(4) Includes €18,800 for the audit services at 31 March 2021 for the consolidation purposes of the Tech Mahindra Group.

LIST OF CONSOLIDATED COMPANIES

Name	Registered office	Country	Share/quota capital	Currency	Consolidated %	Investor	Investment %
Parent							
Parent							
Pininfarina S.p.A.	Turin Via Raimondo Montecuccoli 9	Italy	54,287,128	€	100		
Consolidated subsidiaries							
Italian subsidiaries							
Pininfarina Engineering S.r.l. in liquidation	Turin Via Raimondo Montecuccoli 9	Italy	100,000	€	100	Pininfarina S.p.A.	100
Foreign subsidiaries							
Pininfarina of America Corp.	Miami FL, 501 Brickell Key Drive, Suite 200	USA	10,000	USD	100	Pininfarina S.p.A.	100
Pininfarina Deutschland Holding GmbH	Leonberg Riedwiesenstr. 1	Germany	3,100,000	€	100	Pininfarina Engineering S.r.l.	100
Pininfarina Deutschland GmbH	Munchen Frankfurter Ring 81	Germany	25,000	€	100	Pininfarina Deutschland Holding GmbH	100
Pininfarina Shanghai Co. Ltd	Shanghai Jiading district, Unit 1, Building 3, Lane 56, Antuo Road, Anting, 201805	China	3,702,824	CNY	100	Pininfarina S.p.A.	100
Equity-accounted investees							
Goodmind S.r.l.	Turin, Corso Vittorio 12	Italy	20,000	€	20	Pininfarina S.p.A.	20
Signature S.r.l.	Ravenna (RA) Via Paolo Frisi 6	Italy	10,000	€	24	Pininfarina S.p.A.	24

KEY FIGURES OF THE MAIN GROUP COMPANIES (IFRS FIGURES)

Pininfarina Engineering S.r.l. in liquidation

Registered office: Turin - I
Quota capital €100,000
Direct investment percentage 100%

€'million	**31.12.2021**	31.12.2020
Revenue	**0.7**	13.5
Profit (loss) for the year	**2.2**	(9.8)
Equity	**17.0**	9.0
Net financial position	**0.3**	0.3

Pininfarina Deutschland Group

Registered office: Leonberg - D
Share capital €3,100,000
Direct investment percentage 100%

€'million	**31.12.2021**	31.12.2020
Revenue	**16.4**	16.2
Loss for the year	**(0.8)**	(4.2)
Equity	**10.6**	11.4
Net financial debt	**(2.9)**	(4.0)

Pininfarina Shanghai Co. Ltd

Registered office: Shanghai - PRC
Share capital CNY3,702,824
Direct investment percentage 100%

€'million	**31.12.2021**	31.12.2020
Revenue	**7.7**	5.2
Profit (loss) for the year	**0.4**	(0.2)
Equity	**1.8**	1.2
Net financial position	**0.8**	0.4

Pininfarina of America Corp.

Registered office: Miami - USA
Share capital USD10,000
Direct investment percentage 100%

€'million	**31.12.2021**	31.12.2020
Revenue	**4.0**	2.7
Profit for the year	**0.7**	0.1
Equity	**1.8**	1.5
Net financial position	**1.8**	0.9

Chief Executive Officer
Silvio Pietro Angori
(signed on the original)
Turin, 23rd March 2022

Statement on the consolidated financial statements pursuant to article 154-bis of Legislative decree no. 58/98

◊ The undersigned Silvio Pietro Angori, as CEO, and Gianfranco Albertini, as manager in charge of financial reporting of Pininfarina S.p.A., also considering the provisions of article 154-bis.3/4 of Legislative decree no. 58 of 24 February 1998, state that the administrative and accounting policies adopted for the preparation of the consolidated financial statements:

- are adequate in relation to the company's characteristics and
- have been effectively applied during 2021.

◊ Moreover, they state that

- The consolidated financial statements:
- have been prepared in accordance with the International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- are consistent with the accounting ledgers and records;
- are suitable to give a true and fair view of the financial position, financial performance and cash flows of the issuer and the group of companies included in the consolidation scope;

The annual financial report includes a reliable analysis of the Group's performance and results of operations and the issuer's and consolidated companies' financial position and performance, as well as a description of the main risks and uncertainties to which they are exposed.

Turin, 23rd March 2022

Chief Executive Officer	Manager in charge of financial reporting
Silvio Pietro Angori	Gianfranco Albertini
(signed on the original)	(signed on the original)

KPMG S.p.A.
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(The accompanying translated consolidated financial statements of the Pininfarina Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Pininfarina S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Pininfarina Group (the "group"), which comprise the statement of financial position as at 31 December 2021, the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Pininfarina Group as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). 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 independent of Pininfarina S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty about going concern

We draw attention to that disclosed by the directors in the "Assessments that affect the consolidated financial statements (a) Going concern" section of the notes to the consolidated statements and the "Going concern" section of the directors' report about events and circumstances that indicate that there is material uncertainty which would cast significant doubts about the parent's and group's ability to continue as a going concern and the reasons why the directors deemed it appropriate to prepare the consolidated financial statements at 31 December 2021 on a going concern basis.

Obtaining sufficient audit evidence supporting the parent's directors' use of the going concern basis of accounting was a key audit matter.

Our audit procedures included:

— analysing the process applied by the directors to assess the parent's and group's ability to continue as a going concern;

— understanding and assessing the reasonableness of the main assumptions underlying the 2022-2024 projections approved by the board of directors on 28 February 2022;

— understanding and analysing the 2022 expected cash flows prepared by the parent on the basis of the 2022 budget approved by the board of directors on 18 January 2022 and the underlying key assumptions;

— checking any discrepancies between the previous year forecast and actual figures, in order to check the accuracy of the estimation process;

— comparing the main assumptions underlying the projections to the group's historical data and external information, where available;

— updating the analysis of the main transactions that the group commenced and completed during the year, especially the winding up of Pininfarina Engineering S.r.l. and the restructuring of the subsidiary Pininfarina Deutschland GmbH;

— obtaining evidence supporting the capital injection for future capital increases made by the majority shareholder and checking its accounting treatment;

— analysing the minutes of the parent's internal bodies' meetings;

— checking the directors' calculations of the financial covenants provided for by the loan agreements;

— analysing the events after the reporting date that provide information useful for an assessment of the appropriateness of the use of the going concern assumption;

— obtaining written representations from the parent's directors in relation to future action plans and their viability;

— assessing the appropriateness of the disclosures provided in the notes about the going concern assumption.

We did not qualify our opinion in this respect.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to that described in the *Material uncertainty about going concern* section, we have identified the following key audit matters to report herein:

Estimate of the recoverable amount of non-current assets

Notes to the consolidated financial statements: note "Assessments that affect the consolidated financial statements, paragraph (c) Impairment testing", note 1 "Property, plant and equipment" and note 3 "Intangible assets".

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2021 include property, plant and equipment of €33.9 million, €15.7 million of which relating to non-operating industrial facilities, intangible assets of €6.3 million and right-of-use assets of €3 million. Further to the major restructuring undertaken as a result of the persisting general negative performance of the reference automotive market and the concurrent effect of the COVID-19 pandemic, the parent and its group recognised operating losses and impairment losses on non-current assets in the past few years. The conditions of the Pininfarina Group's reference market for 2021 were better than those of one year earlier. A general pick-up in demand with substantially stable prices was especially recorded by the other design activities CGU and its 2021 actual financial performance was better than budgeted, partly thanks to the new post-restructuring cost positioning. The 2022 budget prepared by the directors confirm the 2021 scenario, albeit in a difficult general context.	Our audit procedures included: — understanding the process adopted to prepare the impairment test approved by the parent's board of directors; — understanding the process adopted to prepare the CGUs' financial projections from which the expected cash flows used for impairment testing have been derived; — analysing the reasonableness of the assumptions used to prepare the financial projections; — checking any discrepancies between the previous year forecast and actual figures, in order to check the accuracy of the estimation process; — comparing the expected cash flows used for impairment testing to those used for the financial projections and analysing the reasonableness of any discrepancies; — involving experts of the KPMG network in the assessment of the reasonableness of the impairment testing model and related assumptions, including by means of a comparison with external data and information;

Like in the past, the directors tested the non-current assets' reporting-date carrying amounts for impairment in order to identify any impairment losses or the need to reverse impairment losses previously recognised. As a result of the test, the directors reversed impairment losses of €2.7 million previously recognised on non-current assets, mainly relating to the other design activities CGU. They estimated the recoverable amount based on its value in use, calculated using the discounted cash flow model. Impairment testing requires a high level of judgement, especially in relation to: — the expected cash flows derived from the 2022-2024 projections approved by the board of directors on 28 February 2022, which are calculated by taking into account the general economic performance and that of the group's sector and the actual cash flows generated by the CGUs in recent years; — the financial parameters to be used to discount the above cash flows. For the above reasons, we believe that the recoverability of non-current assets is a key audit matter.	— assessing the appropriateness of the disclosures provided in the notes about non-current assets and the related impairment test.

Recoverability of the Bairo Canavese and San Giorgio Canavese industrial facilities

Notes to the consolidated financial statements: note "Assessments that affect the consolidated financial statements, paragraph (c) impairment testing" and note 1 "Property, plant and equipment".

Key audit matter	Audit procedures addressing the key audit matter
The caption "Property, plant and equipment" of the consolidated financial statements at 31 December 2021 include the carrying amounts of the discontinued Bairo Canavese and San Giorgio Canavese industrial facilities (€11.7 million and €4 million, respectively). The recoverability of the above facilities' carrying amounts is based on their fair value, which is in line with the most recent appraisals available to the parent.	Our audit procedures included: — analysing the method used to calculate the Bairo Canavese and San Giorgio Canavese industrial facilities' fair value; — analysing the reasonableness of the assumptions underlying the above industrial facilities' fair value measurement, including by analysing the appraisals prepared by the external consultants engaged by the parent;

Measuring fair value entails a high level of judgement by the directors, especially in relation to the key underlying assumptions. For the above reasons, we believe that the recoverability of the industrial facilities mentioned above is a key audit matter.	— involving experts of the KPMG network in the assessment of the reasonableness of the assumptions and valuations underlying the appraisals prepared by the parent's external consultants, including by means of a comparison with external data and information; — analysing the events after the reporting date that provide information useful for an assessment of the recoverability of the carrying amounts of those industrial facilities; — assessing the appropriateness of the disclosures provided in the notes about the recoverability of the carrying amounts of those industrial facilities.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

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 a guarantee that an audit conducted in accordance with ISA Italia 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 consolidated financial statements.

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

— identify and assess the risks of material misstatement of the consolidated 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 group'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 group'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 consolidated 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 auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;

— evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

— obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, 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 the ethics and independence rules and standards applicable in Italy and 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 consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 6 May 2013, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2013 to 31 December 2021.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2021 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-*bis*.4 of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2021 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the group's consolidated financial statements at 31 December 2021 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Pininfarina S.p.A. are responsible for the preparation of a consolidated non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such consolidated non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the non-financial statement separately.

Turin, 20 April 2022

KPMG S.p.A.

(signed on the original)

Andrea Fumagallo
Director of Audit

LIGHTBRIDGE COMMUNICATIONS CORPORATION

UNAUDITED FINANCIAL STATEMENTS
for the year ended 31st March 2022

Board of Directors
Mr. Manish Vyas
Mr Guru Prasad R Iyengar

Registered Office
5700 Democracy Drive, Suite 2000,
Plano (Texas) 75024
United States of America

Bankers
Citi Bank
J P Morgan

CONSOLIDATED BALANCE SHEET

(all amounts in thousands, except per share data)

	Notes		March 31, 2022		March 31, 2021
Assets					
Current assets					
Cash and cash equivalents		$	23,487	$	24,892
Restricted cash			68		58
Trade receivables, net of allowance for doubtful accounts of $ 1,887 and $ 2,719	3		33,932		36,540
Unbilled revenue			6,060		6,215
Contract assets, net			16,946		20,815
Prepaid expenses and other current assets			26,594		18,849
Due from related parties	11		1,576		1,101
Total current assets		**$**	**108,663**	**$**	**108,470**
Non-current assets					
Property and equipment, net	4	$	3,304	$	3,976
Advance income taxes			567		314
Deferred income tax assets	7		1,928		1,830
Goodwill	5		3,443		3,443
Other intangibles, net	5		5,755		8,645
Operating lease right-of-use assets (net)	8		6,744		8,324
Investments in affiliates	12		—		—
Other non current assets			2,821		973
Total assets		**$**	**133,225**	**$**	**135,975**
Liabilities and shareholders' equity					
Current liabilities					
Lines of credit	6	$	40,226	$	46,622
Short term borrowings from related parties	6		26,420		25,000
Accounts payable			10,693		7,216
Accrued expenses			21,452		23,213
Accrued employee compensation and benefits			8,143		6,715
Deferred revenue			3,437		1,447
Income taxes payable			5,228		4,930
Operating lease liabilities	8		1,939		2,118
Obligations under capital leases	8		114		751
Other current liabilities			473		1,262
Total current liabilities		**$**	**118,125**	**$**	**119,274**
Lines of credit	6	$	—	$	5
Operating lease liabilities	8		5,458		6,869
Obligations under capital leases	8		62		57
Deferred income tax liabilities	7		1,563		2,143
Other non current liabilities			8,503		8,300
Total liabilities		**$**	**133,711**	**$**	**136,648**
Shareholders' equity					
Class A common stock; $0.5 and $0.5 par value at March 31, 2022 and March 31, 2021, respectively;					
6,000 shares and 6,000 shares authorized at March 31, 2022 and March 31, 2021, respectively;					
5,063 and 5,063 issued and outstanding at March 31, 2022 and March 31, 2021, respectively		$	3	$	3
Additional paid-in capital			265,077		265,077
Accumulated deficit			(292,629)		(289,652)
Capital reserve			12,031		12,031
Accumulated other comprehensive income			15,011		11,847
Non-controlling interest			21		21
Total shareholders' equity		**$**	**(486)**	**$**	**(673)**
Total liabilities and shareholders' equity		**$**	**133,225**	**$**	**135,975**

The accompanying notes are an integral part of these consolidated financial statements.

Guru Prasad Iyengar

Director
Date: July 5 2022

LIGHTBRIDGE COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS

(all amounts in thousands)

	Notes		Year ended March 31, 2022		Year ended March 31, 2021
Revenues		$	199,132	$	190,249
Cost of revenues			168,974		158,898
Gross profit		$	30,158	$	31,351
Operating expenses					
Sales and marketing		$	2,934	$	2,732
General and administrative			18,174		18,580
Depreciation and amortization	4 & 5		4,767		6,950
Total operating expenses		**$**	**25,875**	**$**	**28,262**
Profit before other income (expenses) and income taxes		$	**4,283**	$	**3,089**
Other income/(expense)					
Interest income			224		601
Interest expense			(2,669)		(3,341)
Others			(1,253)		662
Total other expense, net		**$**	**(3,698)**	**$**	**(2,078)**
Profit before income taxes net of deferred tax benefit			**585**		**1,011**
Income tax expense	7		**3,562**		**3,078**
Net loss		**$**	**(2,977)**	**$**	**(2,067)**
Less: net profit attributable to non-controlling interest			—		0.06
Net loss attributable to shareholders of Lightbridge Communications Corporation		$	(2,977)	$	(2,067)

The accompanying notes are an integral part of these consolidated financial statements.

Guru Prasad Iyengar

Director
Date: July 5 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS)/INCOME

(all amounts in thousands)

		Year ended March 31, 2022		Year ended March 31, 2021
Net loss	$	(2,977)	$	(2,067)
Other comprehensive (loss) / income :				
Change in fair value of interest rate swap		2,717		854
Change in foreign currency translation reserve		447		906
Total Comprehensive gain /(loss)	**$**	**187**	**$**	**(307)**

The accompanying notes are an integral part of these consolidated financial statements.

LIGHTBRIDGE COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS

(all amounts in thousands)

		Year ended March 31, 2022		Year ended March 31, 2021
Operating activities				
Net loss	$	(2,977)	$	(2,067)
Adjustments to reconcile net loss to net cash generated from operating activities:				
Depreciation and amortization		4,783		6,950
Deferred income taxes		(560)		(164)
Provision for doubtful accounts		(354)		(552)
Loss / (gain) on disposal of fixed assets		(17)		(19)
Changes in current and non current assets and liabilities:				
Trade, unbilled and other receivables		(417)		43,284
Accounts payable and accrued expenses		2,427		(3,388)
Operating lease right-of-use assets and operating lease liabilities		(65)		33
Other current assets and liabilities		3,927		1,516
Other non-current assets and liabilities		(172)		(334)
Net cash generated from operating activities	**$**	**6,575**	**$**	**45,258**
Investing activities				
Purchase of property and equipment including other intangible assets	$	(1,235)	$	(1,542)
Proceeds from sale of property and equipment		19		60
Net (investment) / redemption of short term bank deposits		(15)		50
Net cash used in investing activities	**$**	**(1,231)**	**$**	**(1,432)**
Financing activities				
Repayment of finance lease obligation		(777)		(1,015)
Proceeds /(repayment) of notes payable		1,420		25,000
Net repayment on lines of credit		**(5,130)**		**(71,653)**
Repayment of long-term loans		(73)		(116)
Repayment of short-term banks loans, net		(866)		(186)
Net cash used in financing activities	**$**	**(5,426)**	**$**	**(47,970)**
Effect of exchange rate changes on cash and cash equivalents and restricted cash	$	(1,313)	$	1,272
Net (decrease) / increase in cash and cash equivalents and restricted cash		**(1,395)**		**(2,871)**
Cash and cash equivalents and restricted cash at the beginning of the period		24,950		27,822
Cash and cash equivalents and restricted cash at the end of the period	**$**	**23,555**	**$**	**24,950**
Reconciliation of Cash and Cash equivalents and Restricted Cash				
Cash and Cash equivalents		23,487		24,892
Restricted Cash		68		58
	$	**23,555**	**$**	**24,950**
Supplemental Disclosures:				
Cash paid during the period for:				
Interest	$	2,921	$	2,687
Income taxes		3,521		3,218
Cash received during the period for:				
Interest	$	224	$	601
Supplemental Disclosures of Non-Cash Investing and Financing Activities:				
Fixed asset additions under capital lease	$	137	$	496
Initial recognition of the lease at commencement		876		2,555

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(all amounts in thousands)

Year ended March 31, 2022 and 2021

	Common stock								
	Authorized		Issued and outstanding		Additional paid in capital	Accumulated deficit	Capital reserve	Accumulated other comprehensive income	Total shareholders' equity
	Shares	Amount	Shares	Amount	Amount	Amount	Amount	Amount	Amount
Balance as at April 1, 2020	**6,000**	**$ 3**	**5,063**	**$ 3**	**$ 265,077**	**$ (287,585)**	**$ -**	**$ 10,087**	**$ (12,418)**
Net loss	-	-	-	-	-	(2,067)	-	-	**(2,067)**
Change in fair value of interest rate swap (net of tax)	-	-	-	-	-	-	-	854	**854**
Change in foreign currency translation reserve (net of tax)	-	-	-	-	-	-	-	906	**906**
Less: Non-controlling interest	-	-	-	-	-	0.06	-	-	**0.06**
Additions during the year (refer note 1)	-	-	-	-	-	-	12,031	-	**12,031**
Balance as at March 31, 2021	**6,000**	**$ 3**	**5,063**	**$ 3**	**$ 265,077**	**$ (289,652)**	**$ 12,031**	**$ 11,847**	**$ (694)**
Net loss	-	-	-	-	-	(2,977)	-	-	**(2,977)**
Change in fair value of interest rate swap (net of tax)	-	-	-	-	-	-	-	2,717	**2,717**
Change in foreign currency translation reserve (net of tax)	-	-	-	-	-	-	-	447	**447**
Less: Non-controlling interest	-	-	-	-	-	-	-	-	**-**
Additions during the year	-	- -	-	- -	-	-	-	-	**-**
Balance as at March 31, 2022	**6,000**	**$ 3**	**5,063**	**$ 3**	**$ 265,077**	**$ (292,629)**	**$ 12,031**	**$ 15,011**	**$ (507)**

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022 AND 2021

NOTE 1—DESCRIPTION OF OPERATIONS AND BASIS OF PRESENTATION

Lightbridge Communications Corporation ("LCC"), a Delaware corporation, was formed in March 2010 and is headquartered in Plano, Texas. Unless the context indicates otherwise, the term "Company" refers herein to LCC and its subsidiaries.

Effective January 1, 2015, LCC is a wholly owned subsidiary of Tech Mahindra (Americas), Inc., which is a wholly owned subsidiary of Tech Mahindra Limited ("Tech Mahindra").

LCC conducts business through its direct and indirect wholly owned subsidiaries that provide services in North America, Europe, Middle East and Africa, Latin America, and Asia.

The Company provides integrated end-to-end solutions for wireless voice and data communications networks with offerings ranging from high level technical consulting to system design and optimization services, ongoing operations and maintenance services, and deployment services. The Company uses initial opportunities to provide high-level technical consulting services to secure later-stage system design and network optimization contracts. Engagements to provide design services also create opportunities for the Company to propose on operations and maintenance projects including network optimization contracts as well as other services. The Company's technical consulting, system design and network optimization practices position it to capitalize on additional opportunities as new technologies are developed and wireless service providers upgrade their existing networks, deploy the latest available technologies, and respond to changes in how customers use wireless services.

The accompanying consolidated financial statements include the results of LCC and its direct and indirect wholly owned subsidiaries. Intercompany transactions and balances have been eliminated in the consolidated financial statements. Investments in entities in which the Company does not have majority ownership have been accounted for using the equity method of accounting. The share of profit / loss of the associate company has been adjusted to the cost of investment in the associate, as per the 'Equity method'.

During the previous year, LCC Telecom GMBH, erstwhile step-down subsidiary of LCC has been merged with Tech Mahindra GmbH effective October 02, 2020. As per draft scheme of merger, the appointed date of the merger was April 01, 2020 without any exchange of sale consideration. The effect of the merger has been given in the previous financial year and accordingly capital reserve amounting to USD 10.67 million has been recorded.

Shares of LCC Network Services B.V, erstwhile step-down subsidiary of Lightbridge Communications Corporation have been transferred to Tech Mahindra Limited effective March 31, 2021 for a consideration of EURO 1. The effect of the same has been given in the previous financial year and accordingly capital reserve amounting to USD 1.36 million has been recorded.

Liquidity

As of March 31, 2022, the Company had an accumulated deficit of $ 292.63 million and the Company incurred a net loss of $ 2.98 million for the year ended March 31, 2022. The Company had cash inflow from operations of $ 6.91 million for the year ended March 31, 2022. As of March 31, 2022, the Company has approximately $ 66.65 million of short-term borrowings, the most significant of which are $ 36.88 million from Citibank N.A scheduled to mature in February 2023 with renewals at agreed intervals, $ 6.44 million from Notes issued to Tech Mahindra (Americas), Inc. scheduled to mature in October 2022 and $19.98 million from CJS Solutions Group LLC scheduled to mature at agreed intervals from January 2023. The borrowings under these facilities are guaranteed by Tech Mahindra Limited, the ultimate holding company or funded by its related parties. See Note 6, Borrowings. Management has prepared projections and believes that cash flows from operations, existing cash on hand, available cash under existing credit facilities, plus availability of cash, if needed, from Tech Mahindra Limited will be adequate to fund the Company's cash requirements for the foreseeable future. Accordingly, the financial statements for the year ended March 31, 2022 has been prepared on a going concern basis.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Significant accounting policies are as follows:

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things, revenue recognition on contracts, allowance for doubtful accounts, accrual of income taxes, recoverability of investments in affiliates, goodwill and other intangible assets, discounting of lease liability and the accrual of restructuring charges. Although these estimates are based upon management's best knowledge of current events and actions, actual amounts may differ from estimates.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents include all highly liquid investments purchased with original maturities of 90 days or less and short-term money market funds. The Company places its cash and cash equivalents with high-quality financial institutions.

Restricted cash includes margin money kept with the bank for Line of Credit.

At March 31, 2022 and March 31, 2021, the Company had $ 23.3 million and $ 24.4 million of cash in foreign bank accounts, respectively.

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of trade receivables, cash and cash equivalents and restricted cash. The Company sells services globally. Generally, the Company does not require collateral or other security to support customer receivables. The Company performs ongoing credit evaluations of its customers' financial condition and maintains an allowance for doubtful accounts related to potential credit losses. The Company had the following significant concentrations of trade receivables from customers including within United States of America at March 31, 2022 and March 31, 2021:

	March 31,	
	2022	2021
	(In thousands)	
Middle East/Africa	$ 17,458	22,082
Americas	12,647	10,015
Europe	3,261	3,723
Rest of the world	566	720

The Company's existing and potential customer base is diverse and includes domestic and foreign telecommunications carriers, equipment manufacturers and foreign enterprises. The Company derived approximately 73% and 70% of its revenues from ten customers for the year ended March 31, 2022 and 2021, respectively. The Company has approximately 71% and 62% of its accounts receivable (including unbilled revenue) from ten customers as of March 31, 2022 and 2021, respectively. Individually, one of these top ten customers comprised 17% and 17% of total revenue for the year ended March 31, 2022 and 2021 respectively. Individually, one of these top ten customers of the Company had net receivable balance (including unbilled revenue) at 14% and 14% of total receivables as of March 31, 2022 and 2021, respectively.

At times, the Company maintains cash balances in financial institutions, which may exceed federally insured limits. The Company has not experienced any losses in its accounts and believes it is not exposed to a significant credit risk on its cash and cash equivalents. As at March 31, 2022, the Company has Nil [2021: $285,027] as balances in excess of the federally insured amounts.

Although the Company believes that the diversity of its customer base may minimize the risk of incurring material losses due to concentrations of credit risk, the Company may be exposed to a declining customer base in periods of market downturns, severe competition, exchange rate fluctuations or other international developments.

Fair Value Measurements

The carrying amounts reported in the consolidated balance sheet for cash and cash equivalents, accounts receivable, notes payable, accounts payable and accrued expenses and certain other current liabilities approximate fair value due to the immediate to short-term maturity of these financial instruments.

The Company follows the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, for financial assets and liabilities measured on a recurring basis. ASC 820 applies to all financial assets and financial liabilities that are being measured and reported on a fair value basis. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches, including market, income and/or cost approaches. ASC 820, Fair Value Measurements and Disclosures establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company.

Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. Financial assets and liabilities which are recorded at fair value in the accompanying financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. The levels are directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, and are as follows:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuations of these products do not entail a significant degree of judgment.

Level 2 – Inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active. The Company's interest rate swaps are valued using level 2 inputs.

Level 3 – Unobservable inputs that reflect the reporting entity's own assumptions.

Property, Equipment and Software

Property and equipment are stated at cost, less an allowance for depreciation and amortization.

Assets under capital lease obligations are recorded at lower of the present value of the minimum lease payments or the fair market value of the leased asset, at the inception of the lease.

Replacements and major improvements are capitalized; maintenance and repairs are charged to expense as incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets per the table below.

Computer and electronics	3 years
Software	3 years
Machinery and equipment	3 to 7 years
Furniture and office equipment	3 to 15 years
Office building	20 years
Leasehold improvements	Shorter of the term of the lease or estimated useful life
Vehicles	3 to 5 years

Expenditure for maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation and amortization are eliminated from the financial records. Any gain or loss on disposal is credited or charged to the statement of operations.

Impairment of Long-Lived Assets

The Company's policy is to review 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 ASC 360, Property Plant and Equipment. The Company recognizes an impairment loss when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. The measurement of the impairment losses to be recognized is based upon the difference between the fair value and the carrying amount of the assets.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets acquired in a business combination and determined to have an indefinite useful life are not amortized, but instead tested for impairment at least annually in accordance with the provisions of ASC 350, Intangibles - Goodwill and Other (ASC 350). ASC 350 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment. Goodwill represents the excess of cost over the fair value of identifiable net assets acquired. The Company tests goodwill for impairment on an annual basis as of March 31. In addition, goodwill and other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

The goodwill and indefinite-lived intangibles impairment test consists of a two-step process, if necessary. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill and indefinite-lived intangibles impairment test. The more likely than not threshold is defined as having a likelihood of more than 50 percent. This evaluation includes macroeconomic and industry and market specific considerations, financial performance indicators and measurements, and other factors. If, after assessing the totality of events or circumstances, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than it's carrying amount, then performing the two-step impairment test is unnecessary, and goodwill and other indefinite-lived intangible assets are considered to be unimpaired. However, if based on the Company's qualitative assessment, it concludes that it is more likely than not that the fair value of a reporting unit is less than it's carrying amount, the Company will proceed with performing the two-step process. The Company performed a qualitative assessment as of March 31, 2022 and concluded that it was more likely than not that goodwill and indefinite-lived intangible assets were not impaired.

The first step of the impairment test involves comparing the fair value of the reporting unit to its net book value, including goodwill. If the net book value exceeds its fair value, then the Company would perform the second step of the goodwill impairment test to determine the amount of the impairment loss. The impairment loss would be calculated by comparing the implied fair value of the Company to its net book value. In calculating the implied fair value of the Company's goodwill, the fair value of the Company would be allocated to all of the other assets and liabilities based on their fair values. The excess of the fair value of the Company over the amount assigned to its other assets and liabilities is the implied fair value of goodwill. An impairment loss would be recognized when the carrying amount of goodwill exceeds its implied fair value. There have been no impairments of goodwill or indefinite-lived intangible assets recorded in the Company's consolidated statement of operations during the year ended March 31, 2022 and March 31, 2021.

Allowance for Doubtful Accounts

Accounts receivable from customers are generally due within 60-90 days and are stated at amounts due from customers, net of an allowance for doubtful accounts. The Company makes estimates of the probability of collection of accounts receivable by specifically analyzing customer balances, concentrations, credit-worthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. Accounts receivable are written off when they become uncollectible.

Revenue Recognition

The Company's principal sources of revenue are consulting, integration, operations and solutions.

Revenue is recognized upon transfer of control of contracted 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.

The Company recognizes revenues from fixed-price contracts using the percentage-of-completion method and proportional performance method based on nature and terms of the contract with customers. Under proportional performance method, revenue from services is recognized in accounting periods in which the services are rendered, by reference to completion of the specific transaction, assessed on the basis of the actual service provided as a proportion of the total services to be provided. Depending on the nature of the contract, revenue is recognized based on the proportion of the contract term completed, or the specific services provided to date.

Under the percentage-of-completion method, revenues are recognized based on the ratio of individual contract costs incurred to date on a project compared with total estimated contract costs. The Company compares costs incurred to date to progress achieved against project milestones to determine if the percentage of completion is reasonable. Anticipated contract losses are recognized as soon as they become known and estimable.

The Company recognizes revenues on time and materials contracts as the services are performed i.e. based on time / efforts spent.

In deployment projects, the Company generally receives purchase orders for individual cell sites based on agreed upon fixed prices for types of standard cell sites. Non-standard services related to a cell site are priced on a variable basis using either agreed upon rates per hour or a rate schedule for such non-standard services. Deployment of cell sites may take up to several months and revenues and costs are recognized on a percentage of completion basis based upon the Company's engineering estimates.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (under current assets) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue is recognized when there is billing in excess of revenues, under current liabilities. The billing schedules agreed with customers include periodic performance -based payments and / or milestone - based progress payments. Invoices are payable within contractually agreed credit period.

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. There are no material contract acquisition cost incurred by the Company.

Use of significant estimates and judgements

The Company uses the expected cost- plus margin approach to allocate the transaction price to each distinct performance obligation.

Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended are used to measure progress towards completion as there is a direct relationship between input and productivity.

The Company uses significant judgements while determining the transaction price allocated to performance obligations using the expected cost-plus margin approach.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Disaggregation of revenue:

The Company disaggregates revenue from contracts with customers by geography and contract-type, as it believes it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by industry, market and other economic factors. Revenues are attributed to geographic regions based upon client location.

The following tables set forth reported revenue by geography and contract type:

(In thousands)

Geographic Location	Year ended 31 March 2022	Year ended 31 March 2021
Middle East / Africa	115,968	112,784
Americas	50,685	44,880
Europe	23,186	24,913
Rest of the world	9,293	7,672
Total	**199,132**	**190,249**

Type of Contract	Year ended 31 March 2022	Year ended 31 March 2021
Fixed Price	141,625	130,697
Time and Materials	57,507	59,552
Total	**199,132**	**190,249**

Income Taxes

Income taxes are determined in accordance with ASC 740, Income Taxes. Under this guidance, temporary differences arise as a result of the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

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. Deferred tax assets and liabilities of different jurisdictions are not offset.

The Company recognizes the financial statement effect of an income tax position when it is more likely than not, based on technical merits, that the position will be sustained upon examination by a taxing authority. Recognized tax positions are initially and subsequently measured as the largest amount of tax benefit that is more likely than not of being realized upon ultimate settlement with the relevant taxing authority. The Company has chosen to treat interest and penalties related to uncertain tax liabilities as income tax expense and as an increase to the income tax liability. For the year ended March 31, 2022 and March 31, 2021, the Company did not record any interest or penalties related to uncertain tax positions.

As a subsidiary of Tech Mahindra (Americas), Inc., with whom the Company files consolidated federal and state returns, the Company calculates the provision for income taxes by using a “benefits-for-loss” method. Under this method, the Company and its subsidiaries are assumed to file a separate return with the tax authority, thereby reporting the taxable income or loss and paying the applicable tax to or receiving the appropriate refund from Tech Mahindra (Americas), Inc. as if the Company and all of its subsidiaries were separate taxpayers, except that the net operating losses (or other current or deferred tax attributes) are characterized as realized (or realizable) by the Company and its subsidiaries when those tax attributes are realized by the consolidated group even if the Company and its subsidiaries would not otherwise have realized the attributes on a stand-alone basis. The Company’s intercompany tax-related receivable from Tech Mahindra (Americas), Inc. are $2.8 million and $2.7 million at March 31, 2022 and March 31, 2021, respectively.

Certain of the Company’s international operations are subject to local income taxes. Currently, the Company is subject to taxation on income from certain operations in Europe, Latin America, Africa, the Middle East and the non-U.S. portions of North America where the Company has subsidiaries, has established branch offices or has performed significant services that constitute a “permanent establishment” for tax reporting purposes. The foreign taxes paid or accrued by the Company may represent a potential credit for the Company against U.K. or U.S. federal income taxes.

Foreign Currency Translation

The Company’s foreign operations are subject to exchange rate fluctuations and foreign currency transaction costs. The majority of the Company’s foreign transactions are denominated in Euro and Saudi Riyals.

The financial statements of the Company’s foreign subsidiaries have been translated into U.S. dollars in accordance with ASC 830-30, Translation of Financial Statements. For foreign operations with the local currency as the functional currency, assets and liabilities denominated in non-U.S. dollar functional currencies are translated using the period-end spot exchange rates. Revenues and expenses are translated at monthly-average exchange rates. Capital accounts are translated at historical exchange rates. The current period effects of translating operations with a functional currency other than the reporting currency are reported within the statement of comprehensive income (loss) with accumulated effects presented as a component of accumulated other comprehensive income (loss) within the consolidated statement of changes in shareholders’ equity. The determination of functional currency is based on the subsidiary’s relative financial and operational independence from the Company’s US based parent.

The Company is also subject to foreign currency transaction gains or losses due to inter-company payables and receivables denominated in foreign currency. For the year ended March 31, 2022 and March 31, 2021, these balances generated a foreign exchange loss of $ 0.21 million and loss of $ 0.16 million, respectively. These amounts are included in other income/(expense) in the consolidated statement of operations.

Other Comprehensive Income/(Loss)

Comprehensive income/(loss) is defined as net income/(loss) plus the changes in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Other comprehensive income/(loss) refers to revenues, expenses, gains and losses that under U.S. GAAP are included in comprehensive income/(loss), but excluded from net income (loss).

Derivative Instruments

The Company records derivatives at fair value. The designation of a derivative instrument as a hedge and its ability to meet the hedge accounting criteria determine how the Company reflects the change in fair value of the derivative instrument within its consolidated financial statements. A derivative qualifies for hedge accounting if, at inception, the Company expects that the derivative will be highly effective in offsetting the underlying hedged cash flows and the Company fulfills the hedge documentation standards at the time it enters into the derivative contract.

The Company designates a hedge as a cash flow hedge based on the exposure it is hedging. For the effective portion of qualifying cash flow hedges, the Company records changes in fair value in other comprehensive income/(loss) (“OCI”). The Company reviews the effectiveness of its hedging instruments quarterly. The Company manages its exposure to the interest fluctuation risk by monitoring available financing alternatives, as well as through development and application of credit granting policies. As a matter of policy, the Company only enters into transactions that it believes will be highly effective at offsetting the underlying risk, and the Company does not use derivatives for trading or speculative purposes.

Leases:

Effective April 1, 2019, the Company has early adopted, with modified retrospective application, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, “Leases (Topic 842)” (ASC 842), which replaces existing lease accounting rules (ASC 840) with a comprehensive lease measurement and recognition standard and expanded disclosure.

This update requires the recognition of lease assets and lease liabilities on the balance sheet for all lease obligations and disclosing key information about leasing arrangements. This update requires the recognition of lease assets and lease liabilities by lessees for arrangements that are classified as operating leases. The Company’s operating leases resulted in the recognition of additional assets and the corresponding liabilities on its Consolidated Balance Sheet.

The Company determines whether an arrangement is a lease at contract inception by establishing if the contract conveys the right to control the use of identified property, plant and equipment for a period of time in exchange for consideration.

Right of Use (ROU) Assets and Lease Liabilities for operating leases are separately disclosed under non-current assets, current liabilities and non-current liabilities in the consolidated balance sheet as at March 31, 2022 and March 31, 2021. The ROU Assets represent the right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Commitments under finance leases are not significant, and are included in Property, plant and equipment, current liabilities, and non-current liabilities in the consolidated balance sheet as at March 31, 2022 and March 31, 2021.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease expenses with original terms of one year or less is charged to the Consolidated Statement of Operations.

The key change upon adoption of the standard was balance sheet recognition, given that operating lease was recognized as lease expense in the statement of operations under historical accounting. Using the modified retrospective transition method of adoption, the Company did not adjust the balance sheet for comparative periods.

NOTE 3—ACCOUNTS RECEIVABLE

The Company is party to various long-term contracts for which significant revenues are recognized on the percentage-of-completion method. Certain of these contracts have large amounts of unbilled receivables associated with them and will be performed over a period of more than one year.

The Company is party to accounts receivable factoring agreements with financial institutions in Europe, Middle East and Africa jurisdiction whereby the Company may sell eligible accounts receivable. The Company accounts for these programs under ASC 860, Transfers and Servicing which requires that transferred assets have been isolated from the transferor, the transferee obtains the right to transfer or exchange the asset and the transferor does not maintain effective control over the transferred assets through an agreement that both entitles and obligates the transferor to repurchase or redeem the assets transferred in order to qualify as a sale. The Company's factoring arrangements do not meet all of the criteria for sale accounting, thus those factoring arrangements are accounted for as secured borrowings or offset with balances of cash and cash equivalents (where it pertains to the same bank) and if the Company's factoring arrangement meets the criteria for sale accounting, those factoring arrangements are accounted as net of trade receivables.

The Company is party to a factoring agreement (the "HSBC Agreement") with HSBC FACTORING France ("HSBC") whereby the Company's French subsidiary may sell its eligible accounts receivable to HSBC on a revolving basis up to a maximum of 2.0 million Euros. Under the terms of the HSBC Agreement, accounts receivables are sold to HSBC with recourse at 90% of their face value, less interest of EONIA plus 1.5% and a commission of 0.45%. Transfers of accounts receivable were approximately 0.61 million and 0.49 million Euros (approximately $0.68 million and $0.58 million) as of March 31, 2022 and March 31, 2021, respectively, which is included within lines of credit in the consolidated balance sheets. As of March 31, 2022, and March 31, 2021, the Company had unutilized limit of 1.15 million and 1.22 million Euros (approximately $1.28 million and $1.44 million), respectively, available under the HSBC Agreement.

There are no restrictions on assets reported by an entity in its balance sheet that relate to a transferred financial asset, including the carrying amounts of those assets. No servicing assets and servicing liabilities are reported. The Company accounts for factoring arrangements as secured borrowings or offset with balances of cash and cash equivalents (where it pertains to the same bank), since the transferor has continuing involvement with the transferred financial assets.

The Company is party to a factoring agreement (the "Bankinter Agreement") with Bankinter S.A., ("Bankinter") whereby the Company's Spanish subsidiary may sell its eligible accounts receivable to Bankinter on a revolving basis up to a maximum of 0.5 million Euros. Under the terms of the Bankinter Agreement, accounts receivables are sold to Bankinter without recourse at 100% of their face value less interest of EURIBOR plus 2.5% and a commission of 0.50%. During the current year and previous year, there were no transfers of accounts receivable. As of March 31, 2022, and March 31, 2021, the Company had unutilized limits of 0.50 million Euros and 0.50 million Euros (approximately US$0.55 million and US$0.58 million), respectively, available under the Bankinter Agreement.

NOTE 4—PROPERTY AND EQUIPMENT

At March 31, 2022 and 2021, property and equipment consisted of the following:

	March 31, 2022	March 31, 2021
	(In thousands)	
Computer and electronics	$ 2,754	$ 2,766
Machinery and equipment	9,580	13,500
Furniture and office equipment	2,867	3,257
Office building	2,356	2,340
Leasehold improvements	3,771	3,845
Vehicles	4,728	4,920
Property and equipment	26,056	30,628
Less: accumulated depreciation and amortization	(22,752)	(26,652)
Property and equipment, net	**$ 3,304**	**$ 3,976**

Property and equipment include vehicles and machinery and equipment under capital lease amounting to $4.5 million and $4.8 million as of March 31, 2022 and March 31, 2021 respectively. Accumulated depreciation for vehicles and machinery and equipment under capital lease amounted to $4.3 million and $3.8 million as of March 31, 2022 and March 31, 2021 respectively.

Depreciation and amortization expense related to property and equipment for the year ended March 31, 2022 and 2021 was $1.5 million and $3.4 million, respectively.

NOTE 5—GOODWILL AND INTANGIBLE ASSETS

As of March 31, 2022 and 2021, intangible assets consisted of the following:

	March 31, 2022	March 31, 2021
	(In thousands)	
Goodwill (Beginning and end of the year)	$ 3,443	$ 3,443
Other intangible assets:		
Customer relationships	33,762	33,816
Backlog	309	308
Trade names	6,689	6,689
Patents	48	48
Software	4,463	4,471
Total other intangible assets	**45,271**	**44,820**
Less: Accumulated amortization		
Customer relationships	(30,016)	(27,528)
Backlog	(309)	(308)
Trade names	(5,288)	(4,664)
Patents	(48)	(48)
Software	(3,855)	(4,139)
Accumulated amortization	(39,516)	(36,687)
Other intangible assets, net	**$ 5,755**	**$ 8,645**

The Company reviews its definite-life intangible assets for impairment, in accordance with ASC 350 — Intangibles — Goodwill and Other. The result of this review identified no impairment of the intangible assets as of March 31, 2022 and 2021.

Amortization expense related to intangibles was $3.3 million and $3.5 million for the year ended March 31, 2022 and 2021, respectively. The weighted average amortization period is 12 years for customer relationships; 10 years for patents; 10 years for trade names; 1.5 years for backlog and 4 years for software.

The following summarizes expected amortization expense for each of the five succeeding years (In thousands):

March 31, 2023		2,535
March 31, 2024		2,270
March 31, 2025		645
March 31, 2026		97
March 31, 2027		97
Thereafter		111
	$	**5,755**

NOTE 6—BORROWINGS

Unsecured Credit Facilities

In March 2015, the Company entered into a $50.0 million uncommitted line of credit agreement with Citibank, N.A ("Citibank") which allows borrowing up to $50.0 million until March 1, 2016. The loan has been extended from time to time with most recent extension till February 2023. The facility accrues interest at a rate of LIBOR plus 0.65% from December 2017, and further reduced to LIBOR plus 0.60% from December 2019. Amendment 4 to the agreement was signed on December 5, 2019 to facilitate a Euro line of credit not exceeding EURO 31 Million against aforementioned $50 million line of credit. The USD line of credit was decreased by $16.9M (equivalent of EURO 15 million) and a separate EURO 15 million line of credit was obtained. Amendment 7 extends the agreement to February 2023 with all advances and interest at a rate of SOFR plus 1% . The facility is an unsecured facility. Tech Mahindra serves as a guarantor for the facilities.

In April 2016, the Company entered into an agreement with Citibank for additional credit facility, which allowed borrowing up to $30.0 million until April 15, 2018. An amendment was signed on March 21, 2018 to facilitate 8.6 million Euro line of credit within aforementioned $30 million line of credit ($29 million funded line and $1 million non-funded line). Amendment 4 to the agreement was signed on September 11, 2019 increasing the EURO line of credit to 11.6 million Euros. Amendment 5 extended the line to April 10, 2021. A new agreement was drawn and facility was changed to $29.0 million funded line only upto April 20, 2022. The facility accrued interest at a rate of LIBOR plus 0.95% till December 2017 and at a rate of LIBOR plus 0.80% post December 2017. Tech Mahindra serves as a guarantor for the facilities.

As of March 31, 2022, $ 18.5 million and $18.4 million were drawn against the two Citibank facilities mentioned above. Total interest expense on the said facility was $0.39 million and $0.79 million for the year ended March 31, 2022 and 2021, respectively.

In March 2015, the Company received a $ 40.00 million line of credit from JPMorgan Chase Bank, N.A. ("JPMorgan") under which it could have borrowings until February 29, 2016. The line of credit was increased to $48.0 million in September 2015. The maturity was extended from time to time with most recent extension till December 2020. Each loan issued under the promissory note matures no later than twelve months from the date of the loan. The facility accrues interest at a rate of the greater of (i) the Prime Rate, (ii) Federal Funds Effective Rate plus 0.5%, (iii) the Eurodollar Rate for a one-month period plus 1.0%. The facility is an unsecured facility. Tech Mahindra Limited serves as a guarantor for the facility.

As of March 31, 2022, there is no amount drawn against the JPMorgan facility. Total interest expense on the facility was $ Nil million and $ 0.18 million for the year ended March 31, 2022 and 2021, respectively. The entire $ 48.00 million was repaid in May 2020.

In September 2020, the Company entered into an agreement with Tech Mahindra (Americas) Inc. for loan facility, which allowed borrowing up to $ 50.00 million until September 29, 2021. $ 32.00 million was advanced and in January 2021, $ 27.00 million was repaid. $0.56 million was repaid in September 2021 & $1.5 million was repaid in March, 2022. Further, in March, 2021, $ 2.00 million was advanced and in June 2021 $1.5 million was advanced. On the $32 million advance; the Company accrued and paid interest at a rate of LIBOR plus 105 BPS (1.31925% p.a.) and has further extended to September 2022 at a rate of (1.32% p.a.). On the $2 million dollar advance, the Company accrued and paid interest at a rate of LIBOR plus 100 BPS (1.205% pa) to March 22, 2022, then extended to April 21, 2022 at a rate of (1.24% p.a.). On the $1.5 million dollar advance, the Company accrued and paid interest at a rate of LIBOR plus 100 BPS (1.2% p.a.) with latest extension to April 13, 2022 at a rate of (1.19% p.a.). The total outstanding Principal amount for the three loans is $ 6.4 million with no outstanding interest at March 31, 2022.

In September 2020, the Company entered into an agreement with CJS Solutions Group LLC for loan facility, which allowed borrowing up to $ 10.00 million until September 30, 2021. $ 4.30 million was advanced and the Company accrued and paid interest at a rate of LIBOR plus 100 BPS (1.36% p.a.). The loan was repaid at $2 million in March, 2021; $1.5 million in June, 2021 & final payment of $0.8 million in August 2021. There is no outstanding principal and interest at March 31, 2022.

In December, 2020, the Company entered into an additional agreement with CJS Solutions Group LLC for loan facility, which allowed borrowing up to $ 20 million until December 2021. $ 9.00 million was advanced and the Company accrued and paid interest at a rate of LIBOR plus 80 BPS (1.04% p.a.). $0.7 million was repaid in August 2021; $0.01 was repaid in March 2022 and $1.5 million was advanced in March 2022. The loan has been extended to December 2022 at rate of LIBOR plus 80 BPS (0.87% p.a.) The total outstanding Principal amount for the loan is $ 9.8 million with no outstanding interest at March 31, 2022. In January 2021, the Company entered into a third agreement with CJS Solutions Group LLC for loan facility, which allowed borrowing up to $ 20.00 million until January 2022. $ 6.70 million was advanced and the Company accrued and paid interest at a rate of LIBOR plus 80 BPS (1.00188% p.a.). $.01 million was repaid in March 2022 and the loan has been extended to January 2023. The total outstanding Principal amount for the loan is $ 6.7 million with no outstanding interest at March 31, 2022. In August 2021, the Company entered into another agreement with CJS Solutions Group LLC for loan facility, which allowed borrowing up to $20.0 million until August 2022. $3.5 million was advanced and the Company accrued and paid interest at a rate of LIBOR plus 80 BPS (1.0355% p.a.) The total outstanding Principal amount for the loan is $ 3.5 million with no outstanding interest at March 31, 2022.

The aggregate maturities (inclusive of interest accrued and due) of all borrowings as of March 31, 2022 are as follows (In thousands):

2023	$ 66,646
2024	0
	$ 66,646

As of March 31, 2022 and 2021, the total outstanding borrowings, as discussed above, are as follows:

		2022		2021
		(In thousands)		
Line of Credit				
Citibank, including accrued interest	$	36,880	$	42,243
Other credit facilities	$	3,346	$	4,384
	$	**40,226**	**$**	**46,627**
Short term borrowings from related parties				
Tech Mahindra (Americas) Inc.	$	6,439	$	7,000
CJS Solutions Group LLC	$	19,981	$	18,000
	$	**26,420**	**$**	**25,000**

The Company entered into multiple interest rate swaps agreements with JP Morgan and Citibank to reduce exposure to interest rate fluctuations on its variable rate debt. Upon proper qualifications, these contracts are accounted for as cash flow hedges under current accounting standards. All derivative financial instruments are reported at fair value within the consolidated balance sheet.

Changes in the fair value of derivative instruments designated as cash flow hedges approximated gain of $ 2.72 million and gain of $ 0.85 million for the year ended March 31, 2022 and 2021, respectively and are recorded in accumulated other comprehensive income/(loss), a component of shareholder’s equity, to the extent they are effective. Based on the criteria established by current accounting standards, all the Company’s cash flow hedge contracts are to be highly effective.

The following tables set forth the fair value of the forward exchange contract and its location on the consolidated financial statements (Figures in thousands);

Interest rate swaps	March 31, 2022	March 31, 2021
Other non-current assets (maturing after 12 months)	1,798	-
Other current assets	96	-
Other current liabilities	-	792
Other non-current liabilities (maturing after 12 months)	-	31

The following tables set forth the effect of foreign currency exchange contracts on the consolidated statements of income and accumulated other comprehensive income/(loss) for the years ended March 31, 2022 and 2021 (Figures in thousands).

Interest rate swaps	**March 31, 2022**	**March 31, 2021**
Unrealised gain on cash flow hedges recognized in AOCI	2,717	854
Gain /(loss) on cash flow hedge recognized in net income	370	(717)

NOTE 7—INCOME TAXES

As a result of Tech Mahindra Group's acquisition of the Company in January 2015, the Company had filed its final consolidated federal income tax return which includes all of its US subsidiaries, for year ended December 31, 2014. The Company with all of its subsidiaries and associate became part of Tech Mahindra Group and a subsidiary of Tech Mahindra (Americas), Inc. and accordingly a group consolidated federal income tax return for Tech Mahindra (Americas), Inc. is filed after incorporating the details of the Company including its US subsidiaries, starting with period ended March 31, 2015.

The Company has subsidiaries that file tax returns in several foreign jurisdictions. LCC and its subsidiaries also file tax returns in local tax jurisdictions in many of the countries in which they do business. Many of the Company's subsidiaries' tax returns have been examined through various dates. Generally, the Company is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ending March 31, 2018 to March 31, 2021. In addition, the Company is currently open to audit under the statute of limitations in various foreign jurisdictions for the tax years between 2009 and 2021.

The provision for income taxes for the year ended March 31, 2022 and March 31, 2021 consisted of the following (Figures in thousands):

(Figures in thousands):

	March 31,2022	**March 31, 2021**
Current tax:		
Federal	(279)	509
State	3	61
Foreign*	4,355	2,928
Total Current tax:	**4,079**	**3,498**
Deferred:		
Federal	16	122
State	-	-
Foreign	(533)	(542)
Total Deferred	**(517)**	**(420)**
Total	**3,562**	**3,078**

Deferred income taxes, net includes the following components as of March 31, 2022 and March 31, 2021 (Figures in thousands):

	March 31, 2022	**March 31, 2021**
	(In Thousands)	
Deferred taxes:		
Gross deferred tax assets	23,687	23,797
Less: valuation allowance	(21,759)	(21,967)
Deferred tax assets, net of Valuation Allowance	1,928	1,830
Gross deferred tax liabilities	(1,563)	(2,143)

* Includes tax pertaining to earlier years amounting to USD 0.3 million.

The Company believes that the deferred tax assets are realisable based on the Company's financial results for the year ended March 31, 2022 and March 31, 2021, projected future taxable income and tax planning strategies. The Company's deferred tax assets are primarily comprised of net operating losses of USD 22.13 million and USD 21.76 million at March 31, 2022 and March 31, 2021 respectively. The Company's deferred tax liabilities are primarily related to intangible assets recorded on the acquisition of Leadcom.

Pursuant to Section 382 of the Internal Revenue Code, the Company underwent an ownership change for tax purposes (i.e., a more than 50% change in stock ownership in aggregated 5% shareholder) as a result of the acquisition by Tech Mahindra (Americas), Inc.

The Company has U.S. operating loss carryforwards of USD 30.10 million as of March 31, 2022 which expire beginning in 2029. Entire amount of USD 30.10 million will be utilised within the period of Sec 382 limitation. The Company also has USD 86.16 million of foreign net operating loss carryforwards, some of which can be carried forward indefinitely, subject to certain restrictions.

Foreign income tax expense is generated from business conducted in countries where the Company has subsidiaries or has established branch offices or has performed significant services that constitute a “permanent establishment” for tax reporting purposes. Foreign income tax also includes non-recoverable withholding tax on projects in countries where the Company does not have a registered presence.

The Company has made no provision for deferred U.S. income taxes or additional foreign taxes on any unremitted earnings of its controlled foreign subsidiaries because the Company considers these earnings to be permanently reinvested.

In determining the income tax valuation allowances, management considers whether it is unlikely that any portion of the deferred tax assets will be realized. Based on the Company’s financial results for the year ended March 31, 2022 and March 31, 2021, the Company decreased its gross deferred tax assets and its valuation allowance on foreign and domestic net operating loss carry-forwards by $208,258 during the year ended March 31, 2022.

As a subsidiary of Tech Mahindra (Americas), Inc., with whom the Company files consolidated federal and state returns, the Company calculates the provision for income taxes by using a “benefits-for-loss” method. The Company’s intercompany tax-related receivable from Tech Mahindra (Americas), Inc. are $2.8 million (nil towards deferred tax) and $2.7 million (nil towards deferred tax) at March 31, 2022 and March 31, 2021 respectively.

The difference between statutory tax rate and effective tax rate primarily includes effect of differential overseas tax rates, effect of expenses that are not deductible in determining taxable profit, adjustment recognised in the current year in relation to the current tax of prior years.

NOTE 8 - LEASES

The Company is a party to operating and finance lease agreements primarily for office facilities, warehouses, residential premises and vehicles expiring on various dates between 2023 and 2029. Some of the operating leases include one or more options to renew. The exercise of these renewal options is at Company’s sole discretion. Renewal options were included in the calculations of the operating lease ROU assets and operating lease liabilities when it is reasonably certain that such options will be exercised.

A. Components of lease costs for the year ended March 31, 2022 included in the Statement of operations are as follows:

(In thousands)

Particulars	March 31, 2022	March 31, 2021
Operating lease cost	2,237	2,558
Finance lease cost:		
Depreciation of right-of-use assets	591	1,046
Interest on lease liabilities	19	87
Short term lease cost	2,465	1,483
Sub-lease income	(795)	(590)
Total lease cost	**4,517**	**4,845**

B. Cash paid for amounts included in measurement of lease liability:

(In thousands)

Particulars	March 31, 2022	March 31, 2021
Operating cash flow towards finance leases (interest)	19	367
Operating cash flow towards operating leases	2,218	2,191
Financing cash flow towards finance leases	777	1,015
Right of use assets recognised in exchange for new finance lease liabilities	137	496
Right of use assets recognised in exchange for new operating lease liabilities	876	2,555

C. Components of lease assets and liabilities as at March 31, 2022 included in the Balance Sheet are as follows:

(In thousands)

Particulars – assets	**March 31, 2022**	**March 31, 2021**
Operating lease right-of-use assets	6,744	8,324
Capital leases:		
Property and equipment, at cost	4,514	4,795
Accumulated depreciation	(4,316)	(3,796)
Property and equipment, net	198	999

(In thousands)

Particulars – liabilities	**March 31, 2022**	**March 31, 2021**
Operating lease:		
Current	1,939	2,118
Non-current	5,458	6,869
Capital lease:		
Current	114	751
Non-current	62	57

D. Weighted Average Remaining Lease term and Discount Rate:

Particulars	**LCC (excluding Leadcom)**	**Leadcom**	**Average***
Weighted-Average Remaining Lease Term:			
Operating leases	5.39	4.40	4.89
Capital leases	0.75	2.40	1.58
Weighted-Average Discount Rate:			
Operating leases	2.40%	5.20%	3.80%
Finance leases	0.91%	7.30%	4.10%

* Average has been derived by considering weighted average of LCC and Leadcom data.

E. The following table provides the schedule of maturities of operating and finance lease liabilities, under the New Lease Standard, as of March 31, 2022:

(In thousands)

Particulars – Operating leases	**March 31, 2022**
2022-2023	1,998
2023-2024	1,587
2024-2025	1,253
2025-2026	1,248
2026-2027	1,290
Thereafter	559
Total lease payments	**7,935**
Less: Imputed Interest	538
Net	**7,397**

(In thousands)

Particulars – Finance leases	March 31, 2022
2022-2023	115
2023-2024	62
Total lease payments	**177**
Less: Imputed Interest	1
Net	**176**

NOTE 9—HEALTH AND RETIREMENT PLANS

April 2021 to March 2022

Defined contribution plan

The Company's foreign subsidiaries participate in separate defined contribution retirement plans for which the Group made contributions on behalf of employees amounting to $2.2 million and $2.7 million for the year ended March 31, 2022 and 2021, respectively.

Defined benefit plan

The amount recognized in the consolidated statement of operations related to gratuity plans were approximately $1.7 million and $2.6 million for the year ended March 31, 2022 and March 31, 2021, respectively.

The following table sets out the unfunded status of the Gratuity Scheme.

(In thousands)

	Year ended March 31, 2022	Year ended March 31, 2021
Change in the benefit obligation		
Projected Benefit Obligation ("PBO") at the beginning of the year	7,738	7,601
Service cost	1,781	1,683
Interest cost	143	267
Actuarial loss/(gain)	(210)	794
Benefits paid	(1,496)	(2,616)
Exchange loss/(gain)	(26)	9
PBO at the end of the year	**7,930**	**7,738**

The expected benefit payments during the next 10 years are given below:

(In thousands)

Financial Year Expected benefit payments	As at March 31, 2022
2022-23	1,127
2023-24	939
2024-25	1,001
2025-26	1,028
2026-27	1,064
Thereafter	4,948

The assumptions used to determine net benefit cost were as follows:

	Year ended March 31,2022	Year ended March 31, 2021
Discount rate (p.a.)	2.8% to 8%	2.1% to 6%
Rate of increase in compensation levels	1.5% to 3%	2% to 5%

The Group evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rates are based on market yields at the end of the reporting period on government bonds.

The Company's US group health benefits are self-insured for claims up to $0.35 million, per participant per plan year (individual stop loss) under the Tech Mahindra stop loss policy. It carries aggregate reinsurance capped at approximately $52.9 million for the entire Tech Mahindra population, depending on the number of participants during the year and actual monthly enrollments.

The assumed health care cost trend rate(s) for the next year used to measure the expected cost of benefits covered by the plan (gross eligible charges), and a general description of the direction and pattern of change in the assumed trend rates thereafter, together with the ultimate trend rate(s) and when that rate is expected to be achieved is not currently available and hence not disclosed.

Characteristics of the Company's non-US health benefits vary by region.

NOTE 10—SHAREHOLDERS' EQUITY

As of March 31, 2022, all of the outstanding common stock issued by the Company are wholly owned by Tech Mahindra Americas, Inc. The share capital of the Company comprises of one class of equity shares with par value USD 0.50. Each Shareholder is eligible for one vote per share held. 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 the shareholding. The dividend, if proposed by the Board of Directors will be paid in USD and will be subject to approval of the shareholders.

NOTE 12—RELATED PARTY TRANSACTIONS

During the year ended March 31, 2022 and 2021, the Company had the following related party transactions with the below mentioned related parties.

1. **List of related parties and relationships (where there are transactions):**

   Ultimate Holding Company

   Tech Mahindra Limited

   Holding Company

   Tech Mahindra Americas, Inc.

   Fellow subsidiaries

   Tech Mahindra DE Mexico S DE RL DE CV

   Tech Mahindra GmbH

   Tech Mahindra Limited

   Tech Mahindra Services De Informatica LTDA – Brazil

   CJS Solutions Group LLC

2. Related party transactions

(In thousands)

Nature of Transaction	Name of Related Party	March, 31 2022	March, 31 2021
Interest Expenses	Tech Mahindra Americas, Inc	101	151
	CJS Solutions Group LLC	185	175
Reimbursement towards Services	Tech Mahindra Americas, Inc	1,012	893
	Tech Mahindra Services De Informatica LTDA - Brazil	----	3
	Tech Mahindra Limited	398	590
Rent Expense	Tech Mahindra Limited	79	116
	Tech Mahindra DE Mexico S DE RL DE CV	299	227
Rent Income	Tech Mahindra Limited	14	14
Revenue from Services	Tech Mahindra Americas, Inc	24	11
	Tech Mahindra Limited	16,850	14,161
	Tech Mahindra DE Mexico S DE RL DE CV	148	1,188
	Tech Mahindra GmbH	----	33
Loan taken	Tech Mahindra Americas, Inc	1,500	34,000
	CJS Solutions Group LLC	5,000	20,000
Repayment of loan taken	Tech Mahindra Americas, Inc	2,061	27,000
	CJS Solutions Group LLC	3,019	2,000
Subcontractor Expenses	Tech Mahindra Limited	2,988	2,102
Tax	Tech Mahindra Americas Inc	280	0
	Tech Mahindra Limited	232	50
	Tech Mahindra DE Mexico S DE RL DE CV	61	255

3. Balances with related parties (as at year-end)

(In thousands)

Nature of balance	Name of Related Party	March, 31 2022	March, 31 2021
Accounts Payable	Tech Mahindra Americas, Inc	340	260
	Tech Mahindra Limited	7,163	5,467
	Tech Mahindra DE Mexico S DE RL DE CV	---	153
	Tech Mahindra DE Mexico S DE RL DE CV (ROU Liability)	489	142
Accounts Receivable	Tech Mahindra Services De Informatica LTDA - Brazil	3	3
	Tech Mahindra Americas Inc	2,992	2,785
	Tech Mahindra GmbH	---	33
	Tech Mahindra Limited	6,041	3,785
	Tech Mahindra DE Mexico S DE RL DE CV	43	449
Loan Payable	Tech Mahindra Americas, Inc	6,439	7,000
	CJS Solutions Group LLC	19,980	18,000
	Tech Mahindra Limited	45	47

NOTE 12—INVESTMENTS IN OTHER ENTITIES

The Company accounts for the investment in Djazatech using the equity method and recognizes its 49% share of Djazatech's profits and losses. The Company has created provision towards this investment during the year ended March 31, 2018. Further, the Company's share of losses of this associate exceeds its interest in the associate; hence, the Company has discontinued recognizing its share of further losses.

NOTE 13—COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is a party to various litigation matters and claims that are normal in the course of operations and while the results of such litigation matters and claims cannot be predicted with certainty, the Company believes that it is not reasonably possible that the final outcome of such matters will have a material adverse impact on the consolidated financial position, results of operations or cash flows of the Company.

As per ASC 450 "Contingencies", loss contingencies towards Income tax liability that may arise in respect of matters in appeal as at March 31, 2022 and 2021 is $ 3.26 million and $ 4.27 million respectively. Guarantees outstanding as at March 31, 2022 and 2021 are $0.01 million and $0.07 million respectively. Claims not acknowledged as debt as at March 31, 2022 and 2021 are $0.19 million and $0.81 million respectively

NOTE 14 - Estimation uncertainty relating to the global health pandemic - COVID-19

In January 2020, the World Health Organization has 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. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. The impact of COVID-19 on the business operations of the Company, including the duration, cannot be reasonably ascertained at this point in time, however, considering the fact that the Company's services have been classified as essential services, the management does not anticipate any material adverse impact on the business, results of operations, financial position and cash flows in the financial year ending 31 March 2023.

NOTE 15—SUBSEQUENT EVENTS

The Company evaluated its financial statements for subsequent events through July 05, 2022, the date the financial statements were available to be issued. The Company is not aware of any additional subsequent events which would require recognition or disclosure in the financial statements.

INFOSTAR LLC

UNAUDITED FINANCIAL STATEMENTS
For the period 26th October 2021 to 31st March 2022

Board of Managers
Mr. Abhishek Shankar
Dr. Satish Pai

Registered Office:
779 Sunny Brook Way
Pleasanton, CA
United States 94566

INFOSTAR LLC

BALANCE SHEET AS AT

	Note No.	Currency USD 31-Mar-22
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment		-
(b) Capital work-in-progress		-
(c) Investment Property		-
(d) Goodwill		-
(e) Intangible assets		-
(f) Financial Assets		
(i) Investments		-
(ii) Trade receivables		-
(iii) Loans		-
(iv) Other Financial Assets		-
(g) Advance Income Taxes (Net of provisions)		-
(h) Deferred tax assets (net)		-
(i) Other non-current assets		-
Total Non-current Assets		**-**
Current assets		
(a) Inventories		-
(b) Financial Assets		
(i) Investments		-
(ii) Trade receivables		-
(iii) Cash and cash equivalents	1	8,127,831
(iv) Other Balances with Banks		-
(v) Loans		-
(vi) Other Financial Assets		-
(c) Other current assets	2	5,935
		8,133,766
Assets held-for-sale		-
Total Current Assets		**8,133,766**
Total Assets		**8,133,766**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital		-
(b) Other Equity	3	7,354,900
Equity Attributable to Owners of the Company		**7,354,900**
Non-Controlling Interests		-

		Currency USD
	Note No.	**31-Mar-22**
Total Equity		**7,354,900**
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings		-
(ii) Other Financial Liabilities		-
(b) Provisions	4	36,055
(c) Deferred tax liabilities (Net)		-
(d) Other non-current liabilities		-
Total Non - Current Liabilities		**36,055**
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings		-
(ii) Trade payables	5	13,103
(iii) Other Financial Liabilities	6	66,000
(b) Other current liabilities		-
(c) Provisions		-
(d) Current Tax Liabilities (Net)		663,708
Total Current Liabilities		**742,811**
Total Equity and Liabilities		**8,133,766**

INFOSTAR LLC

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED

		Note No.	31-Mar-22
I	Revenue from operations		4,142,861
II	Other Income		-
III	**Total Revenue (I +II)**		**4,142,861**
IV	**EXPENSES**		
	Subcontracting Expenses		-
	Employee benefit expense	7	3,530,830
	Finance costs		-
	Depreciation and amortisation expense		-
	Other expenses	8	931,739
	Total Expenses		**4,462,570**
V	**Share of (Profit) / Loss of Associates**		-
VI	**Profit/(loss) before Exceptional Item and Tax (III-IV-V)**		**(319,708)**
VII	Exceptional Item (net)		-
VIII	**Profit/(loss) before tax (VI+VII)**		**(319,708)**
IX	**Tax Expense**		
	Current tax		663,708
	MAT charge / (credit)		-
	Earlier years excess provision written back		-
	Deferred tax		-
	Total tax expense		**663,708**
X	**Profit/(loss) after Tax**		**(983,416)**
XI	**Profit/(Loss) for the period attributable to:**		
	Owners of the Company		(983,416)
	Non controlling interests		-
			(983,416)

		Note No.	31-Mar-22
XII	**Other comprehensive income**		
A	I. Items that will not be reclassified to profit or loss		
	(a) Remeasurements of the defined benefit liabilities / (asset)		-
	(b) Equity instruments through other comprehensive income		-
	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		
	(a) Exchange differences in translating the financial statements of foreign operations		-
	(b) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		-
	II. Income tax on items that will be reclassified to profit or loss		-
XIII	**Total comprehensive income for the period (X+XII)**		**(983,416)**
XIV	**Total comprehensive income for the period attributable to:**		
	Owners of the Company		(983,416)
	Non controlling interests		-

INFOSTAR LLC

Note - 1 Cash and Cash Equivalents

		Currency USD
Particulars		**As at**
		31-Mar-22
Current Cash and bank balances		
(a)	Cash in hand	-
(b)	Fund in Transit	-
(c)	Cheques on Hand	-
(d)	Unrestricted Balances with banks	
	(i) In Current Account	8,127,831
	(ii) In Deposit Account (having original maturity less than 3 months)	-
Total Cash and cash equivalent		**8,127,831**

Reconcliation of Cash and Cash Equivalents

Particulars	**As at**
	31-Mar-22
Total Cash and Cash Equivalents	8,127,831
Add: Current Cash and bank balances	-
Add: Current Restricted cash and bank balances	-
Total Cash and Bank Balance	**8,127,831**

Note 2 Other current assets

		Currency USD
Particulars		**As at**
		31-Mar-22
a)	**Balance with Government Authorities**	
	Considered Good	-
	Considered Doubtful	-
	Provision	-
	TOTAL (a)	**-**
b)	**Advances to Employees**	
	- Unsecured, considered good	-
	- Doubtful	-
	Less : Allowance for bad and doubtful loans	-
	TOTAL (b)	**-**
c)	**Contract Assets**	-
d)	**Prepaid Exp**	5,935
	TOTAL (d)	**5,935**
e)	**Deferred Contract Costs**	-
f)	**Share application money given to subsidiaries**	
	Considered Good	-
	TOTAL (f)	**-**
g)	**Other Loans and Advances**	
	- Secured, considered good	-
	- Unsecured, considered doubtful	-
	Less : Allowance for bad and doubtful advances	-
	TOTAL (g)	**-**
	TOTAL (a+b+c+d+e+f+g)	**5,935**

Note -3: Other Equity

Currency USD

Particulars	Share Application Money pending Allotment	Capital Reserve on Consolidation	Reserves & Surplus: Capital reserve	Securities Premium Reserve	Share Option Outstanding Account	General Reserve	Statutory Reserve	SEZ reinvestment Reserve	Retained Earnings	Hedging Reserve	Fair Value through OCI (FVTOCI)	Foreign Currency Translation Reserve	Attributable to Owners of the Parent	Non Controlling Interests	Total
Balance at the beginning of reporting period April 1, 2016			2,591,369						5,746,948				8,338,317		8,338,317
Profit for the period									(983,416)				(983,416)	-	(983,416)
Other Comprehensive Income									-	-	-	-	-	-	-
Total Comprehensive income	-	-	-	-	-	-	-	-	**(983,416)**	-	-	-	**(983,416)**	-	**(983,416)**
Money received / Movement on account of issue of shares / exercise of Options (net)													-		-
Transfer from share option outstanding account to Securities premium on exercise of stock options													-		-
Amortised Amount of Stock Compensation Cost (net)					-								-		-
Dividends									-				-		-
Tax on Dividend									-				-		-
Transfer to / from during the period													-		-
Acquisition of Subsidiary													-		-
Acquisition of non Controlling Interests													-		-
Balance at the end of reporting period June 30, 2016	-	-	**2,591,369**	-	-	-	-	-	**4,763,531**	-	-	-	**7,354,900**	-	**7,354,900**
Balance as per Trail Balance	-	-	**2,591,369**	-	-	-	-	-	**4,763,531**	-	-	-	**7,354,900**	-	**7,354,900**
Difference (this should be zero)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note - 4: Provisions

Particulars	Currency USD As at 31-Mar-22
Provision for employee benefits	
Gratuity	-
Compensated absences and Long service awards	36,055
Other Provisions	
Contingencies	-
Others	-
Total Provisions	**36,055**

Note 5 Trade Payables

Particulars	Currency USD As at 31-Mar-22
Trade Payables other than Accrued Salaries and Benefits	13,103
Total trade payables*	**13,103**

Note - 6: Other Financial Liabilities

Particulars	As at 31-Mar-22
Current:	
Current maturities of long-term loans (secured)	-
Current maturities of long-term loans (Unsecured)	-
Current maturities of finance lease obligations	-
Current maturities of long term debt (Secured Debentures)	-
Interest payable on Borrowings	-
Unclaimed dividends	-
Foreign currency Derivatives Liabilities	-
Financial guarantee Contracts Current	-
Creditors for capital supplies/services	-
Contractual Obligation	-
Contractual Obligation for Buyback	-
Contingent consideration on acquisitions	-
ROU Liability	-
Discounts payable to Customers	-
Accrued Salaries and Benefits	66,000
Total	**66,000**

Note 7: Employee Benefits Expense

Particulars	Currency USD As at 31-Mar-22
Salaries and wages, including bonus	3,455,727
Contribution to provident and other funds	75,103
Gratuity	-
Share Based Payments to Employees	-
Staff welfare expenses	-
Total Employee Benefit Expense	**3,530,830**

Note - 8: Other Expenses

Particulars	Currency USD As at 31-Mar-22
Power & Fuel Expenses	-
Rent	-
Rates and taxes	-
Communication Expenses	4,371
Travelling Expenses	4,224
Recruitment Expenses	-
Training	-
Hire Charges	-
Legal and other professional costs	76,551
Repair and maintenance Expenses	
- Buildings (including leased premises)	-
- Machinery and Computers	-
- Others	-
Insurance charges	1,891
Software, Hardware and Project Specific Expenses	831,443
Claims and Warranties (Net)	-
Advertisement, Promotion & Selling Expenses	9,234
General Office Expenses	62
Allowance for Doubtful Receivables, Unbilled Revenue and Bad Debts written off	-
- Provided during the quarter	
- Bad Debts written off	
- Less: Provision reversed during the period	
Provision for Doubtful Advances, Deposits and Advances written off	-
- Provided during the quarter	
- Bad Debts written off	
- Less: Provision reversed during the quarter	
Donation	-
Corporate Social Responsibility Expenditure	-
Provision for Impairment of Goodwill	
Fair Value Change in Contractual Liability	
Miscellaneous Expenses	3,962
Total Other Expenses	**931,739.23**

ACTIVUS CONNECT LLC

UNAUDITED FINANCIAL STATEMENTS
For the period 3rd December 2021 to 31st March 2022

Board of Directors

Mr. Manish M Vyas

Mr. Birendra Sen

Mr. Felix Serrano

Registered office

8160 Chilton Drive

Orlando, Fl 32836

BALANCE SHEET AS AT

	Note No.	USD 31-Mar-22
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment		-
(b) Capital work-in-Progress		-
(c) Investment Property		-
(d) Goodwill		-
(e) Intangible Assets		-
(f) Financial Assets		
(i) Investments		-
(ii) Trade Receivables		-
(iii) Loans		-
(iv) Other Financial Assets	1	40,000
(g) Advance Income Taxes (Net of provisions)		-
(h) Deferred Tax Assets (Net)		-
(i) Other Non-Current Assets		-
Total Non-Current Assets		**40,000**
Current Assets		
(a) Inventories		-
(b) Financial Assets		
(i) Investments		-
(ii) Trade Receivables	2	5,360,454
(iii) Cash and Cash Equivalents	3	1,475,606
(iv) Other Balances with Banks		-
(iv) Loans		-
(v) Other Financial Assets		1,058
(c) Other Current Assets		-
		6,837,118
Assets held-for-sale		-
Total Current Assets		**6,837,118**
Total Assets		**6,877,118**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	4	371,313
(b) Other Equity	5	5,172,618
Equity Attributable to Owners of the Company		5,543,931
Non-Controlling Interests		-
Total Equity		**5,543,931**

	Note No.	USD 31-Mar-22
LIABILITIES		
Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings		-
(ii) Other Financial Liabilities		-
(b) Provisions		-
(c) Deferred Tax Liabilities (Net)		-
(d) Other Non-Current Liabilities		-
Total Non - Current Liabilities		**-**
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings		-
(ii) Trade Payables	6	80,101
(iii) Other Financial Liabilities	7	1,199,890
(b) Other Current Liabilities	8	53,196
(c) Provisions		-
(d) Current Tax Liabilities (Net)		-
Total Current Liabilities		**1,333,187**
Suspense Account (Net)		**-**
Total Equity and Liabilities		**6,877,118**

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED

		Note No.	For The Period Ended 31-Mar-22
I	Revenue from Operations		13,575,744
II	Other Income	9	10
III	**Total Revenue (I +II)**		**13,575,754**
IV	**EXPENSES**		
	Employee Benefit Expense	10	15,395,245
	Subcontracting Expenses		18,608
	Finance Costs	11	559
	Depreciation and Amortisation Expense		-
	Other Expenses	12	464,836
	Total Expenses		**15,879,248**
V	**Share of (Profit) / Loss of Associates**		-
VI	**Profit/(loss) before Exceptional Item and Tax (III-IV-V)**		**(2,303,494)**
VII	**Exceptional Item (net)**		-
VIII	**Profit/(loss) Before Tax (VI+VII)**		**(2,303,494)**
IX	**Tax Expense**		
	Current tax		-
	MAT charge / (credit)		-
	Earlier years excess provision written back		-
	Deferred Tax		-
	Total Tax Expense		**-**
X	**Profit/(loss) after Tax**		**(2,303,494)**
XI	Profit/(Loss) for the period attributable to:		
	Owners of the Company		(2,303,494)
	Non Controlling Interests		-
			(2,303,494)
XII	**Other Comprehensive Income**		
A	I. Items that will not be recycled to Profit or Loss		
	(a) Remeasurements of the Defined Benefit Liabilities / (Asset)		-
	(b) Equity instruments through Other Comprehensive Income		-
	II. Income tax relating to items that will not be reclassified to Profit or Loss		-
B	I. Items that may be reclassified to Profit or Loss		
	(a) Exchange differences in translating the Financial Statements of Foreign Operations		-
	(b) Effective portion of gains and loss on Designated Portion of Hedging Instruments in a Cash Flow Hedge		-
	II. Income tax on items that will be reclassified to Profit or Loss		-
XIII	**Total Comprehensive Income for the period (X+XII)**		**(2,303,494)**
XIV	**Total comprehensive income for the period attributable to:**		
	Owners of the Company		(2,303,494)
	Non controlling interests		0

ACTIVUS CONNECT LLC

Note 1 Other Financial Assets

Particulars	As at 31-Mar-22
a) Unbilled Revenue	-
	-
b) Interest Receivable	
(i) Interest accrued on deposits, loans and advances	-
(ii) Interest - Others	-
	-
c) Security Deposits	
- Unsecured, considered good	40,000
- Doubtful	-
Less : Allowance for expected credit loss	-
	40,000
d) Lease Receivable	
Considered Good	-
Considered Doubtful	-
Provision	-
	-
e) Fixed deposits/Margin Money Deposits having maturities of more than 12 months from the Balance Sheet date	-
	-
f) Foreign Currency Derivative Assets	-
	-
g) Advances to Related Parties	
- Secured, considered good	-
- Unsecured, considered doubtful	-
- Doubtful	-
	-
h) Financial guarantee contracts	-
TOTAL	**40,000**

Note -2 Trade Receivables-Current

Particulars	As at 31-Mar-22 Current
Trade Receivables	
Over Six Months	
(a) Unsecured, considered good*	-
(b) Doubtful	-
Others	
(a) Unsecured, considered good**	5,360,454
(b) Doubtful	-
Less: Allowance for expected credit loss	-
TOTAL	**5,360,454**

Note

1. * Net of remittances received aggregating to USD Million (previous year: USD Million) pending adjustments against invoices.

2. ** Net of remittances received aggregating to USD Million (previous year: USD Million) pending adjustments against invoices.

Note - 3 Cash and Cash Equivalents

Particulars	As at 31-Mar-22
Current Cash and bank balances	
Cash in hand	-
Cheques on Hand	-
Fund in Transit	-
Balances with banks	
(i) In Current Account	1,475,606
(ii) In Deposit Account (Original maturity less than 3 months)	-
Total	**1,475,606**

Reconcliation of Cash and Cash Equivalents

Particulars	As at 31-Mar-22
Total Cash and Cash Equivalents	1,475,606
Add: Current Cash and bank balances	-
Add: Current Restricted cash and bank balances	-
Total Cash and Bank Balance	**1,475,606**

Note -4: Equity share capital

Currency USD

Particulars	Number of Shares	Equity share capital
Authorised:		
_____ (No. of shares) Equity shares of (Put Currency and value per share_____) each with voting rights		
Issued Subscribed and Paid up share Capital as at beginning of reporting period		371,313
Less: Treasury Shares		
Balance as at beginning of reporting period	**-**	**371,313**
Changes in equity share capital during the year		
Issue of equity shares		0
Changes in Treasury Shares		
Issue of equity shares under employee share option plan		
Balance at the end of reporting period 31 March,2022	**-**	**371,313**

Note -5: Other Equity

Currency USD

Particulars	Share Application Money pending Allotment	Reserves & Surplus: Capital Reserve on Consolidation	Capital reserve	Securities Premium	Share Option Outstanding Account	General Reserve	Statutory Reserve	SEZ reinvestment Reserve	Capital Redemption Reserve	Retained Earnings	Hedging Reserve	Fair Value through OCI (FVTOCI)	Foreign Currency Translation Reserve	Attributable to Owners of the Parent	Non Controlling Interests	Total
Balance at the beginning of reporting period	-	-	-	-	-	-	-	-	-	2,916,840	-	-	-	2,916,840		2,916,840
Profit for the period										(2,303,494)				(2,303,494)	-	(2,303,494)
Other Comprehensive Income										-	-	-	-	-	-	-
Total Comprehensive income	-	-	-	-	-	-	-	-	-	(2,303,494)	-	-	-	(2,303,494)	-	(2,303,494)
Money received / Movement on account of issue of shares / exercise of Options (net)	-			-										-		-
Transfer from share option outstanding account to Securities premium on exercise of stock options					-									-		-
Minority transfer to reserves														-		-
Amortised Amount of Stock Compensation Cost (net)					-									-		-
Dividends														-		-
Tax on Dividend														-		-
IND AS 116 transition impact														-		-
Transfer to / from during the period		-	4,559,273			-	-	0	-	0				4,559,273		4,559,273
Balance at the end of reporting period March 31,2022	-	-	4,559,273	-	-	-	-	-	-	613,346	-	-	-	5,172,619	-	5,172,619
As per Hyperion	-	-	4,559,273	-	-	-	-	-	-	613,346	-	-	-	5,172,619	-	5,172,619
Difference (this should be zero)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note - 6: Borrowings-Non Current

Particulars	Currency USD **As at** **31-Mar-22**
Measured at amortised cost	
A. Secured Borrowings:	
Debentures	-
Cash Credit and Loans Repayable on Demand	
- From Banks (Other than Finance Lease Obligations)	-
- From Others (Other than Finance Lease Obligations)	-
Long Term Maturities of Finance Lease Obligations	-
Total Secured Borrowings	-
B. Unsecured Borrowings - at amortised Cost	
From Banks (other than Finance Lease Obligations)	-
From Others (other than Finance Lease Obligations)	-
Loans From Group Companies (Inter-corporate Deposits)	-
Total Unsecured Borrowings	**-**
Total Borrowings	**-**

Note - 7: Other Financial Liabilities

Particulars	Currency USD **As at** **31-Mar-22**
Current:	
Current maturities of long-term loans (secured)	-
Current maturities of long-term loans (Unsecured)	-
Current maturities of finance lease obligations	-
Current maturities of long term debt (Secured Debentures)	-
Interest payable on Borrowings	-
Unclaimed dividends	-
Foreign currency Derivatives Liabilities	-
Financial guarantee Contracts Current	-
Creditors for Capital Supplies/services	-
Contractual Obligation	-
Contractual Obligation for Buyback	-
Contingent consideration on acquisitions	-
ROU Liability	-
Discounts payable to Customers	-
Accrued Salaries and Benefits	1,199,890
Total	**1,199,890**

ACTIVUS CONNECT LLC

Note - 8: Other Current Liabilities

Particulars	Currency USD **As at** **31-Mar-22**
Advances received from customers	-
Unearned revenue	-
Statutory Remittances	-
Others**	53,196
TOTAL	**53,196**

Summarised Breakup of Others (Other Current Liabilities):**

Particulars	Currency USD **31-Mar-22**
Total	**-**

Note - 9: Other Income

Particulars	Currency USD **For the period ended** **31-Mar-22**
Interest Income	
-On Bank deposits	10
- Other financial assets carried at amortised cost	-
Dividend Income on Non Current Investment	-
Dividend Income on Current Investment	-
Profit on Sale of Current Investments	-
Profit on Sale of Non Current Investments	-
Profit/ (Loss) on sale of Property, Plant & Equipments	-
Rental income	
- From Investment property	-
- Others	-
Foreign Exchange gain/(loss) net	-
Provision for non-current investments no longer required	-
Gain/ (Loss) on Investment carried at Fair value through Profit & Loss	-
Sundry Balances Written Back	-
Miscellaneous Income**	-
Total Other Income	**10**

Table 1 : Miscellaneous Income**

Particulars	Currency USD **31-Mar-22**
Total	**-**

Note - 10: Employee Benefits Expense

Particulars	Currency USD **For the period ended** **31-Mar-22**
Salaries and Wages, including bonus	14,189,773
Contribution to Provident and other Funds	1,184,269
Gratuity	-
Share Based Payments to Employees	-
Staff Welfare Expenses	21,203
Total	**15,395,245**

Note - 11: Finance Cost

Particulars	Currency USD **For the period ended** **31-Mar-22**
Interest On Debentures And Long Term Loans	545
Interest On Short Term Loan & Cash Credits	-
Interest On Loans From Related Parties	-
Other Interest Expense	14
Finance Cost related to Lease Liability	-
Cash Discount	-
Total finance costs	**559**

ACTIVUS CONNECT LLC

Note - 12: Other Expenses

Particulars	Currency USD **For the period ended** **31-Mar-22**
Power & Fuel Expenses	1,327
Rent	300
Rates and taxes	139
Communication Expenses	1,440
Travelling Expenses	3,583
Recruitment Expenses	19,802
Training	-
Hire Charges	-
Legal and other professional costs	169,880
Repair and maintenance Expenses	
- Buildings (including leased premises)	-
- Machinery and Computers	-
- Others	-
Insurance charges	-
Software, Hardware and Project Specific Expenses	179,577
Claims and Warranties (Net)	-
Advertisement, Promotion & Selling Expenses	44,697
General Office Expenses	24,132
Allowance for Doubtful Receivables, Unbilled Revenue and Bad Debts written off	-
-Provided during the quarter	
-Bad Debts written off	
-Less: Provision reversed during the period	
Provision for Doubtful Advances, Deposits and Advances written off	-
-Provided during the quarter	
-Bad Debts written off	
-Less: Provision reversed during the period	
Donation	-
Corporate Social Responsibility Expenditure	-
Provision for Impairment of Goodwill	-
Fair Value Change in Contractual Liability	-
Miscellaneous Expenses	19,959
Total	**464,836.00**

DIGITAL ONUS, INC.

UNAUDITED FINANCIAL STATEMENTS
For the period 7th May 2021 to 31st March 2022

Board of Directors

Mr. Lakshmanan Chidambaram

Mr. Krishna Bala

Mr. Surinder Chawla

Registered office

3500 S. Dupont Hwy, Dover,

Delaware 19901

Bankers

HSBC Bank

DIGITAL ONUS, INC.

CONSOLIDATED BALANCE SHEETS AS ON MARCH 31, 2022

	Amt in USD
ASSETS	**As On 'March 31, 2022**
Current assets	
Cash and equivalents	9,905,517
Accounts receivable and accrued revenue	16,235,604
Loan to related party	
Prepaid items and other current asset	
Total current assets	**26,141,121**
Non-current assets	
Accounts receivable	698,100
Total Non Current assets	**698,100**
Property and equipment	
Property and equipment, at cost	2,095,325
Less : Accumulated depreciation	548,199
Net property and equipment	1,547,126
Other assets	
Deposits and other assets	690,722
Investments in subsidiaries	
Deferred tax asset	524,719
Total other assets	**1,215,441**
Total assets	**29,601,788**
LIABILITIES AND SHAREHOLDER'S EQUITY	
Current liabilities	
Accounts payable and accrued liabilities	9,203,462
Payroll and related tax liabilities	3,230,981
Income taxes currently payable	2,405,724
Unearned revenue	2,978,715
Other current liabilities	5,062,345
Total current liabilities	**22,881,227**
Non current liabilities	
Loan	72,223
Deferred tax liability	
Other non - current financial liabilities	410,932
Total non current liabilities	**483,155**
Shareholder's equity	
Common stock, $0.0001 par value, authorized 15,000,000, issued and outstanding 8,753,634 and 8,675,000 at March 31, 2022	868
Series Seed Preferred Stock, $0.0001 par value, authorized 494,136, issued and outstanding 464,136 at March 31, 2022	46
Additional paid in capital	18,082,925
Retained earnings	(11,846,433)
Accumulated other comprehensive income	-
Total shareholders' equity	**6,237,406**
Total liabilities and shareholder's equity	**29,601,788**

Accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM MAY 07 TH TO MARCH 31, 2022

	Amt in USD
Particulars	**For The Period Ended March 31, 2022**
Revenue from services	51,461,931
Operating expenses Salaries, employee benefits and taxes	
Personnel	45,633,454
Subcontracting expenses	2,540,784
Software, hardware and project specific expenses	
General and administrative and other expenses	2,420,481
Movement in doubtful provision	
Allowance for accounts receivables due from affiliated companies	
Finance Cost	4,947
Depreciation	264,801
Total operating expenses	**50,864,467**
Net income from operations	-
Other income (expense)	-
Grants from foreign government	-
Interest income	-
Income (loss) before taxes	
Income taxes	524,187
US federal and state taxes	3,027,278
US deferred tax (expense) benefit	(99,277)
Foreign taxes	
Income before income tax expense	
Net income (loss)	
Other comprehensive income (loss) Foreign currency translation adjustment	
Total Comprehensive income (loss)	**(2,854,724)**
Owners of the Company	(2,854,724)
Non controlling interests	0

See accompanying notes and independent accountant’s review report.

DIGITAL ONUS, INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS ON MARCH 31, 2022

	Preferred Stock		Common Stock					
Particulars	**Number of Shares**	**Value**	**Number of Shares**	**Value**	**Additional Paid-in Capital**	**Accumulated Other Comprehensive Income (Loss)**	**Retained Earnings**	**Total Shareholder's Equity**
Balances, March 31, 2021	-	-	8,675,000	868	18,083,839	-	(16,074,021)	(16,074,021)
Issuance of Series Seed Preferred Stock on July 31, 2019 upon conversion of shareholders loan	464,136	46	-	-		-	-	-
Stock-based compensation charges related to grant of stock options	-	-	-	-		18,635	-	18,635
Currency translation adjustment	-	-	-	-				-
Net income	-	-	-	-		(2,854,724)		(2,854,724)
Capital Reserve								7,063,677
Balances, March 31, 2022	**464,136**	**46**	**8,675,000**	**868**	**$18,083,839**	**$(2,836,089)**	**$(16,074,021)**	**$(11,846,433)**

OVERVIEW AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

Management has evaluated subsequent events through May 31st, 2022, the date on which financial statements were available to be issued.

Company and Background

Digital OnUs, Inc. ("Company") is a hyper-specialized services company enabling digital transformations for enterprise customers. With an area of focus on cloud-native development, Hybrid cloud infrastructure automation and SRE automation for operation. Recognized by Inc. Magazine as a Top 10 IT Systems Development Company for the 3rd year in a row, Digital OnUs services customers globally from its headquarter in San Jose along with its nearshore delivery centers in Monterrey, Guadalajara, Saltillo (Mexico) & Ottawa (Canada).

The Company was incorporated on March 24, 2015 in Delaware.

Operations outside the United States include a branch in Mexico and subsidiaries in India and Canada. Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange.

Basis of Presentation

The consolidated financial statements include the accounts of Digital OnUs, Inc., Digital OnUs S. DE

R.L. DE C.V. ("DOU Mexico"), and its subsidiaries and Digital OnUs Technologies Inc ("DOU Canada"). The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany balances and transactions have been eliminated in consolidation

Cash and equivalents

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Trade Accounts Receivable

The Company grants credit terms in the normal course of business to its customers. Concentrations of credit risk with respect to these trade receivables are considered minimal due to the geographical and operating diversity of the companies involved. The Company's revenues and resulting accounts receivable are derived primarily from large and mid-sized organizations in various industries throughout the United States.

Accounts receivable are recorded at invoiced amounts, net of the Company's estimated allowances for doubtful accounts. The allowance for doubtful accounts is based on specifically identified amounts that the Company believes to be uncollectible. If actual collections experience changes, revisions to the allowance may be required.

Property and Equipment

Property and equipment are stated at cost less depreciation and provision for impairment where appropriate. Depreciation expense is computed using the straight-line method over estimated useful lives of three to seven years. All repair and maintenance costs are expensed as incurred.

Revenue Recognition

Revenues are recognized when all of the following criteria are met:

Persuasive evidence of an arrangement exists. Evidence of an arrangement consists of a written contract signed by both the customer and management prior to the end of the period.

Delivery or performance has occurred. The Company's software is delivered electronically to the customer. Delivery is considered to have occurred when the Company provides the customer access to the software along with login credentials.

Fees are fixed or determinable. Fees from licenses are generally due in annual or, in certain cases, quarterly installments over the term of the agreement beginning on the effective date of the license. Accordingly, fees from term licenses may not be considered to be fixed or determinable until they become due.

Collectability is probable. Collectability is assessed on a customer-by-customer basis, based primarily on creditworthiness as determined by credit checks and analysis, as well as customer payment history. Payment terms generally range from 30 to 90 days from invoice date. If it is determined prior to revenue recognition that collection of an arrangement fee is not probable, revenues are deferred until collection becomes probable or cash is collected, assuming all other revenue recognition criteria are satisfied.

The Company generates revenue from consulting services. Consulting service arrangements are billed on time-and-material basis and associated revenue is recognized when there is persuasive evidence of a contractual arrangement with customers, delivery has occurred, the sales price is fixed or determinable and collectability is probable.

Revenue from fixed price milestone-based projects is recognized after delivery commitments are met, as it meets the criteria for fixed or determinable fees and the payment from customers is not contingent upon purchase or delivery of future maintenance and support.

Income Taxes

Income tax for the period comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly to equity, in which case it is recognized in equity.

Current tax charge or (benefit) is the amount expected to be paid or recovered from the taxation authorities in respect of taxable profits or losses for current periods and prior periods. Taxes, other than on income, are recorded within operating expenses.

Deferred taxes are recognized using the balance sheet liability method for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax balances are measured at tax rates enacted or substantially enacted at balance sheet date which are expected to apply to the period when the temporary differences will reverse, or the tax loss carry forwards will be utilized. Deferred tax assets for deductible temporary differences are recorded only to the extent that it is probable that future taxable profits will be available against the deductions can be utilized.

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. No uncertain positions were identified during any of the periods presented.

U.S. State Income Taxes

The Company engages in business activities in multiple states in the United States. These states subject the US entity to varying rates of franchise or income tax based on the share of revenue, payroll and property factors apportioned to each state.

Share-based compensation

Share-based compensation expense is recognized over the requisite service period for awards of equity instruments to employees based on the grant date fair value of those awards expected to ultimately vest. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates.

The fair value of share-based payments is expensed, with a corresponding increase to additional paid- in capital for the equity-classified awards. Upon exercise of stock options, the consideration paid upon exercise is recorded as ordinary shares in additional paid-in capital.

The Company utilizes the Black-Scholes option pricing model to estimate the fair value of its share- based compensation expense. The model requires management to make assumptions including expected volatility, expected option life, risk-free interest rate, and expected dividends. The underlying assumptions to these fair value calculations are discussed in Note C – Share-Based Compensation.

Comprehensive Income

Comprehensive income consists of two components, net income, and other comprehensive income. Other comprehensive income refers to revenue, expenses, and gains and losses that under GAAP are recorded as an element of shareholders' equity but are excluded from net income. The Company's other comprehensive income consists of foreign currency translation adjustments from those subsidiaries not using the U.S. dollar as their functional currency, and net changes in fair value of derivative instruments related to net investment hedges.

Foreign Currency Transactions

Results of operations for the Company's foreign subsidiaries are translated from the local (functional) currency to the U.S. dollar using average exchange rates during the period, while assets and liabilities translated at rates of exchange in effect at the date of the balance sheet. The resulting foreign currency translation adjustments are recorded as a separate component of accumulated other comprehensive income in the accompanying consolidated balance sheets. Foreign currency transaction gains (losses) resulting from exchange rate fluctuations on transactions denominated in a currency other than the foreign subsidiary's functional currency are included in earnings.

Management Estimates and Assumptions

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 and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company’s most significant estimates relate to the allowance for doubtful accounts, potential asset impairments, and accruals for bonuses.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, to the extent of the amounts recorded on the balance sheet.

Fair Value of Financial Instruments

The Company has estimated the fair value of its financial instruments which include cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and amounts due to related companies. The Company used information available as at fiscal year-end to determine that the carrying amounts of such financial instruments approximate fair value in all cases.

At March 31, 2022 the Company’s financial assets and liabilities for which fair value is required to be disclosed under ASC 825, Financial Instruments, consist of cash and cash equivalents. The Company maintains its cash and cash equivalents in bank deposit accounts in the United States, Mexico, India, and Canada. Cash and cash equivalents are reported at fair value using observable market prices from active markets.

TECH MAHINDRA (SINGAPORE) PTE. LIMITED

UNAUDITED FINANCIAL STATEMENTS
for the year ended 31st March 2022

Board of Directors
Mr. Manish Goenka
Mr. Hrishikesh Mahesh Pandit
Mr. Ayush Keshan

Registered Office
No. 17, Changi Business Park,
Central 1 #06-01, Honeywell Building,
Singapore 486073

Bankers
HSBC Bank

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022	2021
		$	$
Assets			
Plant and equipment	4	3,096	10,989
Intangible assets	5	–	–
Investments in subsidiaries	6	191,356,967	161,235,025
Deferred tax assets	7	186,930	1,270,290
Non-current assets		**191,546,993**	**162,516,304**
Trade receivables	8	661,561	483,555
Contract assets	9	–	17,700
Other receivables and prepayments	10	2,990,373	1,654,863
Cash and cash equivalents	11	2,810,012	557,453
Current assets		**6,461,946**	**2,713,571**
Total assets		**198,008,939**	**165,229,875**
Equity			
Share capital	12	181,061,337	150,248,087
Accumulated profits		5,267,127	961,061
Total equity		**186,328,464**	**151,209,148**
Liabilities			
Other payables	13	4,583,413	7,010,029
Provisions	14	67,000	86,769
Non-current liabilities		**4,650,413**	**7,096,798**
Trade payables	15	214,845	2,310,795
Other payables	13	6,590,683	4,411,513
Provisions	14	174,870	164,790
Income tax payables		49,664	36,831
Current liabilities		**7,030,062**	**6,923,929**
Total liabilities		**11,680,475**	**14,020,727**
Total equity and liabilities		**198,008,939**	**165,229,875**

The accompanying notes form an integral part of these financial statements

Manisha Goenka
Director

Date: July 5, 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		$	**$**
Revenue	16	4,733,874	4,596,616
Other operating income	17	4,945,161	60,120
Employee benefits expense		(3,628,222)	(3,306,815)
Depreciation expense	4	(7,893)	(9,943)
Finance cost		(186)	–
Other operating expenses	18	(890,734)	(4,411,712)
Fair value loss on earnout consideration	6	–	(1,797,589)
Profit/(loss) before tax	19	**5,152,000**	**(4,869,323)**
Tax (expenses)/credit	20	(845,934)	527,145
Profit/(loss) for the year/Total comprehensive profit/(loss) for the year		**4,306,066**	**(4,342,178)**

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

Manisha Goenka
Director

Date: July 5, 2022

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2022

	Share capital	Accumulated profits	Total
	$	$	$
At 1 April 2020	80,289,980	5,303,239	85,593,219
Total comprehensive income for the year			
Loss for the year	–	(4,342,178)	(4,342,178)
Total comprehensive income for the year	**–**	**(4,342,178)**	**(4,342,178)**
Transactions with owners, recognised directly in equity			
Contributions by and distributions to owners			
Issuance of share capital (note 12)	69,958,107	–	69,958,107
Total transactions with owners	**69,958,107**	**–**	**69,958,107**
At 31 March 2021	150,248,087	961,061	151,209,148
At 1 April 2021	150,248,087	961,061	151,209,148
Total comprehensive income for the year			
Profit for the year	–	4,306,066	4,306,066
Total comprehensive profit for the year	**–**	**4,306,066**	**4,306,066**
Transactions with owners, recognised directly in equity			
Contributions by and distributions to owners			
Issuance of share capital (note 12)	30,813,250	–	30,813,250
Total transactions with owners	**30,813,250**	**–**	**30,813,250**
At 31 March 2022	**181,061,337**	**5,267,127**	**186,328,464**

The accompanying notes form an integral part of these financial statements

Manisha Goenka
Director

Date: July 5, 2022

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Profit/(loss) before tax		5,152,000	(4,869,323)
Adjustments for:			
Impairment loss on trade receivables	8	90,817	22,657
Impairment loss on other receivables	10	–	26,402
Impairment loss on loan to a related company	10	–	3,314,303
Reversal of loss on loan to a related company	11	(4,821,133)	–
Depreciation expense	4	7,893	9,943
Interest income		(43,847)	(45,688)
Finance cost		186	–
Fair value loss on earnout consideration	6	–	1,797,589
		385,916	**255,883**
Changes in:			
- trade receivables		(268,823)	3,203,940
- other receivables and prepayments		658,288	(4,587,085)
- contract assets		17,700	30,361
- trade payables		(2,095,950)	715,367
- other payables	A	(2,168,935)	(218,193)
- provisions		(9,689)	(65,903)
Cash used in operations		(3,481,493)	(665,630)
Tax paid		250,259	(277,586)
Net cash from operating activities		**(3,231,234)**	**(943,216)**
Cash flows from investing activities			
Purchase of plant and equipment	4	–	(3,000)
Interest received from loan to a related company		43,847	45,688
Proceeds of loan from a related company	6	2,827,335	–
Investments in subsidiaries	A	(28,200,453)	(71,504,543)
Net cash used in financing activities		**(25,329,271)**	**(71,461,855)**
Cash flow from financing activity			
Proceeds from issuance of share capital	12	30,813,250	69,958,107
Net cash from financing activity		**30,813,250**	**69,958,107**
Net increase/(decrease) in cash and cash equivalents		2,252,559	(2,446,964)
Cash and cash equivalents at beginning of year		557,453	3,004,417
Cash and cash equivalents at end of year	11	**2,810,012**	**557,453**

Note A:

The cash outflow on Company's acquisition of subsidiaries during the financial year comprised:

	Note	2022 $	2021 $
Acquisition of Born Group Pte Ltd	6(A)	17,401,170	33,932,095
Acquisition of Tenzing Limited	6(B)	1,218,211	28,299,158
Acquisition of Tech Mahindra Digital Pty Ltd (Formerly known as Momenton Pty Ltd. Name changed effective 23-July-2021)	6(C)	503,832	9,273,290
Acquisition of Comviva Technologies Singapore Pte Limited.	6(D)	35,000	–
Acquisition of Tech Mahindra Products Services Singapore Pte Limited	6(E)	4,720,155	–
Acquisition of Geomatic.ai Pty Limited	6(F)	4,322,085	–
Consideration settled in cash, representing cash outflow on acquisition		**28,200,453**	**71,504,543**

Amounts of $1,921,489 (2021: Nil) addition in investment in subsidiaries relates to earnout consideration on the acquisition of subsidiaries during the year (note 13).

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors.

1 Domicile and activities

Tech Mahindra (Singapore) Pte. Limited ('the Company') is incorporated in the Republic of Singapore. The address of the Company's registered office is 17, Changi Business Park Central 1, #06-01 Honeywell Building, Singapore 486073.

The principal activities of the Company are that providing consultancy and services relating to information technology and development of software solutions and products.

The Company is a wholly owned subsidiary of Tech Mahindra Limited, incorporated in India, which is also the ultimate holding company.

2 Basis of preparation

2.1 Going concern

The Company incurred a net profit of $4,306,066 (net loss 2021: $4,342,178) in the financial year ended 31 March 2022 and as at the date, the Company was in net current liabilities of $568,116 (2021: $4,210,358). Notwithstanding these, the financial statements of the Company have been prepared on a going concern basis, as the ultimate holding company, i.e. Tech Mahindra Limited, has undertaken to provide continuing financial support to the Company for at least 12 months from the date of this report, to enable it to continue its operations and meet its liabilities as and when they fall due. Management has assessed that the ultimate holding company has the ability to provide the financial support.

2.2 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ('FRS').

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.4 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.5 Use of estimates and judgements

The preparation of the financial statements in conformity with FRS 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 estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 6 – measurement of recoverable amounts of investment in subsidiaries
- Note 8, 10 and 22 – measurement of expected credit loss (ECL) allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate.

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.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. 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).

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 (with Level 3 being the lowest).

2.6 Changes in accounting policies

New standards and amendments

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2021:

- COVID-19-Related Rent Concessions (Amendments to FRS 116)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116)

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.6, which addresses changes in accounting policies.

3.1 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

3.2 Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

Consolidated financial statements for the Company and its subsidiaries have not been prepared as the Company is itself a wholly-owned subsidiary of Tech Mahindra Limited, which publishes consolidated financial statements which are available for public use. The registered address of Tech Mahindra Limited is Gateway Building, Apollo Bunder, Mumbai 400001.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments 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 (unless it is a trade receivable without a significant financing component) or financial 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. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

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.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position 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.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(vi) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.4 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised 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 derecognised. The costs of the day-to-day servicing of plant and equipment are recognised 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, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset. Land is not depreciated.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

- Equipment 3 years
- Leasehold improvements 3 years or over the remaining term of lease period

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The estimated useful life has been taken as follows:

- Software 5 years

Intangible assets are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition 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 profit or loss when the asset is derecognised.

3.6 Impairment

(i) Non-derivative financial assets and contract assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- contract assets (as defined in FRS 115).

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables (including lease receivables) and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime 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.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

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

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers 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 considering 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.

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

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

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

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

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

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property, inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.7 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows 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 the discount is recognised as finance cost.

3.8 Revenue

Rendering of services

Revenue from rendering of services in the ordinary course of business is recognised when the Company satisfies a performance obligation (PO) by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3.9 Finance cost

Finance costs comprise interest expense on borrowings.

3.10 Employment benefits

(i) Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(ii) 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 under short-term cash bonus or profit-sharing plans 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.

(iii) Compensated absences (employee leave entitlement)

The Company provides for compensated absences subject to Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or utilisation. The liability is accrued based on the number of days of unutilised leave at each balance sheet date. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the statement of profit and loss in the period in which they occur. The Company also offers a short term benefit in the form of encashment of unutilised accumulated compensated absences above certain limits for all of its employees and same is recognised as undiscounted liability at the balance sheet date.

3.11 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 Provisions, Contingent Liabilities and Contingent Assets.

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 at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

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 taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. 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 realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.12 Government grants

A conditional grant related to staff costs is recognised in profit or loss as a deduction of staff costs. Grants for expenses are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss as a deduction against expenses on a systematic basis in the same periods in which the expenses are recognised.

3.13 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Company's financial statements.

- FRS 117 Insurance Contracts and amendments to FRS 117 Insurance Contracts
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to FRS 116)
- Reference to the Conceptual Framework (Amendments to FRS 103)
- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to FRS 16)
- Onerous Contracts – Costs of Fulfilling a Contract (Amendments to FRS 37)
- Classification of Liabilities as Current or Non-current (Amendments to FRS 1)
- Annual Improvements to FRSs 2018 – 2020
- Disclosure of Accounting Policies (Amendments to FRS 1 and FRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to FRS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to FRS 12)

4 Plant and equipment

	Office equipment and computers	Furniture and fittings	Total
	$	$	$
Cost			
At 1 April 2020	516,880	236,032	752,912
Additions	3,000	–	3,000
At 31 March 2022 / 1 April 2021/ 31 March 2022	**519,880**	**236,032**	**755,912**
Accumulated depreciation			
At 1 April 2020	498,948	236,032	734,980
Depreciation for the year	9,943	–	9,943
At 31 March 2021	508,891	236,032	744,923
Depreciation for the year	7,893	–	7,893
At 31 March 2022	**516,784**	**236,032**	**752,816**
Carrying amounts			
At 1 April 2020	17,932	–	17,932
At 31 March 2021	10,989	–	10,989
At 31 March 2022	**3,096**	**–**	**3,096**

Leasehold building relates to right-of-use assets of the Company (Note 20).

5 Intangible assets

	Computer software
	$
Cost	
At 1 April 2020, 31 March 2021 and 31 March 2022	1,605,978
Accumulated amortisation	
At 1 April 2020, 31 March 2021 and 31 March 2022	1,605,978
Carrying amounts	
At 1 April 2020, 31 March 2021 and 31 March 2022	–

6 Investments in subsidiaries

	2022	2021
	$	$
Unquoted, equity investments at cost		
At 1 April	161,235,025	112,633,477
Addition during the year (net)	30,121,942	48,601,548
At 31 March	**191,356,967**	**161,235,025**

The details of subsidiary are as follows:

Name of company	**Principal activities**	**Country of incorporation**	**Effective equity held by the Company**	
			2022	**2021**
			%	**%**
Born Group Pte Ltd (Note A)	Content production and commerce solutions services	Singapore	100	100
Tenzing Limited (Note B)	Management consulting, digital transformation & technology services	New Zealand	100	100
Tech Mahindra Digital Pty Ltd (Formerly known as Momenton Pty Ltd. Name changed effective 23-July-2021.) (Note C)	Digital technology services	Australia	100	100
Comviva Technologies Singapore Pte. Ltd. (Note D)	Provide solutions for telecommunication & network	Singapore	100	–
Tech Mahindra Products Services Singapore Pte. Limited (Note E)	Holding of investments & provision of consultancy services	Singapore	100	–
Geomatic.ai Pty Limited (Note F)	Geospatial business and provide data capture services	Australia	80	–

(A) Acquisition of Born Group Pte Ltd

In previous financial year, the Company acquired 100% stake in Born Group Pte. Limited (Born Group) on 26 November 2019 with a consideration of 112,633,477. Born Group is engaged in providing content production and commerce solutions services across USA, APAC and Europe.

Consideration transferred for the acquisition of Born Group

	2020
	$
Total consideration for 100% equity interest acquired	112,633,477
Less: Earnout consideration recognised as at acquisition date (note 13)	(32,134,506)
Consideration settled in cash, representing cash outflow on acquisition	**80,498,971**

Contingent consideration arrangement

As part of the acquisition agreement with the previous shareholders of Born Group, a contingent consideration has been agreed. Additional cash payments shall be payable to the previous shareholders of Born Group based on the audited financial performance of Born Group Pte Ltd for the financial period year ended 31 December 2019. As at the acquisition date and 31 March 2021, the contingent consideration was determined at USD 21,500,000 (approximately SGD 32,134,506) and recognised as “Other payables” (note 13).

Subsequent to acquisition date, Born Group’s actual financial performance exceeded the earnings target and the final settlement of earnout consideration amounting to $33,932,095 was paid to previous shareholders of Born Group in May 2020. The fair value change of earnout consideration resulted in a loss of $1,797,589 (difference between earnout consideration at acquisition date of SGD 32,134,506 and actual earnout consideration of $33,932,095), which has been recognised in the statement of profit and loss.

Finance costs related to the acquisition

For the purpose of acquisition of Born Group, the Company had obtained a loan from its related company, i.e. Tech Mahindra (Americas) Inc on 1 November 2019 amounted to USD 62,000,000 (approximately $84,072,000) and the Company had fully repaid the loan on 10 December 2019. The loan was unsecured and bore interest rate of 2.84%. The interest expenses paid of the loan amounted to $515,290 had been recognised as “Finance costs” for the financial year ended 31 March 2020.

During the financial year, the Company acquired total of 12,850,000 ordinary shares of the Born Group at USD 1 per share at sum of USD 12,850,000 (approximately $17,401,170).

(B) Acquisition of Tenzing Limited

The Company acquired 100% stake in Tenzing Limited ("Tenzing Group") on 23 October 2020. Tenzing is based in New Zealand and is a Technology Consulting Firm and Tenzing was acquired with a consideration of NZD 41,573,536 (approximately $39,328,258).

Consideration transferred for the acquisition of Tenzing Group

	2021
	$
Total consideration for 100% equity interest acquired	39,328,258
Less: Earnout consideration recognised as at acquisition date (note 13)	(11,029,100)
Consideration settled in cash, representing cash outflow on acquisition	**28,299,158**

Contingent consideration arrangement

As part of the acquisition agreement with the previous shareholders of Tenzing Group, a contingent consideration has been agreed. Additional cash payments shall be payable to the previous shareholders of Tenzing Group based on the audited financial performance of Tenzing Group from the financial period year ended 31 March 2021 to 31 March 2023.

As at the acquisition date and 31 March 2021, the contingent consideration for above was determined at NZD 11,526,536 (approximately $11,029,100) and recognised as "Other payables" (note 13). As of 31 March 2022, Tenzing's actual financial performance for the year ended 31 March 2021 does not exceeded the earnings target. Amounts of NZD 4,131,305 (approximately $3,883,173) of contingent liabilities have been reversed against the investment carrying amount.

As of 31 March 2022, the Company has made payment of NZD 1,616,355 (approximately $1,453,465) on the realised tax benefits as part of the acquisition agreement with the previous shareholders. Amount of NZD 257,452 (approximately SGD 235,254) has been received as reduction of investment carrying amount upon finalisation of purchase price consideration.

(C) Acquisition of Tech Mahindra Digital Pty Ltd (Formerly known as Momenton Pty Ltd. Name changed effective 23-July-2021.)

The Company acquired 100% stake in Tech Mahindra Digital Pty Ltd (TM Digital) in 23 October 2020. TM Digital is based in Australia and is Digital Enterprise Technology Firm and it was acquired at consideration of AUD 9,005,507 (approximately SGD 9,273,290).

As part of the acquisition agreement with the previous shareholders of TM Digital, a contingent consideration has been agreed. Additional cash payments shall be payable to the previous shareholders of TM Digital based on the audited financial performance of TM Digital from the financial period year ended 31 March 2021 to 31 March 2024. Accordingly, no contingent consideration has been recognised for the financial year ended 31 March 2021.

` As of 31 March 2022, contingent consideration was determined at AUD 4,145,113 (approximately SGD 4,220,555) and recognised as "Other payables" (note 13). Subsequent to acquisition date, TM Digital's actual financial performance exceeded the earnings target for the year ended 31 March 2022 and a consideration amounting to AUD 2,275,512 (approximately SGD 2,194,488) was paid to previous shareholders of TM Digital. Additionally, amount of AUD 485,891 (approximately SGD 503,831) has been made upon finalisation of purchase price consideration.

D) Acquisition of Comviva Technologies Singapore Pte. Ltd

The Company acquired 100% stake in Comviva Technologies Singapore Pte. Ltd (Comviva Group) on 12 November 2021. Comviva Group is based in Singapore and provides solutions for telecommunication & network and it was acquired at consideration of SGD 35,000.

(E) Acquisition of Tech Mahindra Products Services Singapore Pte. Limited

The Company acquired 100% stake in Tech Mahindra Products Services Singapore Pte. Limited (Sofgen Group) on 1 February 2022. Sofgen Group is based in Singapore and provides services of holding of investments & provision of consultancy services and it was acquired at consideration of SGD 4,720,155.

(F) Acquisition of Geomatic.ai Pty Limited

The Company acquired 80% stake in Geomatic.ai Pty Limited on 15 February 2022. Geomatic is based in Australia and involved in geospatial business and provide data capture services and it was acquired at consideration of AUD 4,444,211 (approximately $4,322,085).

Contingent consideration arrangement

As part of the acquisition agreement with the previous shareholders of Geomatic.ai, a contingent consideration has been agreed. Additional cash payments shall be payable to the previous shareholders of Geomatic Group based on the audited financial performance of Geomatic Group from the financial period year ended 31 March 2022 to 31 March 2027.

As at the acquisition date and 31 March 2022, the contingent consideration for above was determined at AUD 1,555,789 (approximately $1,584,105) and recognized as “Other payables” (note 13).

(G) Impairment loss assessment

Investments in subsidiaries are stated at cost less impairment loss. The Company evaluates whether there is an indicator that an impairment may have occurred. The financial health of and near-term business outlook for the subsidiaries, such as industry performance and operating cash flows are considered. Any significant changes in the business environment and key input to the recoverable amount calculation may be seen as an indicator of impairment. Dividend income from the subsidiaries, under certain circumstances, may also be considered as an indicator of impairment. If any such indicator is present, the Company determines the amount of impairment loss based on the recoverable amount of the investment. The amount of any impairment loss identified is measured as the difference between the investment’s or cash generating unit’s carrying amount and recoverable amount representing the higher of value in use (VIU). In current and prior financial years, management assessed that there is no impairment loss on the investment in subsidiaries.

7 Deferred tax assets

	2022	2021
	$	$
Deferred tax assets	**186,930**	**1,270,290**

The following are the deferred tax assets recognised by the Company during the year:

	At 1 April 2020	Recognised in profit/ (loss) (Note 20)	At 31 March 2021	Recognised in profit/ (loss) (Note 20)	At 31 March 2022
	$	$	$	$	$
Deferred tax assets					
Plant and equipment	(3,048)	1,180	(1,868)	1,342	(526)
Trade and other receivables	527,224	571,772	1,098,996	(1,085,486)	13,510
Provisions	153,084	(15,026)	138,058	784	138,842
Others	41,743	(6,639)	35,104	–	35,104
	719,003	**551,287**	**1,270,290**	**(1,083,360)**	**186,930**

8 Trade receivables

	2022	2021
	$	$
Third parties	277,953	1,691,366
Less: Impairment loss	(129,392)	(1,564,077)
	148,561	127,289
Holding company	513,000	356,266
	661,561	**483,555**

The credit period on services rendered ranges from 30 to 60 days (2021: 30 to 60 days). No interest is charged on the outstanding balance.

9 Contract assets

	2022	2021
	$	$
Unbilled software installation services	–	**17,700**

Payment for installation of software services is not due from the customer until the installation services are completed and therefore a contract asset is recognised over the period in which the installation services are performed to represent the Company's right to consideration for the services transferred to date.

10 Other receivables and prepayments

	2022	2021
	$	$
Advance to employees	82,304	79,474
Less: Impairment loss	(79,474)	(79,474)
Advance to employees (net)	2,830	–
Loan to a related company	1,993,798	4,821,133
Less: Impairment loss on loan to related company	–	(4,821,133)
Loan to a related company (net)	1,993,798	–
Other receivables from fellow subsidiaries	653,687	1,351,058
Prepayments	284,861	303,805
Other receivables	55,197	–
	993,745	1,654,863
	2,990,373	**1,654,863**

Loan to a related company is unsecured and the interest rate on the loan is 1.25% (2021: 1.26%) per annum. The other receivables from fellow subsidiaries are unsecured, non-interest bearing and receivable on demand.

11 Cash and cash equivalents

	2021	2020
	$	$
Cash at bank	1,110,012	557,453
Fixed deposit	1,700,000	–
	2,810,012	**557,453**

The effective interest rate relating to fixed deposit with a financial institution, at the reporting date is 2.58% (2021: Nil) per annum.

12 Share capital

	2022	2021	2022	2021
	Number of shares		$	$
Ordinary shares, with no par value				
At 1 April	15,024,807	8,028,998	150,248,087	80,289,980
Issuance of shares	3,081,325	6,995,809	30,813,250	69,958,107
At 31 March	**18,106,132**	**15,024,807**	**181,061,337**	**150,248,087**

During the year, the Company issued 3,081,325 of ordinary shares at $10 per share to the holding company, resulting in increase of share capital by $30,813,250.

13 Other payables

	2022	2021
	$	$
Accruals	417,997	392,442
Consideration payable	10,756,099	11,029,100
	11,174,096	11,421,542
Less: Non-current consideration payable	(4,583,413)	(7,010,029)
	6,590,683	**4,411,513**

The consideration payable relates to the earnout consideration in connection to the acquisition of Tenzing Group, TM Digital & Geomatic.ai (2021: Tenzing Group) (note 6).

14 Provisions

	2022	2021
	$	$
Provision for unutilised leave	241,870	251,559
Less: Non-current provision for unutilised leave	(67,000)	(86,769)
Current provision for unutilised leave	**174,870**	**164,790**

The Company calculates and records unutilised leave (the "Leave Benefit Scheme") for its qualified employees. The amount recognised in the statement of financial position are determined as follows:

	2022	2021
	$	$
Present value of Leave Benefit Scheme	241,870	251,559
(i) Represented by:		
Current liabilities	174,870	164,790
Non-current liabilities	67,000	86,769
	241,870	**251,559**

Reconciliations of the present value of the Leave Benefit Scheme liabilities are as follows:

	2022	2021
	$	$
At beginning of the year	251,559	317,462
(i) Provisions made during the year	90,224	28,105
Benefits paid	(99,913)	(94,008)
At end of the year	**241,870**	**251,559**

The cost of providing post-employment benefits is calculated by independent actuaries, Willis Tower Watson, using the Projected Unit Credit Method. The actuarial valuation was carried out using the following key assumptions:

	2022	2021
	$	$
Normal retirement age	60 years	60 years
Discount rate	1.6%	1%
(i) Salary escalation rate	2.00% - 4.00%	2.00% - 4.00%
(ii) Withdrawal rate	0.1% - 50%	0.1% - 50%

15 Trade payables

	2022	2021
	$	$
Third parties	159,143	1,021
Holding company	55,702	2,309,774
	214,845	**2,310,795**

The average credit period on trade payables is 30 days (2021: 30 days). No interest is charged on the outstanding balance.

16 Revenue

	2022	2021
	$	$
Service income – immediate holding company	**4,733,874**	**4,596,616**

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Time and material

Nature of goods or services	Service agreement with the immediate and ultimate holding company for reimbursement of costs incurred plus a mark-up ("cost-plus method")
When revenue is recognised	Revenue from services are recognised as performance obligation is satisfied over a period of time based on the stage of completion of the contract in case of third party contracts. Revenue from immediate and ultimate holding company is accrued according to the terms of the agreement with the immediate and ultimate holding company based on attributable costs incurred on date of accrual.
Significant payment terms	Invoices are issued to the customers after the services are performed and are normally payable within 30 days.

Contract balances

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

	Note	2022	2021
		$	$
Trade receivables	8	661,561	483,555
Contract assets	9	**–**	**17,700**

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.

	Contract assets	
	2022	2021
	$	$
Changes in measurement of progress	–	17,700
Contract asset reclassified to trade receivables	**17,700**	**48,061**

Significant judgements are used to estimate these total contract costs to complete. In making these estimates, management has relied on the expertise of project teams to determine the progress of the contracts and also on past experience of completed projects. The estimated total contract costs is reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

17 Other operating income

	2022	2021
	$	$
Interest income	43,874	45,719
Write back of sundry payable	35,495	14,401
Reversal of impairment loss on loan to a related company	4,821,133	–
Others	44,659	–
	4,945,161	**60,120**

18 Other operating expenses

	Note	2022	2021
		$	$
Impairment loss allowance on trade receivables	8	90,817	22,657
Impairment loss on other receivables	10	–	26,402
Impairment loss on loan to a related company	10	–	3,314,303
Conveyance expenses		19,134	–
Entertainment expense		34,063	39,788
Insurance		81,345	139,015
Professional fees		55,731	156,967
Travelling		10,890	49,351
Telecommunication		33,119	38,323
Hardware/software billable cost		347,714	233,138
Others		217,921	391,768
		890,734	**4,411,712**

19 Profit/(loss) before tax

This has been arrived at after charging:

	Note	2022	2021
		$	$
Employee benefits expense (including directors):			
-Salaries and bonuses		3,483,161	3,197,685
-Contributions to defined contribution plans		145,060	109,130

20 Tax expenses/(credit)

	Note	2022	2021
		$	$
Current tax expense			
Current year		36,715	24,142
Over provision in prior years		(274,141)	–
		(237,426)	**24,142**
Deferred tax credit			
Origination and reversal of temporary differences		817,466	(551,287)
Under provision in prior years		265,894	–
	7	**1,083,360**	**(551,287)**
Total tax expenses/(credit)		**845,934**	**(527,145)**

	2022	2021
	$	$
Reconciliation of effective tax rate		
Profit/(loss) before tax	5,152,000	(4,869,323)
Tax calculated using the Singapore tax rate of 17% (2021: 17%)	875,840	(827,785)
Effect of tax concessions	(17,425)	(10,001)
Tax effect of non-deductible items	154	334,940
Tax effect of non-taxable items	(4,388)	(24,299)
Under provision in prior years	(8,247)	–
	845,934	**(527,145)**

21 Related party transactions

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors and key executives are considered as key management personnel of the Company.

	2022	2021
	$	$
Compensation of directors		
Short-term benefits	242,500	150,304
(ESOP)/other forms of Employee Share Ownership (ESOW) Plans	59,841	–

The remuneration disclosed above include only directors as there is no personnel other than directors who are considered to be members of key management of the Company.

Other related party transactions

The following related company transactions took place between the Company and related companies during the year on terms agreed by the parties concerned:

		2022	2021
		$	$
Ultimate holding company			
Consultancy fee charged		–	724,343
Reimbursement of expenses		(35,650)	–
Administrative service income	16	(4,733,874)	(4,596,616)

22 Financial instruments

Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company’s exposure to each of the above risks, the Company’s objectives, policies and processes for measuring and managing risk, and the Company’s management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. Board is responsible for developing and monitoring the Company’s risk management policies.

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 develop 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 a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables, contract asset and receivable from holding company.

The carrying amounts of financial assets and contract assets represents the Company's maximum exposure to credit risk, before taking into account any collateral held. The Company does not require any collateral in respect of their financial assets.

The Company has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Company only grants credit to creditworthy counterparties.

At the end of the reporting period, 78% (2021: 74%) of the trade receivables are due from holding company. The risk management process includes assessing corresponding credit standing and monitoring of collections.

Trade receivables and contract assets

Expected credit loss ("ECL") assessment

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

As at 31 March 2022, the allowance for expected credit losses of trade receivables and contract assets recognised based on lifetime ECL is $129,392 (2021: $1,564,077).

Summarised below is the information about the credit risk exposure on the Company's trade receivables and contract assets using provision matrix:

	Expected credit loss rate	**Gross carrying amount at default**	**Lifetime ECL**	**Credit impaired**
	%	**$**	**$**	**$**
2022				
Not past due	–	96,138	–	No
Past due more than 30 days	–	501,629	–	No
Past due 31 – 60 days	–	20,683	–	No
Past due 61 – 90 days	–	–	–	No
Past due 91 – 365 days	–	43,112	–	No
More than 365 days	100	129,392	(129,392)	Yes
		790,954	**(129,392)**	
2021				
Not past due	–	8,753	–	No
Past due more than 30 days	–	394,144	–	No
Past due 31 – 60 days	–	–	–	No
Past due 61 – 90 days	–	3,893	–	No
Past due 91 – 365 days	–	76,765	–	No
More than 365 days	100	1,564,077	(1,564,077)	Yes
		2,047,632	**(1,564,077)**	

The movements in credit loss allowance are as follows:

	2022	2021
	$	$
At beginning of year	1,564,077	1,541,420
Impairment loss recognised in profit or loss during the year	90,817	22,657
Written off during the year	(1,525,502)	–
At end of year	129,392	1,564,077

Cash and cash equivalents

The Company places its cash with reputable financial institutions. The cash and cash equivalents are held with bank and financial institution counterparties with high credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Non-trade financial assets at amortised cost

Expected credit loss (“ECL”) assessment

The Company held non-trade financial assets which comprises of advances to employees, loan to a related company, other receivables from fellow subsidiaries, prepayments and other receivables disclosed at note 10.

The Company provides for lifetime expected credit losses for all non-trade financial assets using a provision matrix. The provision rates are determined based on the Company’s historical observed default rates analysed in accordance to days past due and incorporates forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

As at 31 March 2022, the allowance for expected credit losses of advances to employees and loan to a related company recognised based on lifetime ECL are $79,474 and Nil respectively (2021: $79,474, $4,821,133).

There are no significant changes to estimation techniques or assumptions made during the year.

Movement in the credit loss allowance on non-trade financial assets:

	Note	2022	2021
		$	$
At beginning of year		4,900,607	1,559,902
Charge to profit or loss	17	(4,821,133)	3,340,705
At end of year		79,474	4,900,607

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 objective when managing liquidity is to ensure, as far as possible, it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

Liquidity risk is managed by matching the payment and receipt cycle. The Company’s operations are financed mainly through equity and accumulated profits.

The following table summarises the Company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial instruments premised on the earlier of the contractual date or when the Company is expected to pay.

	Carrying amount	Contractual cash flows	One year or less	One to five year
	$	$	$	$
Non-derivatives financial liabilities				
31 March 2022				
Trade and other payables	**11,388,941**	**11,388,941**	**6,805,528**	**4,583,413**
31 March 2021				
Trade and other payables	**13,732,337**	**6,722,308**	**7,010,029**	**–**

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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has very minimal exposure to foreign exchange risk as most transactions are transacted in the functional currency which is in Singapore dollars. The Company does not hedge its exposure to foreign exchange risk as the risk is not expected to be significant.

Interest rate risk

The Company does not have any interest-bearing financial assets and liabilities except for its fixed deposits and loan to a related company. Fixed deposits and loan to related company are all short-term, hence, with the current interest rate level, any future variations in interest rates will not have a material impact on net profit.

No sensitivity analysis is prepared as the Company does not expect any material 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 reporting period.

Capital management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to monitor and adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder or issue new shares. In the event that the Company requires additional capital, monies would be infused by the shareholders to provide appropriate financial support to the Company.

Accounting classification and fair values

The carrying amounts of the financial assets and financial liabilities (including trade and other receivables, cash and cash equivalents and trade and other payables) recorded in the financial statements at amortised cost approximate their fair values due to the relatively short-term maturity of these financial instruments or re-pricing.

Categories of financial instruments

	Note	2022	2021
		$	$
Financial assets			
Trade receivables	8	661,561	483,555
Other receivables*	10	2,705,512	1,351,058
Cash and cash equivalents	11	2,810,012	557,453
Financial assets at amortised cost		6,177,085	2,392,066
Financial liabilities			
Trade payables	13	214,845	2,310,795
Other payables	14	11,174,096	11,421,542
Financial liabilities at amortised cost		11,388,941	13,732,337

* Exclude prepayments

TECH MAHINDRA PRODUCTS SERVICES SINGAPORE PTE. LTD.

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1ST APRIL 2021 TO 31 MARCH 2022

Board of Directors
Mr. Manish Goenka
Mr. Amitava Ghosh
Mr. Gautam Bhasin

Registered Office
1 CHANGI BUSINESS PARK
CRESCENT, 04 - 04/06 PLAZA 8
@ CBP, 486025
SINGAPORE

Bankers
DBS Bank Singapore

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022	2021
		$	$
Assets			
Plant and equipment	4	245,773	247,708
Intangible assets	5	–	–
Deferred tax assets	6	1,089,204	–
Non-current assets		1,334,977	247,708
Trade receivables	7	1,899,492	1,615,667
Contract assets	8	2,070,439	1,567,239
Other receivables and prepayments	9	522,894	386,556
Cash and cash equivalents		1,372,999	1,102,257
Current assets		5,865,825	4,671,719
Total assets		7,200,801	4,919,427
Equity			
Share capital	10	4,580,908	400,000
Accumulated losses		(3,658,908)	(8,412,934)
Total equity		922,000	(8,012,934)
Liabilities			
Provisions	12	352,830	578,322
Non-current liability		352,830	578,322
Trade payables	13	5,061,482	5,980,582
Contract liabilities	8	4,456	16,542
Lease liabilities	11	245,455	199,246
Other payables	14	353,502	5,900,428
Income Tax Payables		109,444	-
Provisions	12	151,632	257,241
Current liabilities		**5,925,971**	**12,354,039**
Total liabilities		**6,278,801**	**12,932,361**
Total equity and liabilities		**7,200,801**	**4,919,427**

The accompanying notes form an integral part of these financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		$	$
Revenue	15	13,722,984	14,125,374
Other income	16	713,998	169,210
Employee benefits expense	17	(8,765,383)	(11,257,263)
Depreciation and amortisation expense	4,5	(533,066)	(527,475)
Finance costs		(53,439)	(137,821)
Other operating expenses	18	(1,310,829)	(5,850,469)
Profit(/loss) before tax		**3,774,267**	**(3,478,444)**
Tax credit	19	979,760	–
Profit/(loss) for the year, representing total comprehensive profit/ (loss) for the year		**4,754,025**	**(3,478,444)**

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

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2022

	Share capital	Accumulated profits	Total
	$	$	$
At 1 April 2020	400,000	(4,934,490)	(4,534,490)
Total comprehensive loss for the year			
Loss for the year	–	(3,478,444)	(3,478,444)
Total comprehensive loss for the year	**–**	**(3,478,444)**	**(3,478,444)**
At 31 March 2021	**400,000**	**(8,412,934)**	**(8,012,934)**
At 1 April 2021	400,000	(8,412,934)	(8,012,934)
Additions during the year	4,180,908	–	4,180,908
Total comprehensive loss for the year			
Profit for the year	–	4,754,025	4,754,025
Total comprehensive loss for the year	**–**	**4,754,025**	**4,754,025**
At 31 March 2022	**4,580,908**	**(3,658,909)**	**922,000**

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		$	$
Cash flows from operating activities			
Profit/(loss) before tax		3,774,265	(3,478,444)
Adjustments for:			
Depreciation and amortisation	4	533,066	527,475
Interest expenses on amounts due to related parties		51,793	129,414
Interest expenses on lease liabilities		1,646	8,407
Bad debts written off		-	2,112,521
(Reversal)/impairment loss on trade receivables (net)	16	(591,051)	1,404,244
		3,769,719	**703,617**
Changes in working capital:			
Trade receivables		307,226	314,509
Contract assets		(503,200)	(893,949)
Other receivables and prepayments		(136,338)	(24,575)
Trade payables		(919,100)	2,281,994
Contract liabilities		(12,086)	(493,614)
Other payables		(303,980)	(1,210,431)
Provisions		(331,101)	(143,836)
Net cash from operating activities		**1,871,140**	**533,715**
Cash flows from financing activities			
Repayment of amounts due to related companies	B	(973,910)	(2,786,548)
Advances from related companies	11	–	2,294,750
Interest paid to related companies	11	(141,566)	(62,400)
Repayment of lease liabilities	11	(483,276)	(488,968)
Interest paid on lease liabilities	11	(1,646)	(8,407)
Net cash used in financing activities		**(1,600,398)**	**(1,045,573)**
Net increase/(decrease) in cash and cash equivalents		**270,742**	**(511,858)**
Cash and cash equivalents at beginning of year		1,102,257	1,614,115
Cash and cash equivalents at end of year		**1,372,999**	**1,102,257**

Note A:

For the purpose of the statement of cash flows, the Company's acquisition of property, plant and equipment during the financial year comprised:

	Note	2022	2021
		$	$
Property, plant and equipment acquired during the year	4	531,131	–
Less: Addition to right-of-use asset	11	(531,131)	–
		–	**–**

Note B:

During the financial year, amounts due to related parties of $4,180,908 (2021: Nil) has settled by converted into 4,180,908 ordinary shares at $1 per shares.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on [date of signing].

1 Domicile and activities

Tech Mahindra Products Services Singapore Pte. Ltd. ('the Company') is incorporated in the Republic of Singapore. The address of the Company's registered office is 1 Changi Business Park Crescent, #04-04/06, Plaza 8 @ CBP, Singapore 486025. The Company's name was changed from Sofgen Services Pte. Ltd. to Tech Mahindra Products Services Singapore Pte. Ltd. with effective from 15 September 2020.

The principal activities of the Company are to carry on the business of software consultancy services.

The Company's immediate and ultimate holding corporation are Sofgen Holdings Limited, incorporated in the Republic of Cyprus and Tech Mahindra Limited, incorporated in India respectively.

2 Basis of preparation

2.1 Going concern

As at 31 March 2022, the Company was in net current liabilities and net assets of $60,147 and $922,000 (2021: $7,682,320 and $8,012,934) respectively. Notwithstanding these, the financial statements of the Company have been prepared on a going concern basis, as the ultimate holding company, i.e. Tech Mahindra Limited, has undertaken to provide continuing financial support to the Company for at least 12 months from the date of this report, to enable it to continue its operations and meet its liabilities as and when they fall due. Management has assessed that the ultimate holding company has the ability to provide the financial support.

2.2 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ('FRS'). The changes to significant accounting policies are described in note 2.6.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.4 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.5 Use of estimates and judgements

The preparation of the financial statements in conformity with FRS 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 estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 7, 8 and 22 – measurement of expected credit loss (ECL) allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate.

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.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. 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).

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 (with Level 3 being the lowest).

2.6 Changes in accounting policies

New standards and amendments

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2021:

- COVID-19-Related Rent Concessions (Amendments to FRS 116)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116)

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

3.2 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments 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 (unless it is a trade receivable without a significant financing component) or financial 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. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

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.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position 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.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

(vi) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.3 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised 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 derecognised. The costs of the day-to-day servicing of plant and equipment are recognised 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, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

- Office equipment and computers 3 years
- Furniture and fittings 5 years
- Leasehold building 3 years or over the remaining term of lease period

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The estimated useful life has been taken as follows:

- Computer software 5 years

Intangible assets are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition 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 profit or loss when the asset is derecognised.

3.5 Impairment

(i) Non-derivative financial assets and contract assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- contract assets (as defined in FRS 115).

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime 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.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

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

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers 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 considering 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.

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

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

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

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than [90 days] past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

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

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property, inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.6 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows 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 the discount is recognised as finance cost.

3.7 Revenue

Rendering of services

Revenue from rendering of services in the ordinary course of business is recognised when the Company satisfies a performance obligation (PO) by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract based on the relative stand-alone selling prices of the promised services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3.8 Employment benefits

(i) Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(ii) 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 under short-term cash bonus or profit-sharing plans 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.

(iii) Compensated absences (employee leave entitlement)

The Company provides for compensated absences subject to Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or utilisation. The liability is accrued based on the number of days of unutilised leave at each balance sheet date. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the statement of profit and loss in the period in which they occur. The Company also offers a short-term benefit in the form of encashment of unutilised accumulated compensated absences above certain limits for all of its employees and same is recognised as undiscounted liability at the balance sheet date.

3.9 Finance cost

Finance costs comprise interest expense on borrowings.

3.10 Leases

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.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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 end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is 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 lessee's incremental borrowing rate. Generally, the Company uses the lessee's incremental borrowing rate as the discount rate.

The Company determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'plant and equipment' and 'lease liabilities' 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 leases of low-value assets and short-term leases, including [IT equipment]. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.11 Government grants

A conditional grant related to staff costs is recognised in profit or loss as a deduction of staff costs. Grants for expenses are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss as a deduction against expenses on a systematic basis in the same periods in which the expenses are recognised.

3.12 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 Provisions, Contingent Liabilities and Contingent Assets.

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 at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

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 taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. 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 realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.13 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Company's financial statements.

- FRS 117 Insurance Contracts and amendments to FRS 117 Insurance Contracts
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to FRS 116)
- Reference to the Conceptual Framework (Amendments to FRS 103)
- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to FRS 16)
- Onerous Contracts – Costs of Fulfilling a Contract (Amendments to FRS 37)
- Classification of Liabilities as Current or Non-current (Amendments to FRS 1)
- Annual Improvements to FRSs 2018 – 2020
- Disclosure of Accounting Policies (Amendments to FRS 1 and FRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to FRS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to FRS 12)

4 Plant and equipment

	Office equipment and computers	Furniture and fittings	Leasehold building	Total
	$	$	$	$
Cost				
At 1 April 2020	523,306	464,707	1,173,712	2,161,725
Additions	–	–	–	–
At 31 March 2021	523,306	464,707	1,173,712	2,161,725
At 1 April 2021	523,306	464,707	1,173,712	2,161,725
Additions	–	–	531,131	531,131
Write-off	–	–	(1,173,712)	(1,173,712)
At 31 March 2022	**523,306**	**464,707**	**531,131**	**1,519,144**
Accumulated depreciation				
At 1 April 2020	511,794	385,361	489,387	1,386,542
Depreciation for the year	6,639	38,637	482,199	527,475
At 31 March 2021	**518,433**	**423,998**	**971,586**	**1,914,017**
At 1 April 2021	518,433	423,998	971,586	1,914,017
Depreciation for the year	4,873	40,073	488,120	533,066
Write-off	–	–	(1,173,712)	(1,173,712)
At 31 March 2022	523,306	464,071	285,994	1,273,371
Carrying amounts				
At 1 April 2020	11,512	79,346	684,325	775,183
At 31 March 2021	4,873	40,709	202,126	247,708
At 31 March 2022	**–**	**636**	**245,137**	**245,773**

Leasehold building relates to right-of-use assets of the Company (Note 20).

5 Intangible assets

	Computer software
	$
Cost	
At 1 April 2020, 31 March 2021 and 31 March 2022	3,843
Accumulated amortisation	
At 1 April 2020, 31 March 2021 and 31 March 2022	3,843
Carrying amounts	
At 1 April 2020, 31 March 2021 and 31 March 2022	–

6 Deferred tax assets

Movements in deferred tax assets during the year are as follows:

	At 1 April 2020	Recognised in profit/ (loss) (Note 19)	At 31 March 2021	Recognised in profit/ (loss) (Note 19)	At 31 March 2022
	$	$	$	$	$
Provisions	–	–	–	(62,536)	(62,536)
Plant and equipment	–	–	–	90,621	90,621
Others	–	–	–	1,061,119	1,061,119
	–	**–**	**–**	**1,089,204**	**1,089,204**

7 Trade receivables

	2022	2021
	$	$
Third parties	1,658,798	1,538,688
Less: Impairment loss on receivables	(132,177)	(341,318)
Net trade receivables from third parties	1,526,621	1,197,370
Related parties	1,836,170	2,604,824
Related companies	1,728,057	2,208,971
Immediate holding company	–	2,380
Ultimate holding company	108,112	393,473
Less: Impairment loss on receivables	(1,463,299)	(2,186,527)
Net trade receivables from related parties	372,871	418,297
Total trade receivables	**1,899,492**	**1,615,667**

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms (2021: 30 to 60 days).

The amounts due from ultimate holding company, immediate holding company and other related companies are unsecured, non-interest bearing and are generally on 30 days credit terms.

Credit and market risks, and impairment losses

The Company's exposure to credit and currency risks, and impairment losses for trade receivables are disclosed in note 22.

Loss allowance for trade receivables are measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following tables detail the risk profile of trade receivables from contracts with customers based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer base.

The Company has considered the possible effects that may result from COVID19, a global pandemic, on the carrying amount of trade and other receivables, unbilled revenue, intangible assets and investments. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used an internal and external source of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

	Trade receivables – days past due				
	Not past due	**Less than 30 days**	**31 – 365 days**	**More than 365 days**	**Total**
	$	**$**	**$**	**$**	**$**
2022					
Expected credit loss rate	–	–	0.0%%	100%	
Estimated gross carrying amount					
at default	505,829	61,290	1,332,375	1,595,477	3,494,970
Lifetime ECL				(1,595,477)	(1,595,477)
					1,899,493
2021					
Expected credit loss rate	–	–	30.2%	100%	
Estimated gross carrying amount at default	719,465	106,277	1,131,243	2,186,527	4,143,512
Lifetime ECL	–	–	(341,318)	(2,186,527)	(2,527,845)
					1,615,667

The movement in credit loss allowance are as follows:

	2022	**2021**
	$	**$**
At beginning of year	2,527,845	1,958,704
Loss allowance recognised in profit or loss during the year on:		
-Assets originated	132,177	5,102,254
-Amounts recovered	(723,228)	(1,585,489)
Receivables written off as uncollectible	(341,318)	(2,947,624)
At end of year	**1,595,476**	**2,527,845**

8 Contract assets and contract liabilities

(a) Contract assets

Contract assets comprise unbilled revenue and other recoverable from customers for which the Company has performed work at balance sheet date, but the agreed billing milestones have not been reached. Such unbilled revenue and recoverable arise from consulting services, maintenance services and installation of software services.

Credit and market risks, and impairment losses

The Company's exposure to credit and currency risks, and impairment losses for contract assets are disclosed in note 22.

Management estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the relevant customers' industry. None of the amounts due from customers at the end of the reporting period is past due.

Based on the Company's historical credit loss experience with the relevant customers, as well as available forward-looking information, the Company has assessed the expected credit loss rate on contract assets to be insignificant.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

(b) Contract liabilities

Revenue is recognised upon transfer of control of the promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company recognises contract liabilities when there is an obligation to transfer goods or services to a customer for which consideration has been received from the customer.

9 Other receivables and prepayments

	2022	2021
	$	$
Deposits	140,163	140,163
Prepayments	93,904	47,824
Withholding tax receivables	271,726	160,991
Goods and Services Tax ("GST") receivables	–	25,665
Other receivables	17,101	11,532
Advances	–	381
	522,894	**386,556**

Credit and market risks, and impairment losses

The Company's exposure to credit and currency risks, and impairment losses for other receivables are disclosed in note 22.

For the purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for other receivables and loan to a related company, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables. Based on the Company's historical credit loss experience with the relevant counterparties, as well as available forward-looking information, the Company has assessed the expected credit loss rate on other receivables to be insignificant.

10 Share capital

	2022	2021
	Number of shares	Number of shares
Ordinary shares, with no par value		
At 1 April	400,000	400,000
Additions	4,180,908	–
31 March	**4,580,908**	**400,000**

Ordinary shares

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.

Capital management

The primary objective of the Company's capital management is to ensure that the Company is able to continue as a going concern and maintain an optimal structure so as to maximise shareholder value. The Company is a subsidiary within a larger corporate group. Consequently, management of capital is conducted with the context of Tech Mahindra Limited consolidated group, not necessarily looking at the Company individually.

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 externally imposed capital requirements. No changes were made in the objective, policies or processes during the year ended 31 March 2022 and 2021.

11 Lease liabilities

	2022	2021
	$	$
Current liabilities		
Lease liabilities	**245,455**	**199,246**

Terms and debt repayment schedule

Terms and conditions of outstanding lease liabilities are as follows:

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
				$	$	$	$
Group							
Lease liabilities	SGD	0.45%	2022	245,688	245,455	204,740	199,246

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Amounts due to related companies	Lease liabilities	Total
	$	$	$
Balance at 1 April 2021	5,242,945	199,246	5,442,191
Changes in financing cash flows			
Amounts due to related companies	(973,910)	–	(973,910)
Payment of lease liabilities	–	(484,922)	(484,922)
Interest paid	(139,920)	(1,646)	(141,566)
Total changes from financing cash flows	**(1,113,830)**	**(486,568)**	**(1,600,398)**
Other changes			
Liability-related			
Offset with capital infusion during the year	(4,180,908)	–	(4,180,908)
New lease	–	531,131	531,131
Interest expense	51,793	1,646	53,439
Total liability-related other changes	**(4,129,115)**	**532,777**	**(3,596,338)**
Balance at 31 March 2022	–	245,455	245,455
Balance at 1 April 2020	5,667,729	682,214	6,349,943
Changes in financing cash flows			
Advances from related companies	2,294,750	–	2,294,750
Repayment of amounts due to related companies	(2,786,548)	–	(2,786,548)
Payment of lease liabilities	–	(488,968)	(488,968)
Interest paid	(62,400)	(8,407)	(8,407)
Total changes from financing cash flows	**5,113,531**	**(497,375)**	**(989,173)**
Other changes			
Liability-related			
New lease	–	–	–
Interest expense	129,414	8,407	137,821
Total liability-related other changes	**129,414**	**8,407**	**137,821**
Balance at 31 March 2021	5,242,945	199,246	5,442,191

12 Provisions

	2022	2021
	$	$
(i) Provision for unutilised leave	504,462	835,563
Less: Non-current provision for unutilised leave	(352,830)	(578,322)
Current provision for unutilised leave	**151,632**	**257,241**

The Company calculates and records unutilised leave (the "Leave Benefit Scheme") for its qualified employees. The amount recognised in the statement of financial position are determined as follows:

	2022	2021
	$	$
Present value of Leave Benefit Scheme	504,462	835,563
(i) Represented by:		
Current liabilities	151,632	257,241
Non-current liabilities	352,830	578,322
	504,462	**835,563**

Reconciliations of the present value of the Leave Benefit Scheme liabilities are as follows:

	2022	2021
	$	$
At beginning of the year	835,563	979,399
(i) Provisions made/(reversed) during the year	164,489	205,593
Benefits paid	(495,590)	(349,429)
At end of the year	**504,462**	**835,563**

The cost of providing post-employment benefits is calculated by independent actuaries, Willis Tower Watson, using the Projected Unit Credit Method. The actuarial valuation was carried out using the following key assumptions:

	2022	2021
	$	$
Normal retirement age	60 years	60 years
Discount rate	2.30%	1.00%
(i) Salary escalation rate	3.00%	3.00%
(ii) Withdrawal rate	25%	25%

13 Trade payables

	2022	2021
	$	$
Third party payables	170,803	–
Related companies	4,877,194	5,415,890
Immediate holding company	–	503,035
Ultimate holding company	13,484	61,657
	5,061,482	**5,980,582**

Trade payables are non-interest bearing and are normally settled on 30 days' terms (2021: 30 days).

The amounts due to related companies, immediate holding company and ultimate holding company are unsecured, non-interest bearing and repayable on demand.

Market and liquidity risks

The Company's exposures to currency risk and to liquidity risk related to trade payables are disclosed in note 22.

14 Other payables

	2022	2021
	$	$
Accruals	314,874	318,045
Related companies	–	5,242,945
Payables for staff benefits	12,632	339,438
Goods and Services Tax ("GST") payable	25,996	–
	353,502	**5,900,428**

Other payables are non-interest bearing and are normally settled on 30 to 60 days' terms (2021: 30 to 60 days).

The amounts due to related companies are unsecured, interest bearing at average interest rate of 1% (2021: 1%) repayable on demand. During the year, amounts of $4,198,098 (2021: Nil) has been converted into 4,189,000 ordinary shares at $1 per shares.

Market and liquidity risks

The Company's exposures to currency risk and to liquidity risk related to other payables are disclosed in note 22.

15 Revenue

	2022	2021
	$	$
Rendering of services		
Time and material	9,817,180	8,505,846
Fixed price	1,349,934	1,066,668
Cost plus mark-up	2,555,870	4,552,860
	13,722,984	**14,125,374**

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Time and material

Nature of goods or services	Consulting services and maintenance services
When revenue is recognised	Revenue is recognised over the implementation services period based on the efforts.
Significant payment terms	Invoices are issued to the customers according to their respective billing plans and are normally payable within 30-60 days.

Fixed price

Nature of goods or services	Installation and implementation of software services
When revenue is recognised	Revenue from services are recognised as performance obligations are satisfied. Where performance obligations are satisfied over time as work progresses, revenue is recognised progressively based on the percentage of completion method. The stage of completion is determined as the proportion of the total time cost expected to install the software services that has elapsed at the end of the reporting period (input method).
Significant payment terms	Invoices are issued to the customers after the services are performed and are normally payable within 30-60 days.

Cost-plus mark up

Nature of goods or services	Service agreement with the immediate and ultimate holding company for reimbursement of costs incurred plus a mark-up ("cost-plus method")
When revenue is recognised	Revenue from services are recognised as performance obligation is satisfied over a period of time based on the stage of completion of the contract.
Significant payment terms	Invoices are issued to the customers after the services are performed and are normally payable within 30 days.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by geographical markets and timing of revenue recognition:

	2022	2021
	$	$
Primary markets		
Singapore	10,976,898	9,592,605
India	2,225,288	4,361,604
Other countries	520,798	171,165
	13,722,984	**14,125,374**

Contract balances

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

	Note	2022	2021
		$	$
Trade receivables	7	1,899,493	1,615,667
Contract assets	8	2,070,439	1,567,239
Contract liabilities	8	4,456	16,542

Significant changes in the contract assets and the contract liabilities balances during the year are as follows.

	Contract assets		Contract liabilities	
	2022	2021	2022	2021
	$	$	$	$
Revenue recognised from prior year balance	–	–	16,542	510,156
Cash received in advance and not recognised as revenue	–	–	4,456	16,542
Changes in measurement of progress	2,070,439	1,567,239	–	–
Contract asset reclassified to trade receivables	1,567,239	673,290	–	–

Significant judgements are used to estimate these total contract costs to complete. In making these estimates, management has relied on the expertise of project teams to determine the progress of the fixed price contracts and also on past experience of completed projects. The estimated total contract costs are reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

Transaction price allocated to the remaining performance obligations

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for above services as at the end of the reporting period is $1,605,144 (2021: $Nil). Management expects that 100% of the transaction price allocated to the unsatisfied contracts as of 31 March 2022 will be recognised as revenue during the next reporting period.

16 Other income

	2022	2021
	$	$
Foreign exchange gain	–	35,941
Impairment gain on trade receivables (net)	453,440	–
Sundry income	260,558	133,269
	713,998	**169,210**

17 Employee benefits expense

	2022	2021
	$	$
Employee benefits expense (including directors):		
- Salaries and bonuses	7,938,284	10,404,683
- Contributions to defined contribution plans	489,109	653,203
- Other short-term benefits	337,990	199,377
	8,765,383	**11,257,263**

18 Other operating expenses

	2022	2021
	$	$
Subcontractor	598,098	1,619,601
Rent	13,436	8,628
Electricity	6,854	10,973
Travelling and conveyance charges	10,228	86,983
Training expenses	214,072	45,493
Impairment loss on trade receivables	–	3,516,765
Professional fees	54,972	48,764
Telecommunication	76,704	84,166
Foreign exchange loss	112,562	–
Others	223,903	429,096
	1,310,829	**5,850,469**

19 Tax credit

	2022	2021
	$	$
Current tax		
Current year	–	–
Over provision in prior year	109,444	–
	109,444	**–**
Deferred tax		
Current year	(1,089,204)	–
	(1,089,204)	**–**
Tax credit	**(979,760)**	**–**
Reconciliation of effective tax rate		
Profit/(loss) before tax	3,774,265	(3,478,444)
Tax using Singapore tax rate of 17% (2021:17%)	641,625	(591,335)
Non-deductible expenses	28,759	16,418
Tax exempt income	–	(10,873)
Deferred tax assets not recognised	–	585,790
Utilisation of prior year tax losses not recognised	(632,015)	–
Recognition of deferred tax not recognised assets previously	(1,127,573)	–
Under provision of current tax in prior year	109,444	–
	(979,760)	**–**

As at the end of the reporting period, the Company has the following unutilised tax losses available for offsetting against future taxable profits:

	2022	2021
	$	$
Unutilised tax losses	6,632,784	10,302,042
Deferred tax assets on above not recognised	–	1,751,347

The realisation of the future income tax benefits from tax loss carry forwards is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

Amounts of $3,669,258 (2021: Nil) of unutilised losses have been used to offset against current year taxable profits. The Company is proposed to be amalgamated with its immediate holding company, Tech Mahindra Pte. Ltd. in upcoming financial year.

20 Leases

Leases as lessee

The Company leases an office in a commercial building. The lease typically runs for a period of 1 year. The Company is restricted from entering into any sub-lease arrangements.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as plant and equipment (see Note 4).

	Leasehold building	
	2022	2021
	$	$
Balance at 1 April	202,126	684,325
Additions to right-of-use assets	531,131	–
Depreciation charge for the year	(488,120)	(482,199)
Balance at 31 March	**245,137**	**202,126**

Amounts recognised in profit or loss

	2022	2021
	$	$
Leases under FRS 116		
Expenses relating to short-term leases	13,436	8,628

Amounts recognised in statement of cash flows

	2022	2021
	$	$
Total cash outflow for leases	**483,276**	**491,375**

Extension options

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The lease agreements do not mention of the extension clause and accordingly no excess lease liability is required to be recognised.

21 Related party transactions

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors and key executives are considered as key management personnel of the Company.

There is no payment made to key management personnel for the financial year (2021:Nil).

Other related party transactions

The following related company transactions took place between the Company and related companies during the year on terms agreed by the parties concerned:

	2022	2021
	$	$
Ultimate holding company		
Consultancy fee charged	-	205,643
Others	(717)	-
Administrative service income	(2,225,288)	(4,354,717)
Immediate holding company		
Consultancy fee charged	–	51,214
Related companies		
Consultancy fee charged	-	339,832
Others	(5,801)	-
Administrative service income	(330,582)	(198,143)

22 Financial instruments

Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies. Management reports regularly to the Board of Directors on its activities.

Credit risk

The Company has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Company only grants credit to creditworthy counterparties. At the end of the reporting period, 20% (2021: 26%) of the trade receivables are due from ultimate holding company, immediate holding company and related companies after providing for the same. The risk management process includes assessing corresponding credit standing and monitoring of collections.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Company's maximum exposure to credit risk.

Further details of credit risks on trade receivables, contract assets and other receivables are disclosed in Note 7, 8 and 9 to the financial statements respectively.

The Company places its cash with reputable financial institutions. The cash and cash equivalents are held with bank and financial institution counterparties with high credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Trade receivables: Lifetime ECL - not credit impaired Receivable from Related Party – 12 month ECL Other receivables: 12-month ECL
Doubtful	Amount is less than 1 year past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired Receivable from Related Party – 12 month ECL
In default	Amount is more than 1 year past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL - credit-impaired Receivable from Related Party – 12 month ECL
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company 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 grades:

	Note	Internal credit assessment	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
		$	$	$	$	$
2022						
Trade receivables from third parties	7	(i)	Lifetime ECL (simplified approach)	1,658,799	(132,177)	1,526,622
Trade receivables from ultimate holding company	7	(i)	12-month ECL	108,112	-	108,112
Trade receivables from immediate holding company	7	In-default	12-month ECL	-	-	-
Trade receivables from related companies	7	In-default	12-month ECL	1,728,057	(1,463,299)	264,758
Contract assets	8	(i)	Lifetime ECL (simplified approach)	2,070,439	-	2,070,439
Other receivables	9	Performing	12-month ECL	17,101	-	17,101
2021						
Trade receivables from third parties	7	(i)	Lifetime ECL (simplified approach)	1,538,688	(341,318)	1,197,370
Trade receivables from ultimate holding company	7	(i)	12-month ECL	393,473	–	393,473
Trade receivables from immediate holding company	7	In-default	12-month ECL	2,380	–	2,380
Trade receivables from related companies	7	In-default	12-month ECL	2,208,971	(2,186,527)	22,444
Contract assets	8	(i)	Lifetime ECL (simplified approach)	1,567,239	–	1,567,239
Other receivables	9	Performing	12-month ECL	11,532	–	11,532

(i) The Company determines the expected credit losses on these items based on historical credit loss experience on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Liquidity risk

Liquidity risk is managed by matching the payment and receipt cycle. The Company's operations are financed mainly through equity and continued financial support from related companies.

The following table summarises the Company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial instruments premised on the earlier of the contractual date or when the Company is expected to pay.

Particulars		**Cash flow**	
	Carrying amount	**Contractual cash flows**	**Within one year**
	$	**$**	**$**
2022			
Non-derivatives financial liabilities			
Trade payables	5,061,482	5,061,482	5,061,482
Other payables	353,502	353,502	353,502
Leases liabilities	245,455	245,688	245,688
	5,660,439	**5,660,672**	**5,660,672**
2021			
Non-derivatives financial liabilities			
Trade payables	5,980,582	5,980,582	5,980,582
Other payables	5,900,428	5,900,428	5,900,428
Leases liabilities	199,246	204,740	204,740
	12,080,256	**12,085,750**	**12,085,750**

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 financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign exchange risk

The Company's foreign currency exposures arise mainly from the exchange rate movements of the United States dollar (USD), Australian dollar (AUD), Swiss Francs (CHF), Philippines Peso (PHP) and Euro dollar (EUR) against the Singapore dollars (SGD). The Company does not hedge its exposure to foreign exchange risk as the risk is not expected to be significant.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency are as follows:

	Assets		**Liabilities**	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
USD	3,148,684	3,338,619	(5,016,138)	9,807,173
AUD	36,706	18,820	–	–
CHF	–	–	–	23,865
PHP	–		10,034	
EUR	–	337,552	190	–

Foreign currency sensitivity

The following table details the sensitivity to a 5% increase and decrease in the foreign currency against the functional currency of the Company. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the relevant foreign currency strengthens by 5% against the functional currency of the Company, profit before income tax will increase/(decrease) by:

	2022	2021
	$	$
USD	(93,373)	(323,428)
AUD	1,835	941
CHF		(1,193)
PHP	(502)	–
EUR	(10)	16,878

If the relevant foreign currency weakens by 5% against the functional currency of the Company, the impact on profit before tax would be vice versa.

Interest rate risk management

The Company has no significant interest rate risk as the Company has no significant interest-bearing financial assets or liabilities. Accordingly, no sensitivity analysis has been prepared and disclosed.

Accounting classification and fair values

The carrying amounts of the financial assets and financial liabilities (including trade and other receivables, cash and cash equivalents and trade and other payables) recorded in the financial statements at amortised cost approximate their fair values due to the relatively short-term maturity of these financial instruments or re-pricing.

Categories of financial instruments

	Note	2022	2021
		$	$
Financial assets			
Trade receivables	7	1,899,493	1,615,667
Other receivables*	9	157,264	151,696
Cash and cash equivalents		1,372,999	1,102,257
Financial assets at amortised cost		3,429,756	2,869,620
Financial liabilities			
Trade payables	13	5,061,482	5,980,582
Other payables*	14	327,506	5,900,428
Financial liabilities at amortised cost		5,388,988	11,881,010

* Exclude prepayments, witholding tax receivables, advances, GST receivable/payable

TECH MAHINDRA ICT SERVICES (MALAYSIA) SDN. BHD.

UNAUDITED FINANCIAL STATEMENTS
for the year ended 31st March 2022

Board of Directors

Mr. Manish Goenka

Mr. Hrishikesh Mahesh Pandit

Mr. Chong Li Khuen

Mr. Sabrina Ong Lee Leigh

Registered Office

35-3, Jalan SS 15/8A, 47500

Subang Jaya, Selangor Darul Ehsan,
Kuala Lumpur, Malaysia

Bankers

HSBC Bank

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022	2021
		RM	RM
Assets			
Property, plant and equipment	3	1,808,698	1,479,544
Right-of-use assets	4	-	3,994,114
Deferred tax assets	5	-	-
Trade and other receivables	6	6,040,397	12,493,775
Total non-current assets		**7,849,095**	**17,967,433**
Trade and other receivables	6	86,587,107	119,755,105
Contract assets	7	13,025,028	26,341,590
Tax assets		4,346,246	10,173,193
Cash and cash equivalents	8	43,610,386	28,958,238
Total current assets		**147,568,766**	**185,228,126**
Total assets		**155,417,861**	**203,195,559**
Equity			
Share capital	9	10,654,000	10,654,000
Retained earnings		43,803,770	21,244,378
Total equity		**31,898,378**	**31,898,378**
Liability			
Lease liabilities	10	5,226,288	9,091,269
Contract liabilities	7	87,935	733,506
Other payables	12	22,252,660	32,132,964
Total non-current liability		**27,566,883**	**41,957,739**
Lease liabilities	10	2,897,723	8,450,701
Trade payables	11	23,768,913	57,499,232
Other payables	12	44,565,751	60,955,034
Contract liabilities	7	2,160,821	2,434,475
Tax liabilities		-	-
Total current liabilities		**73,393,208**	**129,339,442**
Total liabilities		**100,960,091**	**171,291,181**
Total equity and liabilities		**155,417,861**	**203,195,559**

Manisha Goenka
Director

Date: July 5, 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 RM	2021 RM
Revenue	13	218,834,763	219,828,921
Cost of services	14	(182,441,211)	(248,194,947)
Gross (loss)/profit		**36,393,552**	**(28,366,026)**
Other income		285	594,358
Net gain from reversal of/(loss on) impairment of financial instruments	15	4,332,522	839,130
Administrative expenses		(18,254,805)	(18,955,603)
Results from operating activities	15	**22,471,269**	**(45,888,141)**
Finance income		739,027	1,743,301
Finance costs		(603,928)	(742,523)
(Loss)/Profit before tax	15	**22,606,653**	**(44,887,363)**
Taxation	16	(47,260)	1,867,136
(Loss)/Profit and total comprehensive (expense)/income for the year		**22,559,393**	**(43,020,227)**

Manisha Goenka
Director

Date: July 5, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Non- distributable	Distributable	
	Share capital	Retained earnings	Total equity
	RM	RM	RM
At 1 April 2020	10,654,000	64,264,608	74,918,608
Profit and total comprehensive income for the year	-	(43,020,231)	(43,020,231)
At 31 March 2021/1 April 2021	**10,654,000**	**21,244,377**	**31,898,377**
Loss and total comprehensive expense for the year	-	22,559,393	22,559,393
At 31 March 2022	**10,654,000**	**43,803,770**	**54,457,770**
	Note 9		

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	2022 RM	2021 RM
Cash flows from operating activities		
(Loss)/Profit before tax	22,606,653	(44,887,363)
Adjustments for:		
Net (gain from reversal of)/loss on impairment of financial instruments		(839,130)
Depreciation of property, plant and equipment	1,163,201	788,216
Depreciation of right-of-use assets	3,994,114	3,994,114
Leave encashment expenses	993,342	1,555,353
Gain on disposal of property, plant and equipment		(109)
Net unrealised loss/(gain) on foreign exchange	299,135	21,015
Finance cost	61,816	742,523
Finance income	(739,027)	(1,743,301)
Operating profit before changes in working capital	**29,029,677**	**(40,368,682)**
Change in trade and other receivables	13,741,541	(92,310,549)
Change in contract assets	13,316,562	(6,282,940)
Change in trade payables	(33,730,319)	53,442,417
Change in other payables and accrued expenses	(13,939,032)	68,732,399
Change in contract liabilities	(75,196)	(282,247)
Cash (used in)/generated from operations	**8,343,234**	**(17,069,602)**
Leave encashment paid	(1,132,037)	(832,403)
Tax paid	5,779,687	(5,850,188)
Net cash (used in)/from operating activities	**12,990,885**	**(23,752,193)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,492,355)	(948,751)
Proceeds from disposal of property, plant and equipment	-	109
Repayment from/(Loans given) to related company	4,948,600	1,194,379
Interest received	67,715	745,212
Lease payments received	7,881,071	3,687,262
Net cash used in investing activities	**11,405,302**	**4,678,211**
Cash flows from financing activity		
Payment of lease liabilities	(10,021,888)	(7,388,849)
Net cash used in financing activity	**(10,021,888)**	**(7,388,849)**
Net (decrease)/increase in cash and cash equivalents	**14,374,028**	**(26,462,831)**
Effect of foreign exchange rate differences	278,115	(5,217)
Cash and cash equivalents at beginning of the year	28,958,238	55,426,286
Cash and cash equivalents at end of the year	**43,610,390**	**28,958,238**

(i) Cash outflow for leases as a lessee

	2022 RM	2021 RM
Included in net cash from operating activities:		
Interest paid in relation to lease liabilities	(61,816)	(742,523)
Included in net cash used in financing activities:		
Payment of lease liabilities	(10,021,888)	(7,388,849)
Total cash outflow for leases	**(10,083,704)**	**(8,131,372)**

(ii) Reconciliation of movement of liabilities to cash flows arising from financing activities

The movement of liabilities from financing activities in the statements of cash flows are as follows::

	At 1 April 2020 RM	Acquisition of new lease RM	Interest in relation to lease liabilities RM	Net change in cash flows from financing activities RM	At 31 March 2021/ 1 April 2021 RM	Interest in relation to lease liabilities RM	Net change in cash flows from financing activities RM	At 31 March 2022 RM
Lease liabilities	8,106,030		173,787	(4,605,723)	3,674,094	61,816	(3,735,910)	-
Finance lease liabilities	-	16,082,266	568,736	(2,783,126)	13,867,876	542,112	(6,285,977)	8,124,012
	8,106,030	**16,082,266**	**742,523**	**(7,388,849)**	**17,541,970**	**603,928**	**(10,021,888)**	**8,124,012**

NOTES TO THE FINANCIAL STATEMENTS

Tech Mahindra ICT Services (Malaysia) Sdn. Bhd. is a private limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Malaysia Global Solution Center
Lot 12122, Persiaran APEC
63000 Cyberjaya
Selangor Darul Ehsan

Registered office

35-3, Jalan SS15/8A
47500 Subang Jaya
Selangor Darul Ehsan

The Company is principally engaged in the business of developing, advising, consulting and implementing of software systems relating to information technology and electronic services including application and programming services, administration and management control, technical, scientific and operational assistance, systems design, project management training and support of personnel, management of services facility and generally, any type of business in connection therein. There has been no significant change in the nature of these activities during the financial year.

The Company is a wholly-owned subsidiary of Tech Mahindra Limited, which is incorporated in India and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018−2020)
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018−2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018−2020)
- Amendments to MFRS 116, Property, Plant and Equipment − Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets − Onerous Contracts − Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018−2020)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 April 2021 for those amendments that are effective for annual periods beginning on or after 1 June 2020 and 1 January 2021.
- from the annual period beginning on 1 April 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021 and 1 January 2022, except for amendments to MFRS 1, MFRS 3 and MFRS 141 which are not applicable to the Company.
- from the annual period beginning on 1 April 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Company.

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material financial impact to the current period and prior period financial statements of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRSs 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 estimates are revised and 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 recognised in the financial statements other than those disclosed below:

- Note 12.2 – Provision for onerous contracts
- Note 17.4 – Measurement of expected credit loss (“ECL”)

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(b) Financial instruments

(i) Recognition and initial measurement

A financial asset or a 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 instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are 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.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(f)(i)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment (see Note 2(f)(i)).

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

Amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, 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 a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. 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 recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position 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 liability simultaneously.

(c) Property, plant and equipment

(i) Recognition and measurement

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

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 costs 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 materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised 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 amount of property, plant and equipment and is recognised net within “other income” and “other expenses” respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of equipment is recognised 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 derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised 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 recognised 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 estimated useful lives for the current and comparative periods are as follows:

• Office equipment	5 years
• Computers	3 years
• Plant and equipment	3 to 5 years
• Lease improvement	Lease period
• Furniture and fixtures	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

(d) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a 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 customer has the right to obtain a substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer 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 customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

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 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 of the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- 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;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) 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.

If an arrangement contains lease and non-lease components, the Company applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

The Company recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Company uses the interest rate implicit in the lease to measure the net investment in the lease.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease 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 sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

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 remeasurements of the lease liability.

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 revision of in-substance fixed lease payments, or 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, 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.

(b) As a lessor

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other operating income".

The Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the lease. The Company aims to allocate finance income over the lease term on a systematic and rational basis. The Company applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, Financial Instruments (see note 2(m)(i)).

(e) Contract asset/contract liability

A contract asset is recognised when the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, Financial Instruments (see Note 2(g)(i)).

A contract liability is stated at cost and represents the obligation of the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of their short term commitments.

(g) Impairment

(i) Financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

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

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

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

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

(ii) Other assets

The carrying amounts of other assets 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.

For the purpose of impairment testing, assets are Companyed together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit 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 or cash-generating unit.

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

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the other assets in the cash-generating unit (Companys of cash-generating units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior years are assessed at the end of each reporting year for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(h) Equity instruments

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

Ordinary shares

Ordinary shares are classified as equity.

(i) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave 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 under short-term cash bonus or profit-sharing plans 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.

(ii) State plans

The Company's contributions to the statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(j) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows 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 the discount is recognised as finance cost.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

(k) Revenue and other income

(i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring services to a customer, excluding amounts collected on behalf of third parties. The Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Company transfers control of service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Company performs;

(b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(l) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

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 recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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 liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. 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 realised.

(m) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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 measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement 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.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment

	Office equipment	Computers	Plant and equipment	Lease improvement	Furniture and fixtures	Total
	RM	RM	RM	RM	RM	RM
Cost						
At 1 April 2020	540,362	4,517,519	576,894	255,783	77,393	5,967,951
Disposals		(2,536)		(255,783)		
Additions	43,525	879,166	-	8,600	17,460	948,751
At 31 March 2021/1 April 2021	583,887	5,394,149	576,894	8,600	94,853	6,916,702
Additions	32,005	1,456,650	3,700			1,492,355
Disposals	-					
At 31 March 2022	**615,892**	**6,850,799**	**580,594**	**8,600**	**94,853**	**8,409,057**
Depreciation						
At 1 April 2020	422,011	3,328,195	573,135	-	69,818	4,648,942
Depreciation for the year	83,307	691,365	3,759	2,150	5,098	788,216
At 31 March 2021/1 April 2021	505,318	4,019,560	576,894	2,150	74,916	5,437,158
Depreciation for the year	33,718	1,120,449	434	2,867	5,733	1,163,201
Disposals	-	-	-	-	-	-
At 31 March 2022	**539,036**	**5,140,009**	**577,329**	**5,017**	**80,649**	**6,600,359**
Carrying amount						
At 1 April 2020	118,351	1,189,324	3,759	-	7,575	1,319,009
At 31 March 2021/1 April 2021	78,569	1,374,589	(0)	6,450	19,937	1,479,544
At 31 March 2022	**76,856**	**1,710,790**	**3,265**	**3,583**	**14,204**	**1,808,698**

4. Right-of-use assets

	Buildings
	RM
At 1 April 2020	7,988,228
Depreciation	(3,994,114)
At 31 March 2021/1 April 2021	3,994,114
Depreciation	(3,994,114)
At 31 March 2022	**-**

The Company leases office that runs between 1 year and 3 years, with an option to renew the lease after that date.

5. Deferred tax assets

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM
Provisions	-	-	-	-	-	-
Unrealised foreign exchange differences	-	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-	-
Right-of-use assets	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

6. Trade and other receivables

	Note	2022 RM	2021 RM
Non-current			
Lease receivables	6.1	6,040,397	12,493,775
Current			
Trade			
Trade receivables	6.2	40,180,649	52,993,883
Amount due from related companies	6.3	31,236,867	40,468,263
Amount due from ultimate holding company	6.3	(6,446,579)	11,508,925
		64,970,936	**104,971,071**
Non-trade			
Lease receivables	6.1	4,566,191	5,254,858
Prepaid expense		4,394,361	5,593,035
Deposits		336,953	1,153,690
Other receivables		10,005,204	427,885
Amount due from related company	6.4	2,313,462	2,354,566
		21,616,171	14,784,034
		86,587,107	119,755,105
		92,627,505	**132,248,880**

6.1 Lease receivables

The lease periods under these arrangements range from 3 years to 7 years and are discounted using an interest rate of 4.9%. There is no collateral pledged in this transaction. The lease receivables as at reporting dates are as follows:

	2022 RM
At 1 April	-
Addition	17,748,634
Interest income	(632,341)
Lease payments received	(6,509,703)
At 31 March	**10,606,588**

The lease payments to be received are as follows:

	2022 RM
Less than one year	4,566,191
One to two years	3,926,150
Two to five years	2,114,247
More than five years	-
Total undiscounted lease payments	10,606,588
Unearned interest income	(521,821)
Net investment in lease	**10,084,767**

6.2 Trade receivables

Trade receivables are usually settled on 30 to 90 days.

6.3 Amount due from ultimate holding company and related companies

The amount due from ultimate holding company and related companies are subject to the normal trade terms.

6.4 Amount due from related company

The amount due from related company is unsecured, subject to interest at 1.23% per annum (2021: 3.78% per annum) and repayable on demand.

7. Contract assets/(liabilities)

	2022 RM	2021 RM
Current		
Contract assets	13,025,028	26,341,590
Non-current		
Contract liabilities	(87,935)	(733,506)
Current		
Contract liabilities	(2,160,821)	(2,434,475)

The contract assets primarily relate to the Company's right to consideration for work completed on the milestone-based projects but not yet billed at the reporting date.

The contract liabilities primarily relate to the advance consideration received from customers for the milestone-based projects, which revenue is recognised overtime during the duration of the projects.

	2022 RM	2021 RM
Contract liabilities at the beginning of the period recognised as revenue	2,434,475	3,450,228

8. Cash and cash equivalents

	Note	2022 RM	2021 RM
Cash at banks		11,400,159	401,737
Fixed deposits with licensed bank	8.1	32,210,227	28,556,501
		43,610,386	**28,958,238**

8.1 The effective interest rate of fixed deposits ranges from 0.95% to 1.20% (2021: 0.95% to 1.55%) per annum and the maturity period ranges from 7 days to 3 months (2020: 1 to 3 months).

9. Share capital

	Number of shares 2022	Amount 2022 RM	Number of shares 2021	Amount 2021 RM
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares At 1 April/31 March	**10,654,000**	**10,654,000**	**10,654,000**	**10,654,000**

Ordinary shares

The holder of ordinary shares is entitled to receive dividends as declared from time to time, and is entitled to one vote per share at meetings of the Company.

10. Lease liabilities

	2022 RM	2021 RM
Non-current		
Finance lease liabilities	5,226,289	9,091,269
Lease liabilities	-	-
	5,226,289	**9,091,269**
Current		
Finance lease liabilities	2,897,723	4,776,607
Lease liabilities		3,674,094
	2,897,723	**8,450,701**
	8,124,012	**17,541,970**

Included in the current balance of lease liabilities were lease payables in relation the rental of office building amounting to RM 0 (2021: RM 3,674,094). The remaining balances are on account of the hardware and software related finance lease transactions which are subsequently lease back to the customer.

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments 2022 RM	Interest 2022 RM	Present value of minimum lease payments 2022 RM
Less than one year	3,266,428	(368,705)	2,897,723
Between one and five years	5,226,289	0	5,226,289
	8,492,717	**(368,705)**	**8,124,012**

11. Trade payables

	Note	2022 RM	2021 RM
Trade payables	11.1	1,700,178	907,995
Amount due to immediate holding company	11.2	22,068,735	55,537,952
Amount due to related companies	11.2		1,053,285
		23,768,913	**57,499,232**

11.1 Trade payables

Trade payables are usually settled on 30 to 60 days.

11.2 Amount due to immediate holding company and related companies

The amount due to immediate holding company and related companies are subject to the normal trade terms.

12. Other payables

	Note	2022 RM	2021 RM
Non-current			
Provision for employee benefits: leave encashment	12.1	805,390	890,870
Provision for onerous contracts	12.2	21,447,270	31,242,094
		22,252,660	**32,132,964**
Current			
Other payables		27,391,012	2,138,542
Accrued expenses		2,431,707	27,670,587
Provision for employee benefits: leave encashment	12.1	1,498,535	1,551,750
Provision for onerous contracts	12.2	13,244,497	29,594,155
		44,565,751	60,955,034
		66,818,411	**93,087,998**

12.1 Provision for employee benefits: leave encashment

Movement in provision for employee benefits: leave encashment is shown as follow:

	2022 RM	2021 RM
At 1 April	2,442,620	1,719,670
Charge for the year (Note 15)	993,342	1,555,353
Leave encashment paid	(1,132,037)	(832,403)
At 31 March	**2,303,925**	**2,442,620**

The Company provides for the compensated absences subject to Company's leave policy. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each reporting date. It is measured as at reporting date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

12.2 Provision for onerous contracts

This provision related to onerous contracts which are recognised 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.

The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Significant estimate and judgement are required in estimating the budgeted costs in relation of the contract. A change in the estimates will directly affect the provision to be recognised in relation to the future obligations under the contract. The discount rate used is a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the liability. This provision for onerous contract has occurred from a service agreement with other party and is towards the additional delivery costs.

13. Revenue

	2022 RM	2021 RM
Revenue from contracts with customers		
Sale of equipment	17,793,008	5,074,435
Rendering of services	201,041,755	214,754,486
	218,834,763	**219,828,921**

13.1 Disaggregation of revenue

	2022 RM	2021 RM
Timing of revenue recognition		
At a point of time	17,793,008	5,074,435
Over time	201,041,755	214,754,486
	218,834,763	**219,828,921**

13.2 Nature of services

The following information reflects the typical transactions of the Company:

Nature of services	Timing of recognition or method used to recognised revenue	Significant payment terms
Sale of equipment	Revenue is recognised at a point of time upon the completion of the project when the services are delivered and accepted by the customers at their premises.	Credit period of 30-90 days from invoice date.
Rendering of services	Revenue is recognised over the period of time for the milestone-based projects when the services are delivered and accepted by the customers at their premises.	Credit period of 30-90 days from invoice date.

13.3 Transaction price allocated to the remaining performance obligations

Revenue from performance obligations that are unsatisfied (or partially unsatisfied) as at the reporting date and will be recognised in the next twelve months is 2022 : RM 88,218,828 (2021: RM 33,970,486).

14. Cost of services

	2022 RM	2021 RM
Employee cost	148,094,517	133,389,988
Hardware related expenses	60,491,176	53,968,710
Anticipated loss on project	(26,144,482)	60,836,249
	182,441,211	**248,194,947**

15. (Loss)/Profit for the year

	2022 RM	2021 RM
(Loss)/Profit for the year is arrived at after charging/(crediting):		
Auditors' remuneration		
Audit fees:		
- KPMG PLT	54,000	54,000
Material expenses/(income)		
Depreciation of property, plant and equipment	1,163,201	804,478
Depreciation on right-of-use assets	3,994,114	3,994,114.
Personnel expenses (including key management personnel):		
- Salaries and allowances	70,339,621	70,603,107
- Defined contribution plan	6,403,116	5,761,431
- Other staff-related expenses	4,756,816	4,709,684
Leave encashment expenses	993,342	1,555,353
Foreign exchange losses/(gain):		
- Realised	1,476,151	3,625,787
- Unrealised	299,135	21,015
Interest income	**(739,027)**	**(1,743,302)**
Net (gain)/loss on impairment of financial instruments		
Financial assets at amortised cost		
Trade receivables	646,916	101,090
Other receivables	3,528	158,033
Amount due from related companies	(4,982,966)	(1,098,253)
	(4,332,522)	**(839,130)**

In prior year, the net loss on impairment of financial assets at amortised cost includes RM6,072,850 for the impairment loss for loans given to Softgen Services Pte. Limited.

16. Tax expense

	2022 RM	2021 RM
Current tax expense		
- Current year	-	-
- Over provision in prior years	47,260	(5,917,585)
	47,260	**(5,917,585)**
Deferred tax expense		
- Origination and reversal of temporary differences	-	-
- Under provision in prior year	0	4,050,449
	-	4,050,449
	47,260	**(1,867,136)**
Reconciliation of tax expense		
(Loss)/Profit before tax	22,606,653	(44,887,365)
Income tax calculated using Malaysia tax rates at 24% (2020: 24%)	5,425,597	(10,772,967)
Non-deductible expenses	5,378,337	141,372
Deferred tax asset not recognised		10,895,176
Recognition of previously unrecognised deferred tax asset		-
Tax exempted income		(263,581)
Over provision in prior years		(1,867,136)
	47,260	**(1,867,136)**

The Company was awarded MSC Malaysian Status and is eligible for income tax exemption on statutory income from 31 May 2019 to 30 May 2024.

The Company was under pioneer status until 30 May 2024 and since the trade income was not taxable, no provision for tax was required to be made on the business income and no deferred tax was created.

17. Financial instruments

17.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Carrying amount RM	AC RM
2022		
Financial assets		
Trade and other receivables (excluding prepayments and GST receivables)	77,447,468	77,447,468
Cash and cash equivalents	43,610,386	43,610,386
	121,057,854	**121,057,854**
Financial liabilities		
Trade payables	(23,768,913)	(23,768,913)
Other payables (excluding VAT payable)	(29,247,499)	(29,247,499)
	(53,016,412)	**(53,016,412)**
2021		
Financial assets		
Trade and other receivables (excluding prepayments and GST receivables)	108,728,124	108,728,124
Cash and cash equivalents	28,958,238	28,958,238
	137,686,362	**137,686,362**
Financial liabilities		
Trade payables	(57,499,232)	(57,499,232)
Other payables (excluding VAT payable)	(28,820,253)	(28,820,253)
	(86,319,485)	**(86,319,485)**

17.2 Net gains and losses arising from financial instruments

	2022 RM	2021 RM
Net losses on:		
Financial assets at amortised cost	4,772,411	2,561,327

17.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

17.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from the individual characteristic of each customer. There are no significant changes as compared to prior periods.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on new customers requiring credit over a certain amount.

At each reporting date, the Company assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Company manages its customers and take appropriate action (including but not limited to legal action) to recover long overdue balances. Generally, trade receivables will pay within 30-90 days. The Company's debt recovery process is as follows:

a) Above 180 days past due after credit term, the Company will start to initiate a structured debt recovery process which is monitored by the sales management team; and

b) Above 365 days past due, the Company will commence a legal proceeding against the customer.

The Company uses a simple average loss rate model and past due date to measure Expected Credit Losses ("ECLs") of trade receivables and contract assets. Consistent with the debt recovery process, invoices which are past due 365 days will be considered as credit impaired.

The Company assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount	Loss allowance	Net balance
	RM	RM	RM
2022			
Current (not past due)	29,220,591	-	29,220,591
0 - 90 days past due	20,534,670	-	20,534,670
90 - 180 days past due	3,288,478	-	3,288,478
180 - 365 days past due	161,937	-	161,937
	53,205,676	**-**	**53,205,676**
Credit impaired			
Past due more than 365 days	15,991,991	(15,991,991)	-
	69,197,667	**(15,991,991)**	**53,205,676**
Trade receivables	56,172,639	(15,991,991)	40,180,649
Contract assets	13,025,028	-	13,025,028
	69,197,667	**(15,991,991)**	**53,205,676**
2021			
Current (not past due)	61,650,476	(788)	61,649,688
0 - 90 days past due	13,659,840	(899)	13,658,941
90 - 180 days past due	3,599,502	(414)	3,599,088
180 - 365 days past due	425,655	(224)	425,431
	79,335,473	**(2,325)**	**79,333,148**
Credit impaired			
Past due more than 365 days	15,345,075	(15,342,750)	2,325
	94,680,548	**(15,342,750)**	**79,335,473**
Trade receivables	68,338,958	(15,345,075)	52,993,883
Contract assets	26,341,590	-	26,341,590
	94,680,548	**(15,345,075)**	**79,335,473**

The movements in the allowance for impairment in respect of trade receivables during the year are shown below:

	Not credit impaired	Credit impaired	Total
	RM	RM	RM
Balance at 1 April 2021	-	15,345,075	15,345,075
Amounts written off	-	-	-
Net remeasurement of loss allowance	2,325		2,325
Balance at 31 March 2021/ 1 April 2021	**2,325**	**15,345,075**	**15,347,400**
Net remeasurement of loss allowance	(2,325)	646,916	644,591
Balance at 31 March 2022	**-**	**15,991,991**	**15,991,991**

Other receivables

Risk management objectives, policies and processes for managing the risk

Credit risks on other receivables and deposits are mainly arising from deposits paid for office buildings and fixtures rented. These deposits will be received at the end of each lease terms. The Company manages the credit risk together with the leasing arrangement.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

The following table provides information about the exposure to credit risk for other receivable and deposits balances.

	Gross carrying amount	Impairment loss allowances	Net balance
	RM	**RM**	**RM**
2022			
Other receivables	10,585,676	(580,472)	10,005,204
Deposits	342,953	(6,000)	336,953
	10,928,629	**(586,472)**	**10,342,157**
2021			
Other receivables	1,004,826	(576,941)	427,885
Deposits	1,159,690	(6,000)	1,153,690
	2,164,516	**(582,941)**	**1,581,575**

The movement of allowance account used to record the impairment are as follows:

	Other receivables	Deposits	Total
	RM	**RM**	**RM**
Balance at 1 April 2020	285,940	6,000	291,940
Impairment loss recognised	291,000	-	291,000
Balance at 31 March 2021/ 1 April 2021	**576,940**	**6,000**	**582,940**
Impairment loss recognised	3,532	-	3,532
Balance at 31 March 2022	**580,472**	**6,000**	**586,472**

Other than the impairment losses made, the Company is of the view that the loss allowance is not material in relation to the other receivables and deposits balances at financial year end and hence, it is not provided for.

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The cash and cash equivalents are held with banks and financial institutions.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company trades with its ultimate holding company and related companies and provides advances to a related party. The Company monitors the results of the immediate holding company, related companies and related party on individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

Generally, the Company considers receivables from its ultimate holding company, related companies and related party to have low credit risk. The Company assumes that there is a significant increase in credit risk when the financial position of immediate holding company's and related companies' financial positions deteriorate significantly. As the Company is able to determine the timing of payments of the balances when they are payable, the Company considers the balances to be in default when the immediate holding company, related companies or related party is not able to pay when demanded. The Company considers the immediate holding company's, a related company's or a related party's balances to be credit impaired when:

- The immediate holding company, a related company or a related party is unlikely to repay its balance to the Company in full.
- The immediate holding company, a related company or a related party is continuously loss making and is having a deficit shareholder's fund.

The Company determines the profitability of default for the receivables individually using internal information available.

Inter-company balances

The following table provides information about the exposure to credit risk for inter-companies balances.

	Gross carrying amount	Impairment loss allowance	Net balances
	RM	RM	RM
2022			
Amount due from ultimate holding company	(6,446,579)	-	(6,446,579)
Amount due from related company	33,550,329		33,550,329
	27,103,749	**-**	**27,103,749**
2021			
Amount due from ultimate holding company	11,508,925	-	11,508,925
Amount due from related company	47,797,426	(4,974,597)	42,822,829
	59,306,351	**(4,974,597)**	**54,331,754**

The movement of allowance account used to record the impairment are as follows:

	Credit impaired
	RM
Balance at 1 April 2020	**6,072,850**
Impairment loss	(1,098,253)
Balance at 31 March 2021/1 April 2021	**4,974,597**
Impairment loss	(4,974,597)
Balance at 31 March 2022	**-**

Other than the impairment loss made for the financial year, the Company did not recognise any allowances for impairment loss as the Company is of the view that the loss allowances is not material and hence, it is not provided for.

17.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its various payables.

The Company maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period:

	Carrying amount	Discount rate %	Contractual cash flows	Under 1 year	More than 1 year
2022	**RM**		**RM**	**RM**	
Non-derivative financial liabilities					
Lease liabilities	8,124,012	2.75 – 4.90	8,124,012	3,266,429	4,857,583
Trade payables	23,768,913	-	23,768,913	23,768,913	-
Other payables	29,247,499	-	29,247,499	29,247,499	-
	61,140,424		**61,140,424**	**56,282,841**	**4,857,583**
2021					
Non-derivative financial liabilities					
Lease liabilities	17,541,970	2.75-4.90	18,664,472	18,664,472	9,671,657
Trade payables	57,499,232	-	57,499,232	57,499,232	-
Other payables	28,820,253	-	28,820,253	28,820,253	-
	103,861,455		**104,983,957**	**104,983,957**	**9,671,657**

17.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Company's financial position or cash flows. The Company is not exposed to other price risk.

17.6.1 Currency risk

The Company is exposed to foreign currency risk on services rendered that are denominated in a currency other than the functional currency of the Company. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro Dollar ("EUR"), Indian Rupee ("INR") and Australian Dollar ("AUD").

Risk management objectives, policies and processes for managing the risk

The Company ensures that the net exposure is kept to an acceptable level by monitoring the fluctuation of the foreign currency.

Exposure to foreign currency risk

The Company's exposure to foreign currency (a currency which is other than the functional currency of the Company) risk, based on carrying amounts as at the end of the reporting period are as follows:

	Denominated in			
	USD	**EUR**	**INR**	**AUD**
2022	**RM**	**RM**	**RM**	**RM**
Balances recognised in the statement of financial position				
Cash and cash equivalents	8,850,073	-	-	-
Trade receivables	15,330,248	318,526	-	4,065,926
Other receivables	11,043,228	-	-	-
Trade payables	(305,403)		-	
Other payables	(4,226,147)		(306,039)	-
	30,691,999	**(4,900,048)**	**(29,592)**	**(3,399,462)**
2021				
Balances recognised in the statement of financial position				
Cash and cash equivalents	141,820	-	-	-
Trade receivables	16,454,412	398,232	-	-
Other receivables	37,177,933	-	-	-
Trade payables	(398,031)	(5,249,628)	-	(3,399,462)
Other payables	(3,387,711)	(48,652)	(29,592)	-
	49,988,423	**(4,900,048)**	**(29,592)**	**(3,399,462)**

Currency risk sensitivity analysis

A 5% (2021: 5%) strengthening of USD, EUR, INR and AUD against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

	Profit or loss	
	2022	**2021**
	RM	**RM**
USD	1,461,524	2,380,401
EUR	19,477	(233,336)
INR	(42,830)	(1,409)
SGD	193,616	(161,879)
HKD	4,309	(22,035)
	1,631,787	**1,961,742**

A 5% (2020: 5%) weakening of USD, EUR, INR and AUD against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

17.6.2 Interest rate risk

The Company's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Company has entered into interest rate swaps in order to achieve an appropriate mix of fixed and floating rate exposure within the Company's policy.

Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period, was:

	2022	**2021**
	RM	**RM**
Fixed rate instruments		
Financial assets	34,308,973	30,911,067

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting year would not affect profit or loss.

17.7 Fair value information

The carrying amounts of cash and cash equivalents and short term receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

18. Capital management

The Company's objectives when managing capital is to maintain a strong capital base and safeguard the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

19. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. Key management personnel include all the Directors of the Company.

The Company has related party relationship with its ultimate holding company and related companies.

List of related parties:

Name of related party	**Nature of relationship**
Tech Mahindra Limited	Ultimate holding company
Tech Mahindra Products Services Singapore Pte. Limited (Formerly known as Sofgen Services Pte. Ltd. Name changed effective 15-Sep-2020.)	Related company
Tech Mahindra Vietnam Company Limited	Related company

Significant related party transactions

Related parties transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Company are shown below. The balances related to the transactions are shown in Note 6 and Note 11.

	2022	**2021**
	RM	**RM**
A. Ultimate holding company		
Service income charged to ultimate holding Company	111,827,439	121,519,722
Reimbursement of expenses	25,282,011	14,988,281
B. Related company		
Interest income	82,250	209,995

TECH MAHINDRA VIETNAM COMPANY LIMITED

Board of Directors
Mr. Srinivasa Venugopal

Registered Office
Him Lam Business Center, 21st Floor,
Capital Tower, No.109 Tran Hung Dao,
Cua Nam Ward, Hoan Kiem District,
Hanoi City, Vietnam

Auditors
BDO Audit Services Co. Ltd

Bankers
Citi bank

REPORTS OF THE BOARD OF DIRECTORS

The Board of Directors of Tech Mahindra Vietnam Limited (the "Company") presents this report together with the financial statements of the Company for the year ended 31 March 2022.

GENERAL INFORMATION

Tech Mahindra Vietnam Co., Ltd (hereafter referred as "the Company") is a limited liability company with one member incorporated under the Law on Enterprise of Vietnam pursuant to the Investment Certificate No 6557776707 dated 24 January 2017 and Business Registration dated 23 March 2017, which are issued by Hanoi Department of Planning and Investment.

MEMBER OF COUNCIL

Member of Council during the fiscal year and as the date of the report were:

Name	Position
Mr. Manish Goenka	Chairman
Mr. Gautam Shirali	Member
Mr. Srinivasa Raghavan Venugopal	Member

BOARD OF DIRECTORS

Members of Board of Directors during the fiscal year and as the date of the report were:

Name	Position
Mr. Srinivasa Raghavan Venugopal	Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report was Mr. Srinivasa Raghavan Venugopal – Director.

OFFICE FOR REGISTRATION

The company's head office is at Him Lam Business Center, 21st floor, Capital Tower, 109 Tran Hung Dao, Cua Nam Ward, Hoan Kiem District, Hanoi.

AUDITORS

BDO Audit Services Co., Ltd was selected to audit the Financial Statements for the year ended 31 March 2022 of Tech Mahindra Vietnam Co., Ltd.

The Board of Directors of Tech Mahindra Vietnam Limited (the "Company") presents this report together with the financial statements of the Company for the year ended 31 March 2022.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the Company's financial position as at 31 March 2022 as well as its operations results and its cash flows for the fiscal year then end. The Board of Directors believes there are no contingent events that may affect the going concern of the Company. In preparing the Financial Statements, the 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 applicable accounting principles that have been followed, any material deviations (if any) discovered and explained in the Financial Statements;
- Prepare the Financial Statements on going concern basis unless it is inappropriate to presume that the Company will continue in business;

The financial statements are free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for ensuring that accounting books are kept adequately to give a true and fair view of the financial position of the Company and to ensure that the accompanying financial statements of the Company were prepared in accordance with Vietnamese Accounting Standards, current Corporate Accounting System of Vietnam and relevant legal regulations. The Board of Directors is also responsible for safeguarding the Company's assets and hence for taking reasonable for the prevention and detection of fraud and other irregularities.

The Board of Directors is also responsible for safeguarding the assets of the Company and has therefore taken reasonable steps to prevent and detect fraud and other irregularities.

The Board of Directors confirms that it has complied with the above requirements in preparing financial statements.

APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approves the financial statements for the year ended 31 March 2022, attached from page 5 to page 22. In the opinion of the Board of Directors, the audited financial statements (attached) gives a true and fair view of the financial position of the Company as at 31 March 2022 as well as its results of operations and cash flows for the year then ended.

For and on behalf of the Board of Directors

Srinivasa Raghavan Venugopal
Director

Date : June 29, 2022
Place : Hanoi, Vietnam

INDEPENDENT AUDITORS' REPORT

Financial Statements of Tech Mahindra Vietnam Co., Ltd for the financial year ended 31 March 2022

To: MEMBER OF COUNCIL AND THE BOARD OF DIRECTORS TECH MAHINDRA VIETNAM CO., LTD

We have audited the accompanying financial statements of Tech Mahindra Vietnam Co., Ltd dated 29 June 2022 including: Balance Sheet as at 31 March 2022, Income Statement, Statement of Cash flow and Notes to the Financial Statements for the financial year then ended, which are set out on page 05 to page 22.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of the Company's financial statements in accordance with Vietnamese accounting standards, Vietnamese Corporate accounting system and other prevailing legal regulations, and for such internal control as the Board of Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or errors.

Responsibilities of auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with Vietnamese 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 auditors' judgments, including the assessment of the risks of material misstatements on the financial statements, whether due to fraud or errors. In making those risk assessments, the auditor considers 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, 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 of auditors

In our opinion, in all material respects, the accompanying financial statements give a true and fair view of the financial position of Tech Mahindra Vietnam Co., Ltd as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other prevailing legal regulations on preparation and presentation of the Financial Statements.

BDO AUDIT SERVICES CO.,LTD

Le Thi Minh Hong
Deputy Director
Certificate for Audit application registration: 1922-2018-038-1

Pham Hong Minh
Auditor
Certificate for Audit application registration: 3356-2020-038-1

BALANCE SHEET

As at 31 March 2022

UNIT: VND

ASSETS			Code	Notes	Closing balance	Opening balance
A.	**CURRENT ASSETS**		**100**		**479,271,098,334**	**194,712,780,152**
I.	**Cash and cash equivalents**		**110**	**V.1**	**313,052,641,530**	**73,972,845,625**
	1.	Cash	111		38,052,641,530	58,972,845,625
	2.	Cash and cash equivalents	112		275,000,000,000	15,000,000,000
II.	**Current receivables**		**130**		**156,765,343,800**	**113,000,638,795**
	1.	Trade receivables	131	V.2	156,694,277,289	115,428,945,839
	2.	Other current receivables	136	V.3	71,066,511	268,692,956
	3.	Provision for doubtful debt	137		-	(2,697,000,000)
III.	**Inventories**		**140**		**4,266,395,661**	**1,734,532,820**
	1.	Inventory	141		4,266,395,661	1,734,532,820
IV.	**Other current assets**		**150**		**5,186,717,343**	**6,004,762,912**
	1.	Short-term prepaid expenses	151	V.4	5,120,042,741	5,944,895,703
	2.	VAT deductible	152		66,674,602	59,867,209
B.	**NON-CURRENT ASSETS**		**200**		**62,510,749,076**	**76,444,473,049**
I.	**Tangible assets**		**220**	**V.5**	**61,338,728,030**	**74,045,143,672**
	1.	Tangible assets	221		61,338,728,030	74,045,143,672
		- Historical cost	222		88,866,007,678	88,866,007,678
		- Accumulated depreciation	223		(27,527,279,648)	(14,820,864,006)
II.	**Other non-current assets**		**260**		**1,172,021,046**	**2,399,329,377**
	1.	Long-term prepaid expenses	261	V.4	512,193,017	1,739,501,348
	2.	Deffered tax assets	262		659,828,029	659,828,029
TOTAL ASSETS			**270**		**541,781,847,410**	**271,157,253,201**
C.	**LIABILITIES**		**300**		**501,939,352,874**	**257,733,486,549**
I.	**Current liabilities**		**310**		**501,939,352,874**	**257,733,486,549**
	1.	Trade payables	311	V.6	413,465,964,521	177,082,505,136
	2.	Taxes and duties to the State	313	V.7	681,130,259	275,857,438
	3.	Payables to employees	314		-	14,309,918
	4.	Accrued expenses	315	V.8	75,550,012,864	68,083,349,924
	5.	Other short-term payables	319	V.9	752,245,230	694,964,133
	6.	Short-term loans and finance lease liabilities	320	V.10	11,490,000,000	11,582,500,000
	7.	Short-term provision	321		-	-
D.	**OWNERS' EQUITY**		**400**		**39,842,494,535**	**13,423,766,652**
I.	**Owner's equity**		**410**	**V.11**	**39,842,494,535**	**13,423,766,652**
	1.	Contributed capital	411		1,135,000,000	1,135,000,000
	2.	Undistributed post-tax profits	421		38,707,494,535	12,288,766,652
		- Undistributed post-tax profits accumulated by end of previous year	421a		12,288,766,652	(2,135,510,556)
		- Undistributed post-tax profits of current year	421b		26,418,727,884	14,424,277,208
TOTAL RESOURCES			**440**		**541,781,847,410**	**271,157,253,201**

Hanoi, 29 June 2022

Nguyen Cong Vinh
Chief Accountant

Srinivasa Raghavan Venugopal
Director

TECH MAHINDRA VIETNAM COMPANY LIMITED

STATEMENT OF INCOME AND EXPENDITURE

For the financial year ended 31 March 2022

UNIT: VND

ITEMS	Code	Note	Current year	Previous year
1. Revenue from sales of goods and services	01	VI.1	360,706,236,670	312,852,117,133
2. Revenue deductions	02		-	-
3. Net revenue from sales of goods and services	**10**		**360,706,236,670**	**312,852,117,133**
4. Cost of goods sold and services rendered	11	VI.2	329,767,129,020	288,694,286,136
5. Gross revenue from sales of goods and services	**20**		**30,939,107,650**	**24,157,830,997**
6. Financial income	21	VI.3	217,155,121	491,463,985
7. Financial expenses	22	VI.4	331,610,827	1,672,902,431
- In which: Interest expenses	23		210,014,559	612,902,631
8. Selling expenses	25		-	-
9. Administrative and general expenses	26	VI.5	4,263,130,382	8,063,140,518
10. Net profit from operating activities	**30**		**26,561,521,562**	**14,913,252,033**
11. Other income	31		40,101,024	-
12. Other expenses	32		9,888,171	415,687,026
13. Other profit/(loss)	**40**		**30,212,853**	**(415,687,026)**
14. Total pre-tax profit	**50**		**26,591,734,415**	**14,497,565,007**
15. Current corporate income tax expenses	51	VI.7	173,006,531	(1,345,615,102)
16. Deferred corporate income tax expenses	52		-	1,418,902,901
17. Profit after corporate income tax	**60**		**26,418,727,884**	**14,424,277,208**

Hanoi, 29 June 2022

Nguyen Cong Vinh
Chief Accountant

Srinivasa Raghavan Venugopal
Director

STATEMENT OF CASH FLOW

For the financial year ended 31 March 2022

UNIT: VND

ITEMS	Code	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. (Loss)/Profit before tax	**01**		**26,591,734,415**	**14,497,565,007**
2. Adjustments for:				
- Depreciation and amortisation	02		12,706,415,642	14,820,864,006
- Provision	03		(2,697,000,000)	4,184,673,721
- Profits/losses of exchange rate differences from revaluation of accounts derived from foreign currencies	04		29,096,268	737,500,000
- Gain/loss from investing activities	05		(68,045,936)	(124,307,341)
- Interest expense	06		210,014,559	612,902,631
3. Operating income before changes in working capital	**08**		**36,772,214,947**	**34,729,198,024**
- Increase/decrease in receivables	09		(41,074,512,398)	(54,890,079,009)
- Increase/decrease in inventories	10		(2,531,862,841)	(1,734,532,820)
- Increase/decrease in payables (other than interest expenses, corporate income tax payables)	11		243,793,748,968	190,554,170,928
- Increase/decrease prepaid expenses	12		2,052,161,293	(7,655,989,910)
- Interest expense paid	14		-	(173,642,060)
- Corporate income tax paid	15		-	(616,628,917)
Net cash flows from operating activities	**20**		**239,011,749,969**	**160,212,496,236**
II. CASH FLOWS FROM INVESTMENT ACTIVITIES				
1. Additions to fixed assets and other long-term assets	21		-	(88,866,007,678)
2. Proceeds from loans, dividends, profit	27		68,045,936	124,307,341
Net cash flows from investment activities	**30**		**68,045,936**	**(88,741,700,337)**
III. CASH FLOW FROM FINANCIAL ACTIVITIES				
1. Proceeds from borrowing	33		-	91,680,000,000
2. Payment for the original borrowing	34		-	(92,660,000,000)
Net cash flows from financial activities	**40**		**-**	**(980,000,000)**
NET CASH INFLOWS	**50**		**239,079,795,905**	**70,490,795,899**
Cash and cash equivalents at the beginning of the year	60	V.1	73,972,845,625	3,482,049,726
Impact of exchange rate difference	61		-	-
Cash and cash equivalents at the end of the year	**70**	**V.1**	**313,052,641,530**	**73,972,845,625**

Hanoi, 29 June 2022

Nguyen Cong Vinh
Chief Accountant

Srinivasa Raghavan Venugopal
Director

NOTES TO THE FINANCIAL STATEMENTS

I. CORPORATE INFORMATION

1. Owner's equity

Tech Mahindra Vietnam Co., Ltd (hereafter referred as "the Company") is an one member limited liability company incorporated under the Law on Enterprise of Vietnam with duration of 10 years pursuant to the Investment Certificate No 6557776707 dated 24 January 2017 and Business Registration dated 23 March 2017 issued by Hanoi Department of Planning and Investment. Parent Company is Tech Mahindra Limited, with the operating license No. 041370 dated 24/10/1986 in India, the head office is located at Gateway Building, Apollo Bunder, Mumbai – 400001, Maharashtra, India.

The information about investors are as follows:

Investors	Under Investment License (USD)	Capital contributed	
		Ownershi Proportion	As at 31 March 2022
Tech Mahindra Limited	50,000	100%	50,000

2. Principal activities of the Company

- Software manufacturing;
- IT services and other services related to computers;
- Implementing the retailing distribution right (without establishing retail outlets) of the goods with HS code 8471.

3. Normal operating cycle

The operating cycle is the average period of time required for a business to make an initial outlay of cash to produce goods, sell the goods or serives, and receive cash from customers in exchange for the goods or services. Normal operating cycle of the Company is 12 months.

4. Performance characteristics of the business during the year that affect the financial statements

The Covid-19 pandemic is leading to an economic downturn and significantly affecting most businesses and industries. This situation leads to factors of uncertainty and may impact the environment in which the Company operates. The Board of Directors are continuing to monitor the situation, as well as assess the financial effects related to the assessment of assets, provisions and liabilities, and using estimates and judgments for a variety of matters, based on reliable information available to the date of these financial statements.

5. Employee

The total number of employees of the Company as at 31 March 2022 is 45 persons (as of 31 March 2021 is 32 person).

II. ACCOUNTING PERIOD, ACCOUNTING CURRENCY

1. Accounting period

The Company's accounting period is from 01 April N-1 to 31 March N.

2. Accounting currency

The Company maintains its accounting records in Vietnamese Dong (VND).

III. APPLICABLE ACCOUNTING SYSTEM AND ACCOUNTING STANDARDS

1. Accounting framework

The Company applies Vietnamese Corporate Accounting System issued accompanying with Circulars No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance, and Circular 53/2016 TT-BTC dated 21/03/2016 issued by the Ministry of Finance for modifying, supplementing some articles of Circular No.200/2014/TT-BTC.

Financial statements are prepared under historical cost principle and in accordance with Vietnamese Accounting Standards. The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

2. Declaration on compliance with accounting standard and accounting system

The Board of Directors ensures that the financial statements have been prepared and presented in accordance with the requirements of the Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and other prevailing legal regulations guiding the preparation and presentation of financial statements.

IV. APPLICABLE ACCOUNTING POLICIES

1. Exchange rates applied in accounting system

- Commercial bank the Company selects to apply exchange rate in accounting is Citibank, N.A, Ha Noi Branch (Citibank);
- Exchange rates applied in transaction recording comprise:

+ Actual exchange rates at the time of incurred transaction:

Shall be used to convert into currency recorded in accounting book for transaction of recording revenue, other income, operating expenses, other expenses, assets, other receivables, equity in cash, prepayments to buyers, payables, advance received from customers.

In the case of sale of goods or provision of services related to revenue received in advance or receipts in advance from the buyer: Revenue, income corresponding to the amount received in advance will be applied at the actual transaction exchange rate at the time buyer's pre-emptive point.

In case of buying assets related to prepaid transactions to sellers: The value of assets corresponding to the prepaid amount shall be the actual transaction exchange rates applicable at the time of advances to the sellers.

+ Specific identification actual accounting book exchange rates:

Shall be used to convert transactions into the accounting currency for ones recorded for decrease in: Receivables, Advances from customers due to the transfer of products, goods, fixed asets, services, accepted volume, Collaterals, Prepaid expenses, Payables, Advances to suppliers for products, goods, fixed assets, services received, accepted volume.

+ Moving weighted average bookkeeping rate:

Shall be used to convert into the currency recorded in accounting books in the Credit side of the cash accounts when making a payment in foreign currency.

IV. APPLICABLE ACCOUNTING POLICIES (continued)

1. Exchange rates applied in accounting system (continued)

- Actual exchange rates upon revaluation at the date of the financial statements:

+ For monetary items derived from foreign currencies classified as assets: applied exchange rate is exchange rate of buying of Citibank as at 31 March 2022. For foreign currency deposited in bank, the actual exchange rate upon revaluation is exchange rate of the bank where the Company opens foreign currency accounts.
+ For monetary items derived from foreign currencies classified as liabilities: applied exchange rate in revaluation is selling exchange rate announced by Citibank as at 31 March 2022.

Exchange rate difference in the year and difference from revaluation of monetary items denominated in foreign currencies are recognized as financial income or expenses in the year.

2. Recognition of cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposit and time deposit, cash in transit and short-term investments with maturity of less than three months that can be easily transferred to cash without any risks in transferring at the date of the report. The identification of cash and cash equivalents is in accordance with Vietnam Accounting Standard No. 24 "Cash Flow Statement".

3. Recognition of receivables

Receivables are amounts that can be collected from customers or other entities. Receivables are stated at carrying amount less provisions for bad debts.

The amounts of receivables shall be classified into trade receivables, other receivables following principles below:

- Trade receivables: include commercial receivables generating from purchase - sale related transactions;
- Other receivables: include non - commercial or non - trading receivables such as receivables from loans, deposits, dividends and profit distributed, payments entitled by third party, amounts that the entrusted party must collect for the entrusting party, receivables from lending the property, receivables for fines, compensations, assets awaiting resolution, and etc.

Monitoring receivables

Receivables shall be recorded specifically to original terms and remaining recovery terms as at the reporting date, original currencies and each object. At the financial statements' preparation date, receivables which have remaining recovery terms of less than 12 months or a business cycle are classified as current receivables, receivables which have remaining recovery terms of over 12 months or a business cycle are classified as non - current receivables.

Allowance for doubtful debts

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date, which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the Income statement.

IV. APPLICABLE ACCOUNTING POLICIES (continued)

4. Recognition of Inventory

Inventories are determined based on the lower of cost and net realizable value. The price of inventories comprises all costs of purchases, costs of conversion and other costs directly related to bringing the inventories to the location and current status. The net realizable value is determined as the estimated selling price minus (-) the estimated costs to complete the product and the estimated costs necessary for consumption.

5. Recognition of prepaid expenses

Prepaid expenses are expenses which have actually incurred yet are related to operational outputs of many accounting periods and the transfer of these expenses to operating expenses of subsequent accounting periods.

Prepaid expenses include internet costs, warranty provision expenses, tools, etc. and other expenses in the course of business operations of the Company. These expenses are considered capable future economic benefits of the Company. These costs are amortized to the income statement on a straight-line basis based on the Company's estimated useful lives or time to recovery.

Each prepaid expense incurred shall be recorded in details of maturity. As at the reporting date, prepaid expenses that have maturity of less than 12 months or a business cycle since the date of prepayment are classified as current prepaid expenses, expenses that have maturity of over 12 months or a business cycle since the date of prepayment are classified as non-current prepaid expenses.

6. Recognition of fixed assets and depreciation

Fixed assets are stated at historical cost and accumulated depreciation.

The historical cost of tangible fixed asset comprises of its purchase price and any directly attributable costs to bring the tangible fixed assets into work condition for its intended use. The identification of the historical cost of each category of tangible fixed assets is in accordance with Vietnames Accounting Standard No. 03 on tangible fixed assets.

Costs incurred after initial recognition such as maintenance and repairs are charged to the income statement as incurred. In situations where can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of tangible fixed assets beyond its originally assessed standard of performance, the expenditure is capitalized as an additional cost of tangible assets.

When fixed assets are sold or proposed, their cost and accumulated depreciation are eliminated from the Balance sheet and any gain or loss arising from the disposal of fixed assets are accounted for in the income statement.

Depreciation of tangible assets and intangible assets is calculated using the straight-line method, in accordance with the Circular 45/2013/TT-BTC dated 25 April 2013 of the Finance Ministry and Circular 147/2016/TT-BTC dated 13 October 2016 of the Finance Ministry promulgating on management and use of fixed assets depreciation. Estimated useful lives of fixed assets are as follows:

Assets	Useful life
Machinery and equipment	07 years
Office Equipment	03 years

7. Recognition of payables

Payables are stated at cost. The amount of payable shall be classified into trade payable and other payables following principles below:0

- **Trade payables:** include commercial payables arisen from purchases of goods, services or assets.
- **Other payables:** include non-commercial payable amounts, or payable amounts that are not related to trading in goods or services (such as payables by a third party, payables arising from borrowing assets, fines and compensation payable, assets awaiting resolution, payables on social insurance, health insurance, unemployment insurance, union funds and etc..).

  Accounts payable are tracked in detail by original term, remaining term at the reporting time, original currency and each object. At the balance sheet date, a liability with a remaining maturity of not more than 12 months or a business cycle is classified as a short-term liability, a liability with a maturity of more than 12 months, or a business cycle. business period is recorded as a long-term payable.

  Accounts payable that satisfy the definition of currencies denominated in foreign currencies: Revaluated as at 31 March 2022 at actual exchange rates at the end of the period (See Note IV.1)

Monitoring payables

Payables shall be specially recorded to original terms and remaining terms as at the reporting date, original currencies and each object. At Financial Statement's preparation date, payables that have remaining repayment terms of less than 12 months or a business cycle are classified as current payables, payables that have remaining repayment terms of over 12 months or a business cycle are classified as non-current payables.

Recognized payables shall be not lower than payable obligations.

8. Recognition of borrowings and finance lease liabilities

Borrowings and finance lease liabilities shall be specially recorded to each object, terms, original currencies. As at the consolidated financial statement's preparation date, borrowings and finance lease liabilities that have remaining repayment terms of less than 12 months or a business cycle are classified as current borrowings and finance lease, ones that have remaining repayment terms of over 12 months or a business cycle are classified as non-current borrowings and finance lease liabilities.

Borrowings and finance lease liabilities that satisfy the definition of monetary items denominated in foreign currencies: Revalued as at 31/03/2022 at actual exchange rates at the end of the period (see Notes IV.1)

Recognition of borrowing expenses

Borrowing expenses include interest expenses and expenses directly relating to the borrowings (such as appraisal costs, audit costs, loan application cost and etc.).

Borrowing expenses are recognized as financial expenses during the period as incurred (except capitalization cases according to regulations in Vietnam Accounting Standards No. 16 "Borrowing expenses").

9. Recognition of accrued expenses

Accrued expenses include expenses that have been recored into the operating cost, but not actually paid at the end of the fiscal year to ensure the consistency between revenues and expenses. Accrued expenses are recorded based on the reasonable estimation of amount payable for received goods and services including expenses for audit fee, tax and accounting service fee, and etc.

10. Recoginition of provision for liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Recognized provision satisfies conditions in Vietnamese Accounting Standard 18 "Provision, contingent assets and liabilities".

11. Recognition of owner's equity

Recognition of owner's equity

Owner's equity is recognized under actual contribution of investors. The actual amount of contribution capital as at 31/03/2022 is USD 50,000, which equivalent to VND 1,135,000,000.

Recognition of retained earnings

Retained earnings reflect the business results (profit, loss) after corporate income tax and profit sharing situation or dealing with loss of the Company. Retained earnings shall be specifically recorded to the operational results of each financial year (previous year, current year) and to each profit sharing content (appropriated funds, additional investment capital of the owner, dividends, profits for shareholders and investors).

12. Recognition of revenue

Revenue from sales of goods

Revenue from sales of goods is recognized when the outcomes of such transactions can be reliably measured and the Company is able to obtain economic benefits from these transactions. Revenue is recognized when the majority of risks and benefits of ownership of the goods have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding the recovery of the funds or the possible return of funds.

Revenue from rendering of services

Revenue from the rendering of services is recognized when the outcome of such transactions is reliably determined. When the contract result can be reliably determined, revenue will be recognized based on the level of completion of the work. The level of completion of work is determined by the percentage of number of working hours incurred up to the end of the accounting period in relation to the total estimated hours worked for each contract.

If the contract can not be reliably determined, revenue will only be recognized at the recoverable amount of the costs recognized.

Service revenue is recognized when the outcome of the transaction can be reliably measured. Revenue from services is determined by adding a percentage of the actual costs incurred, minus interest expenses, exchange rate differences and current corporate income tax expenses. service during the period. The plus rate agreed on the contract is 8%.

Financial income

Financial income includes interest on deposits, loan interests, dividends and profits distributed, rental income and income from securities trading activities.

Interest on deposits and loan interest is recognized on the basis of the actual time and interest rate in each period, unless the possibility of recovering interest is uncertain.

13. Recognition of cost of goods sold

Cost of goods sold represent cost of goods/service provision in the year. Cost of goods sold is recognized on matching principle between revenue and expenses.

14. Recognition of financial expenses

Financial expenses include: expenses or losses related to borrowing expenses, exchange rate losses, bank fees.

Interest expenses (including accrued interests), losses on the exchange rate differences of the reporting period are fully recognized in the period.

15. Recognintion of Administrative expenses

General and administrative expenses are general management expenses, including salaries and social insurance, health insurance, trade union funds, unemployment insurance for administrative employees (salaries, wages, allowances and etc.); expenses for office supplies, labor tools; rental fee; outsourced services (electricity, water, telephone, fax, audit fee, tax and accounting service fees and etc).

16. Tax accounting principles

Current Corporate Income Tax

Current income tax expenses are determined on the basis of taxable income. Corporate income tax (CIT) applicable to the company is as follows:

Regarding taxable income from software manufacturing activities:

The CIT rate applicable for the Company is 10% of taxable income for 15 years from the operations commencement date and the standard CIT rate applies in subsequent years.

The Company is entitled to an exemption from CIT for 4 years commencing from the first year in which a taxable income is earned and a 50% reduction of the applicable CIT tax rate for the following 9 years. The Company’s first year of taxable income is 2018, therefore for the financial year ended 31 March 2022 the Company is exempt from tax for software manufacturing operation.

Regarding taxable income from other activities:

The CIT rate applicable to the Company for income from other activities is 20% of taxable income.

Deferred tax

Deferred corporate income tax is the amount of income tax payable or refunded due to the temporary difference between the carrying amount of assets and liabilities for the purpose of preparing and presenting financial statements and the values used for tax calculation.

Other taxes: Other taxes are applied according to current tax regulations in Vietnam.

Tax reports of the Company will be subject to inspection of tax authorities. Since the application of laws and regulations on taxation for different transactions can be interpreted in many different ways, the amounts presented in the financial statements could be changed according to the final decision of the tax authorities.

17. Related party

Related parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and operating policy decisions. Parties are also considered related if they are subject to common control or common significant influence. Stakeholders can be companies or individuals, including close family members of individuals who are considered related parties.

In considering the relationship of related parties, the nature of the relationship is more important than the legal form.

Transactions and balances with related parties during the year are presented in Notes VII.1

V. ADDITIONAL INFORMATION FOR ITEMS ON THE STATEMENT OF FINANCIAL POSITION

Following items are presented in Vietnam dong (VND).

1. Cash and cash equivalent

	Closing balance	Opening balance
Cash on hand	-	-
Cash in bank - Citibank, N.A, Ha Noi Branch (Citibank)	38,052,641,530	58,972,845,625
Total	**38,052,641,530**	**58,972,845,625**
Cash equivalent (*)	275,000,000,000	15,000,000,000
Total cash and cash equivalent	**313,052,641,530**	**73,972,845,625**

(*) Cash equivalent represents a term deposit at Citi Bank with term less than 3 months, interest rate 0.05%.

2. Trade receivables

Current trade receivables

	Closing balance	Opening balance
Receivables from related parties (Details in Notes VII.1)		
Tech Mahindra Limited	85,711,961,284	81,210,991,331
Receivables from third partíes		
Customer 1	539,400,000	2,697,000,000
Customer 2	809,440,849	-
Customer 3	780,627,700	4,683,766,200
Customer 4	68,852,847,456	26,837,188,308
Total	**156,694,277,289**	**115,428,945,839**

3. Other current receivables

	Closing balance	Opening balance
Advances to employees	-	268,533,458
Others	71,066,511	159,498
Total	**71,066,511**	**268,692,956**

4. Prepaid expenses

a. Short-term prepaid expenses

	Closing balance	Opening balance
Internet charges	118,195,805	661,299,200
Software maintenance and support services fee	5,001,846,936	5,130,467,343
Tools, suppliers	-	126,700,000
Others	-	26,429,160
Total	**5,120,042,741**	**5,944,895,703**

b. Long-term prepaid expenses

	Closing balance	Opening balance
Tools, suppliers	510,228,245	199,610,205
Software maintenance and support services fee	1,964,772	1,491,251,143
Others	-	48,640,000
Total	**512,193,017**	**1,739,501,348**

5. Tangible fixed assets

	Machinery and Equipment	Office Equipment	Total
HISTORICAL COST			
As at 01/04/2021	88,806,831,300	59,176,378	88,866,007,678
Purchase in the year	-	-	-
As at 31/03/2022	**88,806,831,300**	**59,176,378**	**88,866,007,678**
ACCUMULATED DEPRECIATION			
As at 01/04/2021	14,801,138,550	19,725,456	14,820,864,006
Depreciation in the year	12,686,690,186	19,725,456	12,706,415,642
As at 31/03/2022	**27,487,828,736**	**39,450,912**	**27,527,279,648**
CARRYING AMOUNT			
As at 01/04/2021	74,005,692,750	39,450,922	74,045,143,672
As at 31/03/2022	**61,319,002,564**	**19,725,466**	**61,338,728,030**

In which: Cost of fixed assets fully depreciated but still in use:	0 dong
Cost of fixed assets are temporarily not in use:	0 dong
Carrying value of fixed assets pledged as security of borrowings:	0 dong

6. Trade payables

6.1 Current trade payables

	Closing balance		Opening balance	
	Original Amount	**Amount can be paid off**	**Original Amount**	**Amount can be paid off**
Vendor 1	299,524,126,775	299,524,126,775	168,616,313,137	168,616,313,137
Vendor 2	1,289,178,000	1,289,178,000	4,765,040,500	4,765,040,500
Vendor 3	71,742,005	71,742,005	-	-
Vendor 4	86,020,000	86,020,000	3,689,445,999	3,689,445,999
Vendor 5	111,956,305,598	111,956,305,598	-	-
Others	538,592,143	538,592,143	11,705,500	11,705,500
Total	**413,465,964,521**	**413,465,964,521**	**177,082,505,136**	**177,082,505,136**

6.2 Trade payables are related parties

Refer to note VII.1

7. Taxes and duties to the State

Tax payables

	Opening balance	Payable in the year	Paid in the year	Closing balance
Coporate income tax	32,203,537	173,006,531	-	205,210,068
Personal income tax	234,971,786	3,341,954,858	3,101,006,453	475,920,191
Other tax	8,682,115	504,556,904	513,239,019	-
Total	**275,857,438**	**4,019,518,293**	**3,614,245,472**	**681,130,259**

8. Accrued expenses

Current accrued expenses

	Closing balance	Opening balance
Professional services	162,303,883	1,253,161,630
Loan interest	1,199,920,257	989,905,698
Accrued cost of good sold	73,394,557,197	65,727,535,920
Others	793,231,527	112,746,676
Total	**75,550,012,864**	**68,083,349,924**

9. Other current payables

	Closing balance	Opening balance
Payables to TechMahindra Limited	735,540,589	683,250,131
Others	16,704,641	11,714,002
Total	**752,245,230**	**694,964,133**

10. Loans and finance lease liabilities

	Opening balance	During the year		Closing balance
	Amount is also repayable amount	Increase	Decrease	Amount is also repayable amount
Short-term loans				
Loan from related party	11,582,500,000		92,500,000	11,490,000,000
Total	**11,582,500,000**	**-**	**92,500,000**	**11,490,000,000**

Details of loans and debts are as follows

Lender	Balance principal debt		Maturity date	Interest (%/year)
	USD	VND		
Tech Mahindra ICT Services (Malaysia) SDN.BHD				
Loan contract dated 25/06/2018, Appendix for loan extension dated 25/06/2021	500,000	11,490,000,000	6/25/2022	3.78%
Total	**500,000**	**11,490,000,000**		

11 Owner's equity

11.1 Changes in owner's equity

Items	Owner's equity	Retained earnings	Total
Opening balance of the previous year	**1,135,000,000**	**(2,135,510,556)**	**(1,000,510,556)**
Increase in capital in previous year	-	-	-
Profit in previous year	-	14,424,277,208	14,424,277,208
Balance at the end of the previous year	**1,135,000,000**	**12,288,766,652**	**13,423,766,652**
Increase in capital in current year	-	-	-
Profit in the current year	-	26,418,727,884	26,418,727,884
Balance at the end of the current year	**1,135,000,000**	**38,707,494,535**	**39,842,494,535**

11.2 Details of owner's equity

	Charter capital According to Investment licence (USD)	Ownership ratio	Charter capital paid in actual (USD)
Tech Mahindra Limited	50,000	100%	50,000
Total	**50,000**	**100%**	**50,000**

11.3 Transaction of owner's equity

Owner's equity	**Current year**	**Previous year**
Opening balance	1,135,000,000	1,135,000,000
Increase in the year	-	-
Decrease in the year	-	-
Closing balance	**1,135,000,000**	**1,135,000,000**

VI ADDITIONAL INFORMATION FOR ITEMS ON THE STATEMENT OF INCOME AND EXPENDITURE

Following items are presented in Vietnam dong (VND).

1. Revenue from sales of goods and rending of services

	Current year	**Previous year**
Revenue from sales of goods	2,705,187,694	-
Revenue from rendering of services	358,001,048,976	312,852,117,133
Total	**360,706,236,670**	**312,852,117,133**
In which:		
Revenue from sales to third parties	179,168,834,897	135,680,595,456
Revenue from sales to related parties (Details in Notes VII.1)	181,537,401,773	177,171,521,677

2. Cost of goods sold and services rendered

	Current year	**Previous year**
Cost of goods sold	2,062,952,014	-
Cost of service rendered	327,704,177,006	288,694,286,136
Total	**329,767,129,020**	**288,694,286,136**

3. Financial income

	Current year	**Previous year**
Bank interest	68,045,936	124,307,341
Gain on exchange rate difference	149,109,185	367,156,644
Total	**217,155,121**	**491,463,985**

4. Financial expenses

	Current year	**Previous year**
Loss on exchange rate difference	121,596,268	1,059,999,800
Interest expense	210,014,559	612,902,631
Total	**331,610,827**	**1,672,902,431**

5 General and administrative expenses

	Current year	Previous year
Administrative employee expenses	3,804,260,103	1,090,074,370
Depreciation expenses	19,725,456	19,725,456
Office supply expenses	188,544,424	195,813,384
Taxes, fees, and charges	3,772,220	10,682,115
External service expenses	2,621,428,777	3,108,029,744
Other monetary expenses	322,399,402	941,815,449
Provision for doubtful debt	(2,697,000,000)	2,697,000,000
Total	**4,263,130,382**	**8,063,140,518**

6. Production and operating expenses

	Current year	Previous year
Labour cost	27,932,877,925	23,296,485,255
Depreciation expenses	12,706,415,642	14,820,864,006
Tool and instrument cost	188,544,424	195,813,384
External services expenses	298,105,112,630	254,737,618,274
Other monetary expenses	326,171,622	1,009,645,735
Provision cost	(2,697,000,000)	2,697,000,000
Total	**336,562,122,243**	**296,757,426,654**

7. Current corporate income tax expense

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Corporate Income tax in the year of the Company:

	Sales and other activities	Software production activities	Current year	Previous year
Net (loss)/profit before tax	**855,144,484**	**25,736,589,930**	**26,591,734,414**	**14,497,565,007**
Adjustment of (decrease)/increase in (loss)/profit	**9,888,171**	**75,411,898,341**	**75,421,786,512**	**-**
Adjustments of increase	9,888,171	75,411,898,341	75,421,786,512	-
Unreasonable and valid expenses	-	-	-	-
Penalties	9,888,171	-	9,888,171	-
Provision for expenses	-	75,411,898,341	75,411,898,341	-
Adjusted pre-tax (loss)/profit without deducting loss in previous years	**865,032,655**	**101,148,488,271**	**102,013,520,926**	**14,497,565,007**
Estimated taxable income in current period	865,032,655	101,148,488,271	102,013,520,926	14,497,565,007
Tax rate	**20%**	**10%**		
Current corporate income tax expense	173,006,531	10,114,848,827	10,287,855,358	1,449,756,501
Exempted corporate income tax (*)	**-**	**10,114,848,827**	**10,114,848,827**	**1,449,756,501**
Estimated Corporate Income Tax	**173,006,531**	**-**	**173,006,531**	**-**
At the beginning of year			32,203,537	1,994,447,556
Adjustment of previous year of corporate income tax			-	(1,345,615,102)
Corporate income tax paid during the year			-	616,628,917
Balance at the year ended			**205,210,068**	**32,203,537**

Tax reports of the Company will be subject to inspection of tax authorities. Since the application of laws and regulations on taxation for different transactions can be interpreted in many different ways, the amounts presented in the financial statements could be changed according to the final decision of the tax authorities.

VII. OTHER INFORMATION

1. Related parties

Related parties

During the financial year ended 31 March 2022, related parties of the Company are determined as following:

Related parties	Relationship
Tech Mahindra Limited	Parent Company
Tech Mahindra ICT Services (Malaysia) SDN.BHD	Company in group
Tech Mahindra London Limited (Formerly known as Mahindra Engineering Services (Europe) Limited. Name changed effective 9-Dec-2021.)	Company in group
Mr. Srinivasa Raghavan Venugopal	Director, Member of Member's Council
Mr. Manish Goenka	Chairman of Member's Council
Mr. Gautam Shirali	Member of Member's Council

a. Income with key management members

		Amount	
Name of related parties	**Income**	**Current year**	**Previous year**
Mr. Srinivasa Raghavan Venugopal	Income from salary and bonus	3,409,820,696	3,260,449,828

b Transaction with related parties

In the year	Transaction	Current year	Previous year
Tech Mahindra Limited	SubconExp-Ring Fencing InterCo	166,167,406,894	111,013,714,974
	Revenue from rendering services	181,537,401,773	177,171,521,677
Tech Mahindra ICT Services (Malaysia) SDN.BHD	Interest expenses	210,014,559	439,260,571
	Purchase in the year	48,893,819,564	-
Tech Mahindra London Limited (Formerly known as Mahindra Engineering Services (Europe) Limited. Name changed effective 9-Dec-2021.)	Borrowings	-	91,680,000,000
	Interest expense	-	173,642,060
	Borrowings Paid	-	91,680,000,000
	Interest expense paid	-	173,642,060

c. Balances with related parties

Amount due to and from related parties as balance sheet date as following:

As at 31 March 2022, the Company has the following balances with related parties:

Short-term receivables from customers (Detailed Notes V.2)

Related parties	Current year	Previous year
Tech Mahindra Limited	85,711,961,284	81,210,991,331

Short-term payables to sellers (Detailed Notes V.6)

Related parties	Current year	Previous year
Tech Mahindra Limited	299,524,126,775	168,616,313,137
Tech Mahindra ICT Services (Malaysia) SDN.BHD	111,956,305,598	-

Borrowings (Detailed Notes V.10)

Related parties	Relationship	Interest Rate - Maturity Time	Closing balance	Opening balance

Tech Mahindra ICT Services (Malaysia) SDN.BHD	Company in group	3,78% - 06/2023	11,490,000,000	11,582,500,000

Other payables (Detailed notes V.8 and V.9)

Related parties	Content	Closing balance	Opening balance
Tech Mahindra Limited	Other payables	735,540,589	683,250,131
Tech Mahindra ICT Services (Malaysia) SDN.BHD	Interest paid	1,199,920,257	989,905,698

Pricing policies for transactions between the Company and other related parties

Services provided by related parties are negotiated among parties involved.

2. Subsequent events after balance sheet date

There have been no significant events occuring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

3. Comparative figures

Comparative figures are the figures in the financial statements for the fiscal year ended 31 March 2021 audited by BDO Audit Services Company Limited.

4. Going concern

At the date of the Financial Statements, there were no activities or events that have significant impact on going concern of the Company, therefore the Financial Statements were prepared on going concern basis.

Hanoi, 29 June 2022

Nguyen Cong Vinh
Chief Accountant

Srinivasa Raghavan Venugopal
Director

TECH MAHINDRA (NANJING) COMPANY LTD

Board of Directors
Mr. Amitava Ghosh
Mr. Ravi Yellajosula
Mr. Mukesh Sharma

Registered Office
Suite 413-246, Business
Building, Nanjing Hightech
Industry Developing
Zone, Nanjing

Bankers
Standard Chartered Bank
China Merchant Bank

Auditors
Shanghai Linfang Certified Public Accountants Co., Ltd.

DIRECTORS ' REPORT

Your directors present their report together with the audited accounts of your company for the year ended December 31, 2021.

Financial Results

For the years ended December 31	**2021 RMB**	**2020 RMB**
Income	**682,357.57**	1,290,220.45
Profit/(Loss) before tax	**185,958.58**	239,847.29
Profit/(Loss) after tax	**181,309.61**	229,021.67

Review of Operations:

During the year under review, your company recorded an income of RMB –682,357.57-, a decrease of -53%-- over the previous year. Profit after tax was RMB -181,309.61- an decrease of -79%-- over the previous year. The Company continues to invest in strengthening its marketing infrastructure in China

Outlook for the Current Year:

The process for liquidation of this company is initiated, hence out look is not provided.

Acknowledgments:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

For Tech Mahindra (Nanjing) Company Ltd

Amitava Ghosh
Director

Place: Nanjing, China
Date : June13, 2022

INDEPENDENT AUDITORS' REPORT

TO TECH MAHINDRA (NANJING) CO., LTD.

1. Opinion

We have audited the financial statements of Tech Mahindra (Nanjing) CO., LTD. (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises and the China "Accounting System for Business Enterprises".

2. Basis for Opinion

We conducted our audit in accordance with China 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 China, and we have fulfilled our other ethical 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.

3. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with China Accounting Standards for Business Enterprises and the China "Accounting System for Business 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.

4. 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 China 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.

During the process of our audit in accordance with China Auditing Standards, we exercise professional judgment and maintain professional skepticism. We also:

(1) 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.

(2) 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 entity's internal control.

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

(4) 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, we shall not express unqualified 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.

(5) 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 those Charged with Governance about planned scope and timing of the audit, as well as significant findings from the audit, including notable internal control weaknesses identified from the audit.

Chen Jie, China Certified Public Accountant

Su yalan, China Certified Public Accountant

Shanghai Linfang Certified Public Accountants Co., Ltd.
15F, Hechuang Building,
No. 450 Caoyang Road,

Shanghai China

June 13, 2022

TECH MAHINDRA (NANJING) COMPANY LTD

BALANCE SHEET AS AT 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

Assets	Notes	Ending balance	Beginning balance
Current assets:			
Cash and cash equivalents	1	9,548,612.93	9,511,111.89
Interest receivable	2	18,492.66	11,559.45
Accounts receivable	3	178,978.78	53,080.02
Other receivables	4	4,000.00	4,000.00
Advance to suppliers	5	2,890.00	-
Prepaid expenses		16,439.53	8,416.00
Other current assets	6	1,389.12	685.53
Total current assets		**9,770,803.02**	**9,588,852.89**
Non-current assets:			
Fixed assets-cost	7	4,214,589.32	4,214,589.32
Less: Accumulated depreciation	8	4,210,267.31	4,185,050.14
Fixed assets-net	9	4,322.01	29,539.18
Less: provision for impairment loss on fixed assets		-	-
Fixed assets		4,322.01	29,539.18
Long-term deferred expenses	10	2.00	85.33
Total non-current assets		**4,324.01**	**29,624.51**
Total assets		**9,775,127.03**	**9,618,477.40**
Liabilities and owner's equity (or shareholder's equity)			
Current liabilities:			
Accounts payable	11	7,683.20	8,568.60
Welfare payable	12	-	27,096.90
Taxes and dues payable	13	2,383.25	1,412.59
Other payables	14	-	209.00
Accrued expenses		18,705.34	16,144.68
Total liabilities		**28,771.79**	**53,431.77**
Non-current liabilities:			
Total non-current liabilities		**-**	**-**
Total liabilities		**28,771.79**	**53,431.77**
Owner's equity (or shareholder's equity):			
Paid-in capital	15	52,646,896.26	52,646,896.26
Undistributed profits	16	-42,900,541.02	-43,081,850.63
Total owner's equity contributable to parent company		**9,746,355.24**	**9,565,045.63**
Total liabilities and owner's equity (or shareholder's equity)		**9,775,127.03**	**9,618,477.40**

The Notes are the following parts of the statements.

Legal Representative:

Person in charge of accounting function: XIA MEI

Person in charge of accounting department: TAO WANZHU

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

	Notes	Current period	Prior period
I. Main operating income	17	**682,357.57**	**1,217,401.45**
Less: Main operating cost	18	241,482.28	752,303.27
II. Main operating profit (losses "-")		**440,875.29**	**465,098.18**
Add: Other operating profit (losses "-")		-	72,819.00
Less: Administrative expenses		374,430.07	371,612.96
Financial expenses	19	-119,429.39	(73,406.73)
III. Operating profit (losses "-")		**185,874.61**	**239,710.95**
Add: Non-operating income	20	83.97	136.34
IV. Total profit (losses "-")		**185,958.58**	**239,847.29**
Less: income tax expenses	21	4,648.97	10,825.62
IV. Net profit		**181,309.61**	**229,021.67**

The Notes are the following parts of the statements.

Legal Representative:

Person in charge of accounting function: XIA MEI

Person in charge of accounting department: TAO WANZHU

TECH MAHINDRA (NANJING) COMPANY LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

Item		**Current period**	**Prior period**
I	**Cash flows from operating activities:**		
	Cash received from sale of goods and rendering of services	651,895.09	1,366,855.37
	Tax refund	1,166.73	-
	Other cash received relating to operating activities	116,992.83	3,516,953.38
	Sub-total of cash inflows	**770,054.65**	**4,883,808.75**
	Cash paid for goods and services	0.00	247,188.12
	Cash paid to and on behalf of employees	462,268.84	755,633.05
	Payments of taxes and levies	5,419.55	15,157.66
	Cash paid relating to other operating activities	262,046.41	102,706.78
	Sub-total of cash outflows	**729,734.80**	**1,120,685.61**
	Net cash flows from operating activities	**40,319.85**	**3,763,123.14**
II	**Cash flows from investing activities:**		
	Sub-total of cash inflows	-	-
	Sub-total of cash outflows	**-**	**-**
	Net cash flows from investing activities	**-**	**-**
III	**Cash flows from financing activities:**		
	Sub-total of cash inflows	-	-
	Sub-total of cash outflows	-	-
	Net cash flows from financing activities	-	-
IV	**Effect of foreign exchange rate changes on cash and cash equivalents**	**(2,818.81)**	**(16,569.33)**
V	**Net increase in cash and cash equivalents**	**37,501.04**	**3,746,553.81**
Add:	Beginning balance of cash and cash equivalents	9,511,111.89	5,764,558.08
VI	**Ending balance of cash and cash equivalents**	**9,548,612.93**	**9,511,111.89**

The Notes are the following parts of the statements.

Legal Representative:

Person in charge of accounting function: XIA MEI

Person in charge of accounting department: TAO WANZHU

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

	Paid-in capital	Capital reserve	Surplus reserve	Undistributed profit	Total owner's equity
Closing Balance at 31 December 2019	**52,646,896.26**	**-**	**-**	**(43,310,872.30)**	**9,336,023.96**
Beginning Balance at 1 January 2020	52,646,896.26	-	-	(43,310,872.30)	9,336,023.96
Net profit	—	—	—	229,021.67	229,021.67
Capital contributions or decreases by owners	-	-	—	—	-
Profit appropriation	—	—	-	-	-
Transfer between equity components	-	-	-	-	-
Movements in 2020	-	-	-	229,021.67	229,021.67
Closing Balance at 31 December 2020	**52,646,896.26**	**-**	**-**	**(43,081,850.63)**	**9,565,045.63**
Closing Balance at 31 December 2020	**52,646,896.26**	**-**	**-**	**(43,081,850.63)**	**9,565,045.63**
Beginning Balance at 1 January 2021	**52,646,896.26**	**-**	**-**	**(43,081,850.63)**	**9,565,045.63**
Net profit	—	—	—	181,309.61	181,309.61
Capital contributions or decreases by owners	-	-	—	—	-
Profit appropriation	—	—	-	-	-
Transfer between equity components	-	-	-	-	-
Movements in 2021	-	-	-	181,309.61	181,309.61
Closing Balance at 31 December 2021	**52,646,896.26**	**-**	**-**	**(42,900,541.02)**	**9,746,355.24**

The Notes are the following parts of the statements.

Legal Representative:

Person in charge of accounting function: XIA MEI

Person in charge of accounting department: TAO WANZHU

NOTES TO FINANCIAL STATEMENTS OF 2021

(All amounts in RMB Yuan unless otherwise stated)

I. GENERAL INFORMATION OF THE COMPANY

Tech Mahindra (Nanjing) Co., Ltd .(Formerly Satyam Computer Services (Nanjing) Co., Ltd.) ("the Company") is a wholly owned foreign enterprise invested by Tech Mahindra Limited. Registered at Nanjing Market Supervision Administration, the Company was established on June 29,2007 and obtained the business license with Uniform Social Credit Code No.913201006606980458. The registered capital is USD 7.65 million. Residential address of the Company is Suite 413-246, Business Building, High-tech Industry Developing Zone, Nanjing. The Company has an approved operating period of 50 years.

The approved business scope is: software designing, developing, writing, testing, maintenance (including embedded system software, computer aid design, manufacturing and engineering service software, enterprise resource planning software, enterprise integrating software, customer relationship management software etc.); sales of the self-produced products and related technical consulting. (Activities related to administrative permission should be operated with approval).

II. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and "Accounting System for Business enterprises" as promulgated by the State of the People's Republic of China.

III. COMPLIANCE STATEMENT

The financial statements have been prepared in accordance with "Accounting System for Business Enterprises", and present fairly, in all material respects, the financial position, financial performance, cash flows and the related financial information.

IV. PRINCIPAL ACCOUNTING POLICIES

(a) Accounting period

The Company's accounting year starts on 1 January and ends on 31 December.

(b) Recording currency

The recording currency of the Company is the Renminbi (RMB).

(c) Basis of accounting and measurement bases

The Company follows the accrual basis of accounting. Assets are initially recorded at actual costs on acquisition and subsequently adjusted for impairment, if any.

(d) Foreign currency translation

Except for the accounting treatment of paid-in capital, foreign currency transactions are translated into RMB at the exchange rates stipulated by the People's Bank of China ("the stipulated exchange rates") on first day of the month in which the transactions took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences arising from these translations are expensed, except for those attributable to foreign currency borrowings that have been made specifically for the construction of fixed assets, which are capitalized as part of the fixed asset costs and those arising in the pre-operating period, which are recorded as long-term deferred expenses.

Contributions to paid-in capital made in foreign currencies are translated into the RMB denominated paid-in capital account at the stipulated exchange rates at the contribution dates. Exchange differences arising from foreign currency capital contribution should be recognized as capital surplus.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash refers to all cash in hand and all deposits. Cash equivalents refer to short-term and highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables and provision for bad debts

Receivables comprise accounts receivable and other receivables. The provision method is used to account for potential bad debts identified by management. Receivables are presented at actual amounts net of provision for bad debts.

Accounts receivable

Accounts receivable comprises related party receivables and receivables from non-related parties.

Other receivables

Specific provisions are made for other receivables on an individual basis.

Recognition criteria of bad debts loss

Where evidence exists that balances cannot be recovered due to the debtor's de-registration, bankruptcy, insolvent and death, etc., bad debts are recognized and corresponding provision for bad debts is written off after the approval of the Company's general manager or the board pursuant to the authorization policies established in the Company.

(g) Fixed assets and depreciation

Fixed assets are tangible assets that are used in production, including sales of goods, rendering of services and leases, or held for management purposes, which have useful lives of more than one year and have relatively high unit price.

Fixed assets purchased or constructed by the Company are recorded at cost.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets being provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, estimated residual values expressed as a percentage of cost and annual depreciation rates are as follows:

	Estimated Useful Lives	Estimated Residual Value	Annual Depreciation Rate
Electronic equipment	2-7 yrs	0%	14.28-50%
Office equipment	3-5 yrs	0%	20-33.33%
Furniture	5 yrs	0%	20.00%

When fixed assets are sold, transferred, disposed of or damaged, gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the assets, adjusted by related taxes and expenses, and are included in non-operating income or expenses.

(h) Long-term deferred expenses

Long-term deferred expenses are expenses paid by an enterprise, for which the amortization period is more than one year (excluding one year), including land royalty and maintenance, etc. long-term deferred expenses should be amortized evenly over the respective beneficial periods and presented at an amount net of accumulated amortization.

Leasehold improvements

Leasehold improvements should be amortized evenly over the shorter of the lease term and the useful lives of the leased asset, and presented at an amount net of accumulated amortization.

(i) Impairment of assets

In addition to the recognition of provisions for impairment loss on receivables and inventories which have been described in their respective accounting policies, individual assets for which there are indications that the carrying values are higher than their recoverable amounts, arising from the occurrence of events or changes in circumstances, are reviewed for impairment. If the carrying value of such assets is higher than the recoverable amount, the excess is recognized as an impairment loss.

The recoverable amount of an individual asset is the higher of its net selling price and its value in use. The net selling price is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and will parties, after deducting any incremental direct disposal costs. Value in use is the present value of estimated future cash flows expected being derived from continuing use of the asset and from its disposal at the end of its useful life.

When there is an indication that the need for an impairment provision recorded in a prior period no longer exists or has decreased, the provision for impairment loss is reversed. The increased carrying amount of the assets should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(j) Revenue recognition

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer, the Company retains neither continuing managerial involvement nor effective control over the goods sold, and it is probable that the economic benefit associated with the transaction will flow to the Company and the relevant revenue and costs can be measured reliably.

Revenue from the rendering of services shall be recognized at the time of service provided and consideration received or receivable.

Interest income should be measured based on the period between the acquisition date and the maturity date and the applicable interest rate.

Subsidy income shall be recognized at the time of receipt.

(k) Employee benefits

The full-time employees of the Company are entitled to staff welfare benefits under existing PRC legislation, including pension benefits, medical care, unemployment insurance, housing fund and other benefits.

The Company is required to accrue for these benefits based on certain percentages of the employees' salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, these benefits are levied by the human resource and social security bodies. The contributions are expensed as incurred.

(l) Accounting for income taxes

The Company accounts for enterprise income taxes using the tax payable method. Under the tax payable method, tax expense is recognized based on current period taxable income and tax rates.

V. TAXATION

Major applicable taxes and tax rate for the Company:

Tax	Tax rate (%)	Tax base
General VAT taxpayer	6	Taxable sales
Enterprise income taxes	25	Payable turnover tax
City maintenance tax	7	Payable turnover tax
Education surtax	3	Payable turnover tax
Local education surtax	2	Payable turnover tax

The Company implements Cai Shui [2019] No. 13 standards for micro and small companies this year, the portion of annual taxable income not exceeding 1 million yuan shall be included in the taxable income at a reduced rate of 25%, and the enterprise income tax shall be paid at a 20% tax rate. The portion of annual taxable income exceeding 1 million yuan but not exceeding 3 million yuan shall be included in the taxable income at a reduced rate of 50% and the enterprise income tax shall be paid at a 20% tax rate. In consistant with the Ministry of Finance and the State Administration of Taxation Announcement No. 12 of 2021, the portion of annual taxable income not exceeding 1 million yuan for micro and small companies shall be halved from January 1, 2021 to December 31, 2022 on the basis of the preferential policy Cai Shui [2019] No. 13.

VI. NOTES TO THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

1 CASH AND CASH EQUIVALENTS

	Ending balance	Beginning balance
Cash in bank	9,548,612.93	9,511,111.89
Total	**9,548,612.93**	**9,511,111.89**

2 INTEREST RECEIVABLE

Item	Beginning balance	Increase	Decrease	Ending balance
Fixed term deposit	11,559.45	53,327.54	46,394.33	18,492.66
Inter-company loan	-	-	-	-
Total	**11,559.45**	**53,327.54**	**46,394.33**	**18,492.66**

3 ACCOUNTS RECEIVABLE

	Ending balance	Beginning balance
Accounts receivable	180,090.93	54,192.17
Provision for Bad debt allowance	1,112.15	1,112.15
Book balance	178,978.78	53,080.02

Aging analysis of receivables

	Ending balance			Beginning balance		
	Amount	**Rate%**	**Bad debt allowance**	**Amount**	**Rate%**	**Bad debt allowance**
within 1 year	178,978.78	99.38	-	53,080.02	97.95	
over 3 years	1,112.15	0.62	1,112.15	1,112.15	2.05	1,112.15
Total	**180,090.93**	**100.00**	**1,112.15**	**54,192.17**	**100.00**	**1,112.15**

Debtors with large amounts:

Name of debtors	Amount	Nature	Aging
Tech Mahindra Limited	28,037.16	Service fee	within 1 year

4 OTHER RECEIVABLES

Item	End balance	Beginning balance
Other receivables	**4,000.00**	**4,000.00**

Aging analysis of receivables

	Ending balance		Beginning balance	
	Amount	**Rate(%)**	**Amount**	**Rate(%)**
within 1 year	-	-		-
1-2 years	-	-	4,000.00	100.00
2-3 years	4,000.00	100.00		-
Total	**4,000.00**	**100.00**	**4,000.00**	**100.00**

5 ADVANCE TO SUPPLIERS

	Ending balance		Beginning balance	
	Amount	**%**	**Amount**	**%**
within 1 year	2,890.00	100.00		-
Total	**2,890.00**	**100.00**	**-**	**-**

6 OTHER CURRENT ASSETS

Item	Ending balance	Beginning balance
VAT to be deducted	1,389.12	685.53
Total	**1,389.12**	**685.53**

7 FIXED ASSETS – COST

Item	Beginning balance	Increase	Decrease	Ending balance
Electronic equipment	3,749,285.19	-	-	3,749,285.19
Office equipment	412,794.13	-	-	412,794.13
Furniture	52,510.00	-	-	52,510.00
Total	**4,214,589.32**	**-**	**-**	**4,214,589.32**

8 ACCUMULATED DEPRECIATION

Item	Beginning balance	Increase	Decrease	Ending balance
Electronic equipment	3,726,122.25	21,585.69	-	3,747,707.94
Office equipment	406,417.89	3,631.48	-	410,049.37
Furniture	52,510.00	-	-	52,510.00
Total	**4,185,050.14**	**25,217.17**	**-**	**4,210,267.31**

9 FIXED ASSETS – NET

Item	Ending balance	Beginning balance
Electronic equipment	1,577.25	23,162.94
Office equipment	2,744.76	6,376.24
Furniture	-	-
Total	**4,322.01**	**29,539.18**

10 LONG-TERM DEFERRED EXPENSES

	Beginning balance	Increase	Decrease	Ending balance
Leasehold improvement	85.33		83.33	2.00
Total	**85.33**	**-**	**83.33**	**2.00**

11 ACCOUNTS PAYABLE

Ending balance	Beginning balance
7,683.20	**8,568.60**

12 WELFARE PAYABLE

Item	Ending balance	Beginning balance
	-	27,096.90
Total	**-**	**27,096.90**

13 TAXES PAYABLE

Taxes	Ending balance	Beginning balance
Individual income tax	1,176.54	804.93
Enterprise income tax	1,206.71	607.66
Total	**2,383.25**	**1,412.59**

14 OTHER PAYABLE

	Ending balance	Beginning balance
	-	209.00
Total	**-**	**209.00**

15 PAID-IN CAPITAL

Name of Investor	Ending balance		Beginning balance	
	Registered Capital (USD)	Registered Capital (RMB)	Registered Capital (USD)	Registered Capital(RMB)
Tech Mahindra Limited	7,650,000.00	52,646,896.26	7,650,000.00	52,646,896.26
Total	**7,650,000.00**	**52,646,896.26**	**7,650,000.00**	**52,646,896.26**

The paid-in capital has been verified by Jiangsu Zhongtianxin CPA Co., Ltd with the Capital Verification Report No.22[2013].

16 UNDISTRIBUTED PROFITS

	Ending balance	Beginning balance
Undistributed profits at beginning of year	(43,081,850.63)	(43,310,872.30)
Current year net profit	181,309.61	229,021.67
Distributable profit	(42,900,541.02)	(43,081,850.63)
Undistributed profits at the end of year	**(42,900,541.02)**	**(43,081,850.63)**

17 REVENUES FROM MAIN OPERATION

Item	Current period	Prior period
Software designing, developing and maintenance (Exports)	682,357.57	1,217,401.45
Total	682,357.57	1,217,401.45

18 COST OF MAIN OPERATION

Item	Current period	Prior period
	241,482.28	752,303.27
Total	**241,482.28**	**752,303.27**

19 FINANCE EXPENSES

	Current period	Prior period
Interest expenses	-	-
Interest income	123,842.07	91,990.49
Bank charges	1,593.87	2,014.43
Exchange losses/gains-net	2,818.81	16,569.33
Total	**(119,429.39)**	**(73,406.73)**

20 NON-OPERATING INCOMES

Item	Current period	Prior period
Personal income tax commission refund	83.97	136.34
Total	**83.97**	**136.34**

21 INCOME TAX

	Current period	Prior period
Income tax expenses of the current year	4,648.97	10,825.62
Total	**4,648.97**	**10,825.62**

22 RECONCILE NET PROFIT TO CASH FLOW FROM OPERATING ACTIVITIES

Item	Current period	Prior period
Profit/loss after tax	181,309.61	229,021.67
Add Depreciation of fixed assets	25,217.17	34,490.85
Amortization of long-term deferred expenses	83.33	1,280.55
Decrease of prepaid expenses (increase/-)	(8,023.53)	-
Increase of accrued expense (decrease/-)	2,560.66	114.08
Finance expenses	2,818.81	16,569.33
Decrease of trade and other receivables (increase/-)	(136,425.56)	3,501,181.47
Increase of trade and other payables (decrease/-)	(27,220.64)	(19,534.81)
Net Cash From Operating Activities	40,319.85	3,763,123.14

VII. RELATED PARTY TRANSACTION

Related party relationships

Name of Entity	Relationship with the Company
Tech Mahindra Limited	Investor

Related party transactions

Name of Entity	Description	Transactions in 2021
Tech Mahindra Limited	Providing services	USD 105,875.89

Ending Balance of related party transaction

Name of Entity	Account Name	Description	Ending balance
Tech Mahindra Limited	Accounts Receivable	Providing service	USD 28,037.16

VIII. CONTINGENCIES

No disclosure is required.

IX. EVENTS AFTER THE REPORTING PERIOD

No disclosure is required.

X. OTHERS

No disclosure is required.

TECH MAHINDRA SOUTH AFRICA (PTY) LIMITED

UNAUDITED FINANCIAL STATEMENTS
for the year ended 31st March 2022

Board of Directors
Mr. Lakshminarayanan Ravichandran
Mr. Abdul Ismail
Mr. Rikash Hurdeen
Mr. Kamal Singh Ramsingh
Ms. Dhanashree Bhat

Registered Office
56 Karee Drive,
Walton Road,
Carlswald,
Gauteng 1685

Bankers
HSBC Bank

TECH MAHINDRA SOUTH AFRICA (PTY) LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

Particulars	Note(s)	2022 Rand	2021 Rand
Assets			
Non Current Assets:			
Property, plant and equipment	2	89,721	168,339
Deferred tax asset	16	6,095,689	5,662,066
Other Non current assets		66,505	-
		6,251,915	**5,830,405**
Current Assets:			
Unbilled revenue	3	96,587,540	136,450,903
Trade and other receivables	4	197,471,729	117,561,641
Rental deposit		37,254	37,253
Cash and cash equivalents	5	222,986,079	134,456,600
Other current assets	6	31,100	10,929
Income tax assets		-	1,614,969
		517,113,702	**390,132,295**
Total assets		**523,365,617**	**395,962,700**
Equity and Liabilities			
Equity:			
Share capital	7	100	100
Accumulated profit		146,036,859	69,596,714
		146,036,959	**69,596,814**
Current Liabilities:			
Trade and other payables	8	367,759,907	322,652,065
Other current liabilities	9	2,980,454	3,162,510
Provisions	10	457,407	551,311
Income tax liabilities		6,130,890	-
Total liabilities		**377,328,658**	**326,365,886**
Total Equity and Liabilities		**523,365,617**	**395,962,700**

Dhanashree Bhat
Director

Date: July 4, 2022

STATEMENT OF COMPREHENSIVE INCOME

Particulars	Note(s)	2022 Rand	2021 Rand
Revenue			
Revenue	11	369,705,215	296,963,682
		369,705,215	**296,963,682**
Cost of sales			
Cost of services rendered		(265,365,169)	(256,525,306)
		(265,365,169)	**(256,525,306)**
Gross profit		**104,340,046**	**40,438,376**
Operating expenses	12	(11,711,504)	(31,879,314)
Other income	13	15,728,685	46,671,822
Operating profit		**108,357,227**	**55,230,884**
Finance costs	15	(54,146)	(213,488)
Interest income	14	593,536	316,659
Profit before taxation		**108,896,617**	**55,334,055**
Taxation	16	(32,456,472)	(15,726,402)
Profit after taxation		**76,440,145**	**39,607,653**
Total comprehensive income for the year		**76,440,145**	**39,607,653**

Dhanashree Bhat
Director

Date: July 4, 2022

STATEMENT OF CHANGES IN EQUITY

Particulars	Share Capital	Accumulated Profit	Total Equity
	Rand	Rand	Rand
Balance at 31 March 2020	100	29,989,061	**29,989,161**
Total comprehensive income for the year	-	39,607,653	**39,607,653**
Balance at 31 March 2021	100	69,596,714	**69,596,814**
Total comprehensive income for the year	-	76,440,145	**76,440,145**
Balance at 31 March 2022	**100**	**146,036,859**	**146,036,959**

STATEMENT OF CASH FLOWS

Particulars	Note(s)	2022 Rand	2021 Rand
Cash flows from operating activities			
Cash generated from operations	17	113,158,603	72,920,221
Interest income		593,536	316,649
Finance costs		(54,146)	(213,488)
Cash generated from operating activities before taxes		**113,697,993**	**73,023,382**
Taxes Paid	18	(25,144,236)	(24,612,475)
Net cash generated from operating activities		**88,553,757**	**48,410,907**
Cash and cash equivalent flows from investing activities			
Property, plant and equipment purchased during the year		(24,278)	(92,100)
Net cash from investing activities		**(24,278)**	**(92,100)**
Total cash movement for the year		88,529,479	48,318,817
Cash at the beginning of the year		134,456,600	86,137,783
Total cash at end of the year	5	**222,986,079**	**134,456,600**

ACCOUNTING POLICIES

1 Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs"), and the Companies Act No 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

"Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses. Depreciation is recognized so as to write-off the cost of assets less residual values using the straight-line method, over the estimated useful life of 4 years. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with effect of any changes in estimates accounted for on a prospective basis."

1.2 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a 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 an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

The tax asset reflects the excess of tax paid by the company over the tax liability.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period 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 reporting date.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income (i.e. continuing operations, discontinued operations, or other comprehensive income) or equity as the transaction or other event that resulted in the tax expense.

1.3 Trade receivables

Trade receivables are stated at original invoice amount net of allowance for doubtful debts. An allowance against doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances and short term deposits with original maturities of three months or less.

1.5 Financial instruments

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

Financial assets or financial liabilities are initially recognized at the transaction price (including transaction cost except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) unless the arrangement constitutes a financing transaction for either the Company or counter party. If the arrangement constitutes a financing transaction, the Company shall measure the financial asset or liability at the present value of the future payments discounted at the market rate of interest for a similar debt instrument. Subsequently at each financial position date, the Company measure financial instruments at amortized cost using the effective interest rate method.

Effective interest method

The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the carrying amount of the financial asset or financial liability.

Impairment of financial assets

The Company assess at the end of each reporting date whether there is any indication that an asset may be impaired. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

1.6 Trade and other payables

Liabilities are recognized for amounts to be paid in the future for goods/services when risks and rewards attributable to goods are transferred to the Company or services are received, whether or not billed to the Company.

1.7 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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 the effect of the time value of money is material)."

1.8 Revenue

Revenue from information technology include revenue earned from services earned on time bound fixed price engagements and fixed price development contracts.

Revenue from fixed price maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the manner in which services are performed.

When the outcome of a transaction under fixed price development contracts can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Stage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure progress towards completion as there is a direct relationship between input and productivity.

In arrangements for hardware and software implementation and integration, related services and maintenance services, the Company has applied the guidance of section 23 of IFRS for SMEs by applying the revenue recognition criteria for each distinct performance obligation. In such arrangements hardware installation and software revenue is recognised on delivery and implementation and integration service is recognised as per stage of completion.

Unearned revenue arises when there are billing in excess of revenue.

Unbilled revenue is recognised when there is excess of revenue earned over billings and there is an unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.9 Operating expenses

Operating expenses include indirect costs not specifically part of costs of revenue. Allocations between cost of revenue and operating expenses when required, are made on a consistent basis.

1.10 Employee costs

Employee cost directly attributable to service rendered is included in cost of revenue and indirect employee cost is included in operating expenses. Social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

The liability for leave provision represents the amount which the company have the present obligation to pay as a result of employees' services provided upto the reporting date. The liability has been calculated at undiscounted amounts based on last drawn salary.

1.11 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in the functional currency of the company, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

- foreign currency monetary items are translated using the closing rate;

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

2 Property and equipment

Particulars	**2022 Rand**	**2021 Rand**
Computers		
Cost	347,758	323,480
Accumulated depreciation	(258,037)	(155,141)
Carrying value	**89,721**	**168,339**
Reconciliation		
Opening balance	168,339	171,267
Additions	24,278	92,100
Depreciation	(102,896)	(95,028)
Closing balance	**89,721**	**168,339**

3 Unbilled revenue

Particulars	**2022 Rand**	**2021 Rand**
Unbilled revenue	96,587,540	136,450,903
	96,587,540	**136,450,903**

4 Trade and other receivables

Particulars	**2022 Rand**	**2021 Rand**
Trade receivables	219,979,368	137,978,471
Trade receivables from related parties:		
Falcorp Technologies (Pty) Ltd	639,234	498,093
Provision for doubtful debts	(28,020,257)	(22,556,576)
	192,598,345	**115,919,988**
Other Advances	102,472	329,058
Prepaid expenses	4,764,581	-
Staff advance for travelling	6,331	89,654
VAT Receivable	-	1,222,941
	4,873,384	**1,641,653**
	197,471,729	**117,561,641**
Movement in the provision for doubtful debts:		
Balance at the beginning of the year	22,556,576	4,927,220
Provision raised/(reversed) during the year	5,463,681	17,629,356
Closing balance	**28,020,257**	**22,556,576**

5 Cash and cash equivalents

Particulars	**2022 Rand**	**2021 Rand**
Cash and cash equivalents consist of:		
Bank balance - foreign US$ 27,618 at a rate of R 14.49 (2021: US$ 216,350 at a rate of R 14.79)	402,083	3,200,077
Bank balances - local	64,414,765	131,256,523
Deposits	158,169,231	-
	222,986,079	**134,456,600**

6 Other current assets

Particulars	2022 Rand	2021 Rand
Accrued Interest on Fixed Deposit	31,100	10,929
	31,100	**10,929**

7 Share capital

The authorized share capital of the Company consists of 1000 shares of R1 each, issued and fully paid up.

Particulars	2022 Rand	2021 Rand
Authorised		
1000 Ordinary shares of R1 each	1,000	1,000

900 unissued ordinary shares are under the control of the directors in terms of a resolution of shareholders passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued		
100 Ordinary shares of R1 each	100	100

8 Trade and other payables

Particulars	2022 Rand	2021 Rand
Trade payables	81,574,727	100,047,672
Trade payables from related parties:		
Tech Mahindra Limited Incorporated In India	286,185,180	222,604,393
	367,759,907	**322,652,065**

9 Other current liabilities

Particulars	2022 Rand	2021 Rand
Unearned Revenue	297,720	2,752,921
Other liabilities	450,200	409,589
VAT Payable	2,232,534	-
	2,980,454	**3,162,510**

10 Provisions

Particulars	2022 Rand	2021 Rand
Leave provision	457,407	551,311
	457,407	**551,311**

11 Revenue

Particulars	2022 Rand	2021 Rand
Services rendered	369,705,215	296,963,682
	369,705,215	**296,963,682**

12 Operating expense

Particulars	2022 Rand	2021 Rand
Auditors remuneration	137,793	169,570
Bank charges	83,558	40,748
Consulting services	3,497,528	9,938,767
Donations	899,050	618,178
Employee costs	3,310,583	3,503,658
Lease rentals on operating lease	139,531	278,309
Subscriptions	211,241	37,125
Telephone and fax	71,562	92,217
Provision for doubtful debts	1,281,250	15,342,470
Bad debts written off	92,714	-
Provision for doubtful advance	-	55,919
Director Fees	1,440,003	1,320,000
Travel - Other	7,822	11,482
Travel - Overseas	211,507	81,895
Miscellaneous expenses	327,362	388,976
	11,711,504	**31,879,314**

13 Other income

Particulars	2022 Rand	2021 Rand
(Loss)/Gain on foreign exchange differences	(62,141)	40,161,698
Excess provisions of earlier years written back	15,383,803	5,731,144
Bad debts recovered	-	733,801
Miscellaneous Income	407,023	45,179
	15,728,685	**46,671,822**

14 Interest income

Particulars	2022 Rand	2021 Rand
Bank	593,536	316,659
	593,536	**316,659**

15 Finance costs

Particulars	2022 Rand	2021 Rand
Interest expense	54,146	213,488
	54,146	**213,488**

16 Taxation

Major components of the income tax expense

Particulars	**2022 Rand**	**2021 Rand**
South africa normal taxation		
- Current	31,073,934	19,329,946
- Prior	1,816,161	-
Deferred tax		
- Current	(433,623)	(3,603,545)
- Prior	-	-
Total charge for the year	**32,456,472**	**15,726,402**

Tax rate reconciliation

Particulars	**2022 Rand**	**2021 Rand**
Profit before taxation	108,896,617	55,334,055
Taxation at 28%	30,491,053	15,493,535
Permanent differences:		
Donation disallowed	251,734	173,089
Interest, penalties paid in respect of taxes	15,161	59,777
(Excess)/short provision of earlier years	1,816,161	-
Others	(117,637)	-
Total charge for the year	**32,456,472**	**15,726,401**

The following composed of Deferred tax asset recognised by the Company.

Particulars	**Balance in 2021 Rand**	**Credited/ (Charged) to Profit and Loss Rand**	**Balance in 2022 Rand**
Leave provision	154,367	(26,294)	128,073
Advance billing - Revenue classified as unearned	770,818	(687,456)	83,362
Provision for doubtful debts	4,736,881	1,147,373	5,884,254
	5,662,066	**433,623**	**6,095,689**

17 Cash generated from operations

Particulars	**2022 Rand**	**2021 Rand**
Profit before taxation	108,896,617	55,334,055
Add: Depreciation	102,896	95,028
Adjustments for:		
Interest income	(593,536)	(316,659)
Finance costs	54,146	213,488
Changes in working capital:		
Trade and other receivables	(79,910,088)	(47,915,280)
Unbilled revenue	39,863,363	23,498,986
Other Non current asset	(66,505)	-
Other Current Assets	(20,171)	9,619
Trade and other payables	45,107,842	41,261,327
Leave provision	(93,905)	31,689
Other Current Liabilities	(182,056)	707,968
	113,158,603	**72,920,221**

18 Income tax paid

Particulars	2021 Rand	2021 Rand
Opening tax (asset)/liability net	(1,614,969)	3,667,559
Normal tax expense	32,890,095	19,329,947
Closing tax asset/(liability) net	(6,130,890)	1,614,969
	25,144,236	**24,612,475**

19 Related parties

Relationship

Ultimate Holding company

Tech Mahindra Limited

Shareholder with significant influence

Falcorp Technologies (Pty) Limited

Fellow Subsidiary

Comviva Technologies B.V.

Key Management Personnel

Abdul Ismail

Kamal Ramsingh

Rikash Hurdeen

Dhanashree Bhat

Lakshminarayanan Ravichandran

Related party balances and transactions with entities with control, joint control or significant influence over the company

In the normal course of business, the Company transacts with related parties.

Related party balances

Amounts owing to (by) related parties	2022 Rand	2021 Rand
Tech Mahindra Limited	286,185,180	222,604,393
Falcorp Technologies (Pty) Limited	(639,234)	(498,093)
Abdul Ismail	40,000	40,000
Kamal Ramsingh	40,000	40,000
Rikash Hurdeen	40,000	40,000
	285,665,946	**222,226,300**

Tech Mahindra Limited	2022 Rand	2021 Rand
Balance at beginning of the year	222,604,393	174,771,737
Subcontracting Expenses	78,555,317	101,099,511
Reimbursement of Expenses Paid	65,270	80,722
Professional fees	-	67,125
Provision for doubtful debts reversed	6,159,796	1,132,672
Payments made	(38,787,157)	(14,146,229)
Foreign Exchange (Gain)/Loss	17,587,561	(68,693,603)
Balance at end of the year	**286,185,180**	**222,604,393**

Falcorp Technologies (Pty) Limited	**2022**	**2021**
	Rand	**Rand**
Balance at beginning of the year	(498,093)	(2,640,261)
Receipts from Customer		1,735,339
Software/Hardware and Project specific expenses	17,710,000	7,087,785
Consulting services (including VAT)	12,053,943	5,038,634
Rent Paid		277,976
Provisions set off	1,672,335	1,094,165
Director's Sitting Fees	960,000	840,000
Rent Deposit	37,253	37,253
Miscellaneous Expenses	-	-
Payments made	(32,574,672)	(13,968,984)
Balance at end of the year	**(639,234)**	**(498,093)**

Comviva Technologies B.V.	**2022**	**2021**
	Rand	**Rand**
Balance at beginning of the year	-	1,499,428
Software/Hardware and Project specific expenses	-	-
Payments made	-	(1,499,428)
Balance at end of the year	**-**	**-**

Director Fees	**2022**	**2021**
	Rand	**Rand**
Abdul Ismail	480,000	480,000
Kamal Ramsingh	480,000	360,000
Rikash Hurdeen	480,000	480,000
Total	**1,440,000**	**1,320,000**

20 Leases

The Company has taken premise on operating lease. The expense on such lease rentals recognised in the statement of profit and loss for the year ended March 31, 2022 is ZAR 139,531 (March 31, 2021 is ZAR 278,309).

21 Subsequent events

No adjusting or significant non adjusting events have occurred between the reporting date and the date of authorisation.

TECH MAHINDRA (NIGERIA) LIMITED

UNAUDITED FINANCIAL STATEMENTS
for the year ended 31st March 2022

BOARD OF DIRECTORS:

Chief (Mrs.) Faidat Oreagba
Mr. Ayan Chatterjee

OFFICE ADDRESS:

3rd Floor Coscharis Plaza
68A Adeola Odeku Street
Victoria Island,
Lagos.

COMPANY SECRETARY:

Probitas Partners
70 Queens Street
Off Herbert Macaulay Way
Yaba Lagos, Nigeria.

BANKER:

Citibank Nigeria Limited

TECH MAHINDRA (NIGERIA) LIMITED

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		₦	₦
Revenue	7	3,867,953,802	1,116,776,263
Cost of services	8	(1,996,996,611)	(732,666,733)
Gross profit		**1,870,957,191**	**384,109,530**
Other income	9	-	164,291,733
Expenses			
Administrative expenses	10	(1,057,053,362)	(633,462,784)
Operating Profit/(Loss)		**813,903,829**	**(85,061,521)**
Finance income	11	1,133,753	37,668,407
Finance cost	12	-	(8,161,136)
		-	-
Profit/(Loss) Before Tax		**815,037,582**	**(55,554,250)**
Tax expense	14	(595,779,673)	(155,046,104)
Profit/(Loss) For The Year		**219,257,909**	**(210,600,354)**
Per Share Data:			
Basic loss per share		1.43	(1.38)

The notes are integral part of these financial statements

Ayan Chatterjee
Director

Date: July 4, 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 ₦	2021 ₦
Assets			
Non-current Assets			
Property, plant & equipment	15	5,464,388	512,586
Deferred tax assets	14.3	101,341,364	511,357,065
Total Non-current Assets		**106,805,752**	**511,869,651**
Current Assets			
Prepayments	16	66,019,539	283,367,335
Trade and other receivables	17	2,362,117,226	2,302,055,746
Cash and cash equivalents	18	3,130,094,985	1,503,254,628
Total Current Assets		**5,558,231,750**	**4,088,677,709**
Total Assets		**5,665,037,502**	**4,600,547,360**
Equity and Liabilities			
Equity Attributable to Owners			
Share capital	19	153,040,026	153,040,026
Deposit for shares		6,703,980,335	-
Retained loss		(4,421,369,517)	(4,587,626,451)
		2,435,650,844	**(4,434,586,425)**
Liabilities			
Non-current Liabilities			
Borrowings	20	-	355,270,000
Total Non-current Liabilities		**-**	**355,270,000**
Current Liabilities			
Trade and other payables	21	3,124,823,985	8,617,491,630
Current tax liabilities	14.2	104,562,673	62,372,155
Total Current Liabilities		**3,229,386,658**	**8,679,863,785**
Total Liabilities		**3,229,386,658**	**9,035,133,785**
Total Equity and Liabilities		**5,665,037,502**	**4,600,547,360**

These accounts were approved by the Board of Directors on 4th July 2022 and signed on its behalf by:

Ayan Chatterjee
Director

The notes are integral part of these financial statements

TECH MAHINDRA (NIGERIA) LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2022

	Share Capital	Retained Loss	Total
	₦	₦	₦
Year Ended 31 March 2021			
Balance as at 1 April 2020	153,040,026	(4,377,026,097)	(4,223,986,071)
Loss for the year	-	(210,600,354)	(210,600,354)
Balance as at 31 March 2021	**153,040,026**	**(4,587,626,451)**	**(4,434,586,425)**
	-	(53,000,975)	(53,000,975)
Year Ended 31 March 2022			
Balance as at 1 April 2021	153,040,026	(4,640,627,426)	(4,487,587,400)
Profit for the year	-	219,257,909	219,257,909
Balance as at 31 March 2022	**153,040,026**	**(4,421,369,517)**	**(4,268,329,491)**

The notes are integral part of these financial statements

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	₦	₦
Cash flows from Operating Activities		
Loss before tax	815,037,582	(55,554,250)
Adjustments:		
Depreciation	-	431,666
Allowance for ECL	-	3,328,188
Exchange loss	738,344,894	369,126,519
Operating Loss Before Working Capital Changes	**1,553,382,476**	**317,332,123**
Changes in Working Capital:		
Changes in prepayments	217,347,796	(897,353)
Changes in trade and other receivables	(60,061,480)	(758,365,650)
Changes in trade and other payables	(5,690,375,829)	835,467,906
	(3,979,707,037)	**393,537,026**
Tax paid	-	-
Net Cash Flow from Operating Activities	**(3,979,707,037)**	**393,537,026**
Cash flow from Investing Activities:		
Acquisition of PPE	(4,951,800.00)	-
Net Cash flow from Investing Activities	**(4,951,800.00)**	**-**
Cash Flow from Financing Activities:		
Interest received	1,133,753	37,668,407
Share application money	6,703,980,335	
Interest paid	-	(8,161,136)
Net Cash Flow from Financing Activities	**6,349,844,088**	**29,507,271**
Net Cash Flow for the year	**2,365,185,251**	**423,044,297**
Cash and Cash Equivalents as at 1 April	1,503,254,628	1,449,336,850
Exchange difference	(738,344,894)	(369,126,519)
Cash and Cash Equivalents as at 31 March	**3,130,094,985**	**1,503,254,628**
Cash and Cash Equivalent Consist of :		
Cash at Bank	**3,130,094,985**	**1,503,254,628**

The notes are integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Nature of Operations

The principal activity of the company is to provide global solution on information technology to various sector of the economy. It is engaged in directing, operating, managing, investing in or provide telecommunication, networking, communication, internet information and other information technology related services.

2 General Information, statement of compliance with IFRS and going concern assumption

The company was incorporated in Nigeria under the Companies and Allied Matters Act 2020 as a Private Limited Liability Company on 18 August 2009. It commenced full operation in January 2011. Its initial authorized share capital was 153,790,000 ordinary shares of N1.00. The company is wholly owned by Tech Mahindra India .

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The company's audited balances for the year under review are comparable with the prior year balances in all aspects.

2.1 Going Concern

We draw attention to the fact that the financial statements of Tech Mahindra Nigeria Limited for the year ended 31 March 2022 have the below concern indicators which might pose as a threat to the company's ability to continue as a going concern. We noted that;

- Presents a retained loss of ₦4,587,626,451
- Had a net current liability of ₦4,591,186,076
- Had a net liability position of ₦4,434,586,425

Management is however of the opinion that the going concern status of the company is not threatened and it is appropriate to prepare the financial statements on a going concern basis and hereby confirm specific assessment of the company's ability to continue as a going concern based on the following;

- The company will have sufficient funds, through funding from its immediate parent company (Tech Mahindra Limited India) to meet its liabilities and there is no indication that they will withdraw their support to the company.
- It is the intention of the parent company (Tech Mahindra Limited India) to provide any business supports, including financial support for the ordinary course of business whenever necessary.

To the extent the events and conditions are assessed, there were no significant doubts on the company's ability to continue and as such no material uncertainties exist. Consequently, they financial statements have been prepared under the assumption that the company operates on a going concern basis.

The financial statements for the year ended 31 March 2022 (including comparatives) were approved and authorised for issue by the board of directors of Tech Mahindra Nigeria Limited on ---- June 2022

3 New or revised standards or interpretations

3.1 New standards adopted as at 1st April 2021

IFRS 16 - Lease

COVID 19 related rent concessions (Amendment to IFRS 16 - Effective 1 April 2021)

Some accounting pronouncements which have become effective from 1 January 2021 and have therefore been adopted do not have a significant impact on the financial results or position. These amendments do not have a significant impact on these Financial Statements and therefore the disclosures have not been made

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company.

IFRS 3 - Business Combination

Reference to the conceptual framework (Amendment to IFRS 3) - Effective 1 January 2022

Adds a new exception to the recognition principle in order to make sure that the accounting remains unchanged. It outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.

IAS 16 - Property, Plant & Equipment

- Proceeds before Intended Use (Amendments to IAS 16) - Effective 1 January 2022

Prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

IAS 37 - Provisions, Contingent Liabilities & Contingent Assets

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) - Effective 1 January 2022

Specifies which costs an entity includes when assessing whether a contract will be loss-making. It outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).

IAS 1 - Preparation of Financial Statements

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) - Effective 1 January 2023

IAS 1 requires an entity that has an unconditional right to delay settlement of a liability for at least 12 months from the end of the reporting period, then it can be classified as non-current, if not it is classified as current. Some preparers have found this statement confusing and consequently similar liabilities have been classified differently, making comparisons by investors difficult.

The amendments clarify the guidance in IAS 1 by:

- clarifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period
- stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability
- adding guidance about lending conditions and how these can impact classification
- including requirements for liabilities that can be settled using an entity's own instruments.

IAS 12 - Income Taxes

- Deferred Tax related to Assets and Liabilities from a Single Transaction - Effective 1 January 2023

In specific circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. There had been some diversity in practice as to whether the exemption applied to transactions such as leases and decommissioning obligations. These are transactions where entities recognise both an asset and a liability.

The amendments require an entity to recognise deferred tax on certain transactions (eg leases and decommissioning liabilities) that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

The amendments clarify that the initial recognition exemption set out in IAS 12 'Income Taxes' does not apply and entities are required to recognise deferred tax on these transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted.

These amendments are not expected to have a significant impact on the financial statements In the period of initial application and therefore no disclosures have been made.

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have not been adopted early by the company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

4 Significant Accounting Policies

4.1 Basis of preparation

The company's financial statements have been prepared on an accrual basis and under the historical cost convention. Monetary amounts are expressed in Nigerian currency (₦).

4.2 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Nigerian naira (₦), which is also the functional currency of all the companies within the company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entities, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the company's financial statements, all assets, liabilities and transactions with functional currencies other than the Naira are translated into Naira upon consolidation. The functional currencies of entities within the company have remained unchanged during the reporting period.

4.3 Revenue

Revenue arises mainly from on-site/offshore services and hardware/software system services.

To determine whether to recognise revenue, the company follows a 5-step process:

1. - Identifying the contract with a 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.

The company often enters into transactions involving a range of the company's services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the company satisfies performance obligations by transferring the promised goods or services to its customers. The company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the company satisfies a performance obligation before it receives the consideration, the company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

4.3.1 Onsite and offshore revenue

The entity's revenue is derived from the provision of onsite and offshore services to customers, majorly corporate bodies. Irrespective of the type of services, onsite or offshore services rendered are all categorised as revenue. Revenue is recognized upon completion of project. In some cases, if work is monthly for a fixed period, revenue is recognised monthly as it is due. Once the percentage of completion is received, the project revenue is updated monthly for a fixed period.

4.4 Operating expenses

Operating expenses are recognised in profit or loss upon utilization of the service or as incurred. Expenditure for warranties is recognised when the company incurs an obligation, which is typically when the related services are rendered.

4.5 Earnings Per Share, Interests and dividends

Basic earnings per share have been calculated using the profit attributable to shareholders of the parent company as the numerator, i.e. no adjustments to profit were necessary in 2021 or 2019. Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends, other than those from investments in associates, are recognised at the time the right to receive payment is established.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

4.7 Property, plant and equipment

Land

Land held for use in production or administration is stated at revalued amount. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings, IT equipment and other equipment

Buildings, IT equipment and other equipment (comprising fittings & furniture, plants & machinery, vehicle & laboratory equipment and fire fighting equipment) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the company's management. Buildings, IT equipment and other equipment are subsequently measured at revalued amount and cost less accumulated depreciation and impairment losses.

Depreciation

Depreciation is recognised on a straight-line basis to write down the revalued amount and cost less accumulated depreciation of buildings, computer and other equipment. The following useful lives are applied:

-	Motor Vehicles	3 - 5 years
-	Computer Equipment	3 years
-	Furniture and Fittings	5 - 10 years
-	Plant and Machinery	5 - 10 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Impairment testing of property, plant and equipment

For impairment assessment purposes, assets are companyed at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

4.8 Financial instruments

4.8.1 Recognition, and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

4.8.2 Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented, the corporation does not have any financial assets categorised as FVOCI.

The classification is determined by both:

* the entity's business model for managing the financial asset
* the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

4.8.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

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

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

The category also contains an equity investment. The company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unquoted securities and listed equity securities at fair value through other comprehensive income (FVOCI). The equity investment in unquoted securities was measured at cost less any impairment charges in the comparative period under IAS 39, as it was determined that its fair value could not be estimated reliably. In the current financial year, the fair value was determined in line with the requirements of IFRS 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The company accounts for financial assets at FVOCI, if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

4.8.4 Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’).

‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date.

‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been companyed based on the days past due.

4.8.5 Classification and measurement of financial liabilities

The company’s financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included within finance costs or finance income.

4.9 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the company’s forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 ‘Income Taxes’ specifies limited exemptions. As a result of these exemptions the company does not recognize deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.11 Non-current assets and liabilities classified as held for sale and discontinued operations

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations

4.12 Equity and reserves

Share capital represents the nominal (par) value of shares that have been issued.

Retained earnings include all current and prior period retained profits and share-based employee remuneration.

All transactions with owners of the parent are recorded separately within equity.

4.13 Post-employment benefits and short-term employee benefits

Post-employment benefit plans

The company provides post-employment benefits through various defined contribution and defined benefit plans.

Defined contribution plans

The company pays fixed contributions into independent entities in relation to several state plans and insurances for individual employees. The company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

Defined benefit plans

Under the company's defined benefit plans, the amount of pension benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the company, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Service cost on the company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs. Gains and losses resulting from remeasurements of the net defined benefit liability are included in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

Short-term employee benefits

Short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the company expects to pay as a result of the unused entitlement.

4.14 Provisions, contingent assets and contingent liabilities

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

5 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

5.1 Significant management judgements

The following are the judgements made by management in applying the accounting policies of the company that have the most significant effect on the financial statements.

5.1.1 Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised.

5.1.2 Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. In 2019, the company would recognise an impairment loss on goodwill if there are indications.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and computer equipment.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by market-driven changes that may reduce future selling prices.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

6 Financial Risk Management

6.1 Introduction

The company uses its financial skills to provide competitive product pricing and delivery to a broad range of customers.

Risk Management is essential to help ensure business sustainability thereby providing customers and the shareholders with a long-term value proposition.

Key elements of risk management are:

- Strong corporate governance including relevant and reliable management information and internal control processes;
- Ensuring significant and relevant skills and services are available consistently to the company;
- Influencing the business and environment by being active participants in the relevant regulatory and business forums; and
- Keeping abreast of technology and consumer trends and investing capital and resources where required.

The overall company focus within an appropriate risk framework is to give value to the customers through effective and efficient execution of transactions.

The board of directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

The company has exposure to significant risks which are categorised as follows:

(i) Regulatory (capital adequacy, legal, accounting and taxation);

(ii) Business environment (reputation and strategic);

(iii) Operational (people, information technology and internal control processes);

(iv) Market (equity prices, interest rate and currency); and

(v) Liquidity

6.2 Detailed discussion of significant risks

6.2.1 Regulatory risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry that pertain to the business of the company. In order to manage this risk, the company is an active participant in the petroleum industry and engages in discussions with policy makers and regulators.

6.2.2 Legal risk

Legal risk is the risk that the company will be exposed to contractual obligations which have not been provided for.

The company has a policy of ensuring all contractual obligations are documented and appropriately evidenced to agreements with the relevant parties to the contract.

All significant contracted claims are reviewed by independent legal resources and amounts are provided for if there is consensus as to any possible exposure. At 31 March 2022, the directors are not aware of any significant obligation not provided for.

6.2.3 Taxation risk

Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products.

Taxation risk occurs in the following key areas:

- Transactional risk;
- Operational risk;
- Compliance risk; and
- Financial accounting risk.

- **Transactional risk**

  The risk which concerns specific transactions entered into by the company, including restructuring projects and reorganisations.

- **Operational risk**

  The underlying risks of applying tax laws, regulations and decisions to the day-to-day business operations of the company.

- **Compliance risk**

  The risk associated with meeting the company's statutory obligations.

- **Financial accounting risk**

  The risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning.

In managing the company's taxation risk, the company tax policy is as follows:

The company will fulfil its responsibilities under tax law in each of the jurisdictions in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the company may have in relation to company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.

Compliance with this policy is aimed at ensuring that:

- All taxes due by the company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation;
- The company continually reviews its existing operations and planned operations in this context; and
- The company ensures that, where clients participate in company products, these clients are either aware of the probably tax consequences, or are advised to consult with independent professionals to assess these consequences, or both.

The identification and management of tax risk is the primary objective of the company tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfilment of tax responsibilities against the specific requirements of each category of tax to which the company is exposed, in the context of the various types of activities the company conducts.

6.2.4 Accounting risk

Accounting risk is the risk that the company fails to explain the current events of the business in the financial statements.

Accounting risk can arise from the failure of management to:

- Maintain proper books and records, accounting system and to have proper accounting policies;
- Establish proper internal accounting controls;
- Prepare periodic financial statements that reflect an accurate financial position; and
- Be transparent and fully disclose all important and relevant matters.

Measures to control accounting risk are the use of proper accounting systems, books and records based on proper accounting policies as well as the establishment of proper internal accounting controls. Proposed accounting changes are researched by accounting resources, and if required external resources, to identify and advise on any material impact on the company.

Financial statements are prepared in a transparent manner that fully discloses all important and relevant matters as well as accurately reflecting the financial position, results and cash flows of the company.

6.3 Business environment

6.3.1 Reputational risk

Reputational risk is the risk of loss caused by a decline in the reputation of the company or any of its specific business units from the perspective of its stakeholders, shareholders, customers, staff, business partners or the general public.

Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.

6.3.2 Strategic risk

Strategic risk is the risk of an unexpected negative change in the company value, arising from the adverse effect of executive decisions on both business strategies and their implementation.

This risk is a function of the compatibility between strategic goals, the business strategies developed to achieve those goals and the resources deployed to achieve those goals. Strategic risk also includes the ability of management to effectively analyse and react to external factors, which could impact the future direction of the relevant business units.

6.3.3 Company risk

Company risk identifies and assesses both those risks qualitatively as part of a quarterly evaluation. On the basis of this evaluation, company risk creates an overview of local and global risks which also includes reputational risks, analyses the risk profile of the company and regularly informs directors and management.

6.3.4 Operational risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls are augmented by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular internal audit reviews.

6.3.5 Market risk

Market risk includes asset liability matching risk, currency risk, interest rate risk and equity price risk.

The company is exposed to market risk through its financial assets and financial liabilities. The most important components of this risk are interest rate risk and market price risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

6.3.6 Interest rate and market price risk

These risks have very different impacts on the various categories of business used in the company's Assets and Liabilities Management framework. Interest rate and market price risk have been discussed together since they interact on certain types of liabilities.

6.3.7 Interest rate risk

Interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates.

6.3.8 Equity price risk

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

6.3.9 Foreign currency risk

In respect of other monetary assets and liabilities held in currencies other than the Naira, 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.

6.3.10 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation.

Key areas where the company is exposed to credit risk are:

* Certain classes of financial assets such as term deposits and cash and cash equivalent; and
* Certain accounts within trade and other receivables.

Financial assets

Various debt instruments are entered into by the company in order to invest surplus shareholder funds. The company is exposed to the issuer's credit standing on these instruments.

The following policy and procedure is in place to mitigate the company's exposure to this credit risk:

* Exposure to outside financial institutions concerning financial instrument is monitored in accordance with parameters which have been approved by the company's Audit Committee and the company's board.

Age analysis of receivables (Net)	2022	2021
	₦,000	**₦,000**
1 - 90 days		662,883,305
91 - 180 days		69,679,620
181 - 270 days		51,274,798
271 - 356 days		
365 and above		399,816,172
	-	**1,183,653,896**

6.3.11 Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on 360-day lookout period are identified monthly. Net cash requirements are compared to available the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury maintains flexibility in funding by keeping committed credit lines available.

Financial Liabilities

31 March 2022	**1 - 12 Months**	**13 Months & above**
	₦,000	**₦,000**
Borrowings		-
Trade and other payables	3,124,824	
Total	**3,124,824**	**-**
31 March 2021		
Borrowings		355,270
Trade and other payables	8,617,492	
Total	**8,617,492**	**355,270**

Sensitivity Analysis

Management applies a number of sensitivity tests to the earnings of the Group to better understand the exposure to and importance of each of the main drivers of profitability.

IFRS 7 requires management to report on the changes in the net income after tax following "reasonable possible" changes in each of the factors to which the Group is exposed. Management has set the upside and downside movements for each factor at a level which represents the amount by which management believes that factor could reasonably change over the year following the valuation date. These opinions have been informed by an analysis of historical one year changes in those factors. The upper and lower limits have been set at the 75th and 25th percentiles of observed changes as these bound and interval which may be expected to contain 50% of the changes in the coming year. Management believes this represents in some sense what is "reasonably possible", though it is important to note that this opinion is based on past experience and the tested range is not sensitive to all the relevant information in the market at the reporting date.

Management has considered the impact of upside and downside movements in foreign exchange rates. In relation to these sensitivities:

* The earnings are sensitive to changes in both the shape and level of the yield curve. Management has not considered changes in the shape of the yield curve due to several constraints although this may be reviewed in the following year.

* The foreign exchange movements have been considered together in the same sensitivity. Observed historic negative correlations between factors would tend to dampen the effects presented. These correlations are not very large and they have not been adjusted for. This treatment has resulted in the presentation of a slightly more extreme view of what could reasonably occur over the following year.

Future rates of expense inflation, catastrophes and tax assumptions were considered but no sensitivities are presented as it is unlikely, in management's opinion that, these assumptions will change over the following year.

It should be noted that each impact on profit after tax is shown individually for each sensitivity being changed, keeping all other assumptions constant. In practice this is unlikely to occur, as changes in some of the variables may be correlated.

		2022	2021
		₦	₦
7	**Revenue**		
	Onsite and offshore services	2,312,585,142	1,078,729,692
	Hardware and software system services	1,555,368,660	38,046,571
		3,867,953,802	**1,116,776,263**

Revenue relate to onsite/offshore and hardware/software system services rendered to customers. Revenue is recognized once the percentage of work completed is received.

		2022	2021
8	**Cost of Services**		
	Subcontracting - onsite and offshore	1,996,996,611	732,666,733
		1,996,996,611	**732,666,733**

Subcontracting Expenses

Subcontracting expenses relate to costs that are incured for hiring subcontractors to render a particular service on behalf of the company.

		2022	2021
9	**Other Income**		
	Exchange gain	-	-
	Sundry balance write back	-	164,291,733
		-	**164,291,733**

Other income relates to income earned from other activities other than the company's principal activities.

		2022	2021
10	**Administrative Expenses**		
	Employee benefit expenses	73,149,701	82,219,573
	Depreciation	-	431,666
	Audit fees	7,308,000	6,300,000
	Allowance for ECL	-	3,328,188
	Bank charges	29,754,374	1,826,050
	Business promotion expenses	42,058,753	-
	Exchange loss	738,344,894	369,126,519
	Guest house expenses	5,256,015	14,473,473
	Legal expenses and professional fees	7,908,365	56,918,509
	Motor running expenses	11,023,320	18,736,300
	Office running expenses	77,488,209	22,832,900
	Rent	46,464,680	42,120,226
	Telephone, internet and postage	400,000	796,000
	Travelling and conveyance	17,897,051	14,353,380
		1,057,053,362	**633,462,784**

Administrative expenses consist of the expenses listed above. Personnel cost emolument relates to cost incurred on staff remuneration; General expenses represent expenses incurred on miscellaneous charges; Office running expenses represents water charges, utility bills and other office expenses, etc.

		2022	2021
10.1	**Employee Benefit Expenses**		
	Salaries and wages	73,149,701	76,492,244
	Bonus, allowances and incentives	-	5,727,329
	Staff welfare	-	-
		73,149,701	**82,219,573**

Personnel cost relates to cost incured in retaining the existing personnel as well as hiring the new once.

		2022	2021
		₦	₦
10.2	**Depreciation**		
	Motor vehicle	-	431,666
	Computer equipment	-	-
	Furniture & fittings	-	-
		-	**431,666**

Depreciation expenses represent a portion of the cost of plant and equipment that is matched in consideration to the useful life of the assets during the year.

		2022	2021
11	**Finance Income**		
	Interest income	1,133,753	37,668,407
		1,133,753	**37,668,407**

Interest income relates to income on fixed deposit.

		2022	2021
12	**Finance Cost**		
	Interest expenses	-	8,161,136
		-	**8,161,136**

The finance cost relates to interest and similar charges on related party loan.

		2022	2021
13	**Expenses by nature**		
	Personnel expenses	73,149,701	82,219,573
	Depreciation	-	431,666
	General expenses	1,026,898,988	627,512,546
		1,100,048,689	**710,163,785**
14	**Taxation**		
14.1	**Income tax recognized in income statement**		
	Current tax		
	Company income tax		5,285,842
	Prior year under provision		245,108,780
		242,024,811	**250,394,622**
	Deferred tax		
	Deferred tax expense recognized	353,754,862	(95,348,518)
	Total income tax expenses recognized in the year	**595,779,673**	**155,046,104**

The tax rate used for the tax computation is 30% payable by corporate entities in Nigeria and 2% for education tax.

		2022	2021
14.2	**Current Tax Liabilities**		
	Balance as at 1 April	62,372,155	57,086,313
	Prior year under provision	-	245,108,780
	Provision for the year	242,024,811	5,285,842
		304,396,966	**307,480,935**
	WHT credit utilised	(199,834,293)	(245,108,780)
	Payment during the year	-	-
	As at 31 March	**104,562,673**	**62,372,155**

		2022	2021
		₦	₦
14.3	**Deferred Tax Asset**		
	Balance as at 1 April	511,357,065	386,622,287
	Movement during the year	(410,015,701)	124,734,778
	As at 31 March	**101,341,364**	**511,357,065**

15 Property, Plant & Equipment

	Motor Vehicle	Plant & Machinery	Computer Equipment	Furniture & Fittings	Office Equipment	Capital Work-in-progress	Total
	₦	₦	₦	₦	₦	₦	₦
Cost							
As at 31 March 2019	22,641,875	4,193,223	7,065,386	8,055,000	422,000	-	42,377,484
Additions during the year	-	-	-	-	-	4,951,800	-
As at 31 March 2021	**22,641,875**	**4,193,223**	**7,065,386**	**8,055,000**	**422,000**	**4,951,800**	**42,377,484**
Depreciation							
As at 31 March 2019	22,435,191	4,132,280	7,046,585	7,842,926	407,916		41,433,231
Charge for the year	-	-	-	-	-		431,666
As at 31 March 2021	**22,435,190**	**4,132,279**	**7,046,585**	**7,842,926**	**407,916**		**41,864,898**
Carrying Amount							
As at 31 March 2021	**206,685**	**60,944**	**18,801**	**212,074**	**14,084**	**4,951,800**	**512,586**
As at 31 March 2020	**206,684**	**60,943**	**18,801**	**212,074**	**14,084**	**-**	**944,253**

All depreciation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets.

The company's property, plant and equipment has not been pledged as security for loan.

		2022	2021
		₦	₦
16	**Prepayments**		
	Prepaid rent	66,019,539	2,420,291
	Advance to suppliers	-	280,947,044
		66,019,539	**283,367,335**
17	**Trade and Other Receivables**		
	Trade receivables	1,523,266,725	1,132,379,097
	Allowance for ECL	-	(9,128,188)
		1,523,266,725	**1,123,250,909**
	Withholding tax receivable	325,787,749	895,592,441
	Staff receivables	-	4,223,070
	Intercompany receivables	120,895,098	278,989,326
	VAT receivables	225,299,148	-
	Other Receivable	166,868,506	-
		2,362,117,226	**2,302,055,746**

All amounts are short-term. The net carrying value of trade receivables is considered to be at fair value.

18	**Cash and Cash Equivalent**		
	Cash at Bank	735,632,476	53,251,265
	Forex deposit	994,459,146	-

	2022	2021
	₦	₦
Short term deposit	1,400,003,363	1,450,003,363
	3,130,094,985	**1,503,254,628**

The bank balance represent Citi Bank Plc balances as at year end, while short term deposit represents cash balance as at year end. These comprise of balances in foreign currencies that are translated at the period end, using the interbank rate as at 31 March 2022.

19 Share Capital

Authorized		
153,790,000 Ordinary Shares of ₦1.00 each	**153,790,000**	**153,790,000**
Issued and Fully Paid-Up		
153,040,026 Ordinary Shares of ₦1.00 each	**153,040,026**	**153,040,026**
Deposit for Shares		
Share application money	**6,703,980,335**	**-**

The share capital of Tech Mahindra (Nigeria) Limited consists only of fully paid ordinary shares with a nominal value of ₦1 each.

20 Borrowing

Loan from related party	-	355,270,000
	-	**355,270,000**

The loan from related party relates to unsecured loan from Tech Mahindra India for the purpose of capital projects and working capital operations.

21 Trade and Other Payables

Trade payables	-	536,415,327
Accruals	394,659,422	559,736,105
Intercompany payables	2,614,231,027	7,390,656,946
VAT payable	115,933,536	114,910,201
Withholding tax payable	-	15,773,051
	3,124,823,985	**8,617,491,630**

The carrying amount of trade and other payables are considered to be at their fair values.

22 Related Parties Transactions

This comprise of intercompany balances. Details of transactions and outstanding balances between the company and its related parties during the year are disclosed below:

22.1 Employees

Average number of persons employed during the year:	**Number**	**Number**
Management staff	2	2
Senior staff	2	2
Junior staff	6	6
	10	**10**

22.2 Parent Company - Tech Mahindra Limited, India

Opening balance	7,390,656,946	6,993,784,671
Movement during the year	396,872,275	396,872,275
Closing Balance as at 31 March	**2,614,231,027**	**7,390,656,946**
Loan from Tech Mahindra Limited, India	**-**	**355,270,000**

		2022	2021
		₦	₦
22.3	**COMVIVA Nigeria Limited**		
	Opening balance	186,449,671	91,122,412
	Movement during the year	(186,449,671)	95,327,259
	Closing Balance as at 31 March	**-**	**186,449,671**
	Loan to COMVIVA Nigeria Limited	**92,530,655**	**92,530,655**

23 Events After The Reporting Date

There were no significant adjusting or non-adjusting events after the reporting date based on the opinion of the directors which could have had a material effect on the financial statements. COVID-19 pandemic is considered to be a non-adjusting event which is still on after the reporting date.

The company is actively and continuously monitoring the ongoing and potential impacts of the pandemic in order to mitigate and minimise the impact on its business.

24 Authorization of Financial Statements

The financial statements for the year 31 March 2022 (including comparatives) were approved by the board of directors on July 4, 2022.

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2022

	2022		2021	
	₦		₦	
Revenue	3,867,953,802		1,116,776,263	
Other income	-		164,291,733	
Purchase of goods and other services	(3,333,521,381)			
Value Added	**534,432,421**	**100%**	**130,606,643**	**100%**
Applied as follows:				
To pay employees:				
Salaries, wages and other benefits	73,149,701	14%	82,219,573	69%
To pay government:				
Income and education taxes	242,024,811	45%	250,394,622	4%
To Pay Providers of Capital:				
To pay interest	-	0%	8,161,136	0%
Assets replacement provision:				
Depreciation	-	0%	431,666	7%
To provide for the future:				
Retained profit/(loss)	219,257,909	41%	(210,600,354)	20%
	534,432,421	**100%**	**130,606,643**	**100%**

Value added represents the wealth created through the efforts of the company, its management and employees. The statement shows the distribution of the generated wealth amongst company employees, the government, providers of capital and amount retained for future creation of wealth.

TECH MAHINDRA (NIGERIA) LIMITED

FIVE YEAR FINANCIAL SUMMARY

	2022	2021	2020	2019	2018
Statement of Financial Position	**₦**	**₦**	**₦**	**₦**	**₦**
Assets Employed					
Non-current assets	106,805,752	511,869,651	387,566,540	638,825,586	609,054,799
Current assets	5,558,231,750	4,088,677,709	3,275,496,928	3,282,745,791	4,512,260,653
Total Assets	**5,665,037,502**	**4,600,547,360**	**3,663,063,468**	**3,921,571,377**	**5,121,315,452**
Financed By					
Share capital	153,040,026	153,040,026	153,040,026	153,040,026	153,040,026
Deposit for shares	6,703,980,335				
Retained loss	(4,421,369,517)	(4,587,626,451)	(4,377,026,097)	(3,032,523,971)	(2,766,144,478)
Non-current liabilities	-	355,270,000	355,270,000	355,270,000	355,270,000
Current liabilities	**3,229,386,658**	**8,679,863,785**	**7,531,779,539**	**6,445,785,321**	**7,379,149,903**
Total Equity & Liabilities	5,665,037,502	4,600,547,360	3,663,063,468	3,921,571,377	5,121,315,452
Income Statement					
Revenue	3,867,953,802	1,116,776,263	890,526,193	686,595,036	846,305,477
Profit/(Loss) before tax	815,037,582	(55,554,250)	(1,083,028,998)	(48,490,559)	(2,293,002,500)
Tax expense	(595,779,673)	(155,046,104)	(262,031,130)	(218,446,934)	426,051,587
Profit/(Loss) for the year	**219,257,909**	**(210,600,354)**	**(1,345,060,128)**	**(266,937,493)**	**(1,866,950,913)**
Per Share Data {in NGN (₦)}					
Earnings/(Loss) per share	1.43	(1.38)	(8.79)	(1.74)	(12.20)
Total assets per share	37.02	30.06	23.94	25.62	33.46

TECH MAHINDRA TECHNOLOGY SERVICES LLC

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1ST JANUARY 2021 TO 31ST DECEMBER 2021

Directors

Sandeep Phadke, Director

Registered office

125009, Moscow, Vozdvizhenka street,
10, fl. 3, sp. IX, room 182,
office 350, workplace No. 4.

Bankers

AO Citibank, Moscow

TECH MAHINDRA TECHNOLOGY SERVICES LLC

BALANCE SHEET AT DECEMBER, 31ST, 2021

Organization	TECH MAHINDRA TECHNOLOGY SERVICES LLC		Codes
TIN	9704042589	Form № per OKUD	0710001
Type of activity		Date (year, month, date)	31 12 2021
Organizational-legal form/form of ownership	Limited liability company / Foreign property	per OKPO	54223529
		TIN	9704042589
		per OKVED	73.11
Unit of measure:	Thousand RUB	per OKOPF/OKFS	12300 23
Location (address)	Russia, Moscow , 125009, Vozdvizenka str, building 10, prem.IX office 350	per OKEI	384

Indicator	Item	Code	at 31.12.2021	at 31.12.2020	at 31.12.2019
	ASSETS				
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	-	-	-
	Fixed assets	1150	-	-	-
	Investments in tangibles	1160	-	-	-
	Long-term financial investments	1170	-	-	-
	Deferred tax assets	1180	-	-	-
	Other non-current assets	1190	-	-	-
	TOTAL for Section I	1100	-	-	-
	II. CURRENT ASSETS		-	-	-
	Inventory	1210	-	-	-
	VAT on valuables acquired	1220	71	-	-
	Receivables	1230	389	-	-
	Short-term financial investments	1240	-	-	-
	Monetary assets	1250	149	-	-
	Other current assets	1260	-	-	-
	TOTAL for Section II	1200	609	-	-
	BALANCE	1600	609	-	-
	LIABILITIES		-	-	-
	III. CAPITAL AND RESERVES		-	-	-
	Charter capital	1310	1,000	-	-
	Own shares purchase from shareholders	1320	-	-	-
	Revalue of non-currene assets	1340	-	-	-
	Capital surplus	1350	-	-	-
	Reserve capital	1360	-	-	-
	Retained profit (uncovered loss)	1370	(1,434)	-	-
	TOTAL for Section III	1300	(434)	-	-
	IV. LONG-TERM LIABILITIES		-	-	-
	Debts and borrowings	1410	-	-	-
	Deferred tax liabilities	1420	-	-	-
	Provisions for charges	1430	-	-	-
	Other long-term liabilities	1450	-	-	-
	TOTAL for Section IV	1400	-	-	-

Indicator	Item	Code	at 31.12.2021	at 31.12.2020	at 31.12.2019
	V. SHORT-TERM LIABILITIES		-	-	-
	Debts and borrowings	1510	-	-	-
	Payables	1520	974	-	-
	Deferred revenues	1530	-	-	-
	Estimated liabilities	1540	69	-	-
	Other short-term liabilities	1550	-	-	-
	TOTAL for Section V	1500	1,043	-	-
	BALANCE	1700	609	-	-

Litvinov Sergey
General Director

TECH MAHINDRA TECHNOLOGY SERVICES LLC

PROFITS AND LOSS STATEMENT 01.01.2021 - 31.12.2021

Organization	TECH MAHINDRA TECHNOLOGY SERVICES LLC		Codes	
TIN	9704042589	Form № per OKUD	0710002	
Type of activity		Date (year, month, date)	31 12 2021	
Organizational-legal form/form of ownership	Limited liability company / Foreign property	per OKPO	51172671	
		TIN	7714359119	
		per OKVED	73.11	
Unit of measure:	Thousand RUB	per OKOPF/OKFS	12300	23
		per OKEI	384	

Indicator	Item	Code	For the reporting period	For the same period of the previous year
	Revenue	2110	-	-
	Costs of sales	2120	-	-
	Gross profit	2100	0	-
	Commercial expenses	2210	-	-
	Management expenses	2220	(1,140)	-
	Profit (loss) on sales	2200	(1,140)	-
	Income from participation in other organizations	2310	-	-
	Interest receivable	2320	-	-
	Interest payable	2330	-	-
	Other income	2340	14	-
	Othes expenses	2350	(308)	-
	Profit (loss) before taxes	2300	(1,434)	-
	Current profit tax	2410	-	-
	Permanent tax liabilities	2421	-	-
	Changing deferred tax liabilities	2430	-	-
	Chanding deferred tax assets	2450	-	-
	Others	2460	-	-
	Net profit (loss) of the reporting period	2400	(1,434)	-

Indicator	Item	Code	For the reporting period	For the reporting period
	Revalue of non-current assets	2510	-	-
	Other operations balance	2520	-	-
	Net profit (loss) of the reporting period	2500	(1,434)	0
	Basic earnings (loss) per share	2900	-	-
	Diluted earnings (loss) per share	2910	-	-

Litvinov Sergey

General Director

STATEMENT OF CHANGES IN THE SHAREHODER’S EQUITY 01.01.2021 - 31.12.2021

			Codes
Organization	TECH MAHINDRA TECHNOLOGY SERVICES LLC	Form No 3 per OKUD	0710002
TIN	9704042589	Date (year, month, date)	31.12.2021
Type of activity		per OKPO	51172671
Organizational-legal form/form of ownership	Limited liability company / Foreign property	TIN	7714359119
		per OKVED	73.11
Unit of measure:	Thousand RUB	per OKOPF/OKFS	12300/23
		per OKEI	384

I. CHANGE IN CAPITAL

Description	Code	Charter capital	Treasury shares	Additional capital	Reserve capital	Retained earnings (loss)	Total
Balance at December 31, 2019	3100	-	-	-	-	-	-
For 2020							
Capital increase - total:	3210	-	-	-	-	-	-
including		-	-	-	-	-	-
net profit	3211	-	-	-	-	-	-
income from fixed assets revaluation	3212	-	-	-	-	-	-
income booked to capital increase	3213	-	-	-	-	-	-
additional issue of shares	3214	-	-	-	-	-	-
increase in the par value of shares	3215	-	-	-	-	-	-
reorganization of the legal entity	3216	-	-	-	-	-	-
Capital decrease - total:	3220	-	-	-	-	-	-
including		-	-	-	-	-	-
net losses	3221	-	-	-	-	-	-
losses from fixed assets revaluation	3222	-	-	-	-	-	-
expenses booked to capital decrease	3223	-	-	-	-	-	-
decrease in the par value of shares	3224	-	-	-	-	-	-
decrease in the number of shares	3225	-	-	-	-	-	-
reorganization of the legal entity	3226	-	-	-	-	-	-
dividends	3227	-	-	-	-	-	-
Additional capital change	3230	-	-	-	-	-	-
Reserve capital change	3240	-	-	-	-	-	-
Balance as of December 31, 2020	3200	-	-	-	-	-	-

Description	Code	Charter capital	Treasury shares	Additional capital	Reserve capital	Retained earnings (loss)	Total
For 2021							
Capital increase - total:	3310	1,000	-	-	-	-	1,000
including		-	-	-	-	-	-
net profit	3311	-	-	-	-	-	-
income from fixed assets revaluation	3312	-	-	-	-	-	-
income booked to capital increase	3313	-	-	-	-	-	-
additional issue of shares	3314	-	-	-	-	-	-
increase in the par value of shares	3315	-	-	-	-	-	-
reorganization of the legal entity	3216	-	-	-	-	-	-
Capital decrease - total:	3320	-	-	-	-	-	-
including		-	-	-	-	-	-
net losses	3321	-	-	-	-	(1,434)	(1,434)
losses from fixed assets revaluation	3322	-	-	-	-	-	-
expenses ralated to capital decrease	3323	-	-	-	-	-	-
decrease in the par value of shares	3324	-	-	-	-	-	-
decrease in the number of shares	3325	-	-	-	-	-	-
reorganization of the legal entity	3326	-	-	-	-	-	-
dividends	3327	-	-	-	-	-	-
Additional capital change	3330	-	-	-	-	-	-
Reserve capital change	3340	-	-	-	-	-	-
Balance as of December 31, 2021	3300	1,000	-	---------	-	(1,434)	(434)

II. Capital adjustment due to accounting policy changes and prior year errors correction

Description	Code	Balance as of December 31, 2020	Capital change for 2021		Balance as of December 31, 2021
			through net profit/ (loss)	other	
Capital - total					
before adjustment	3400				
Adjustment incl.					
Accounting policy change	3410				
errors correction	3420				
after adjustment	3500				
incl.:					
Retained earnings					
before adjustment	3401				
Adjustment incl.					
Accounting policy change	3411				
errors correction	3421				
after adjustment	3501				
Other capital line corrected					
before adjustment	3402				
Adjustment incl.					
Accounting policy change	3412				
errors correction	3422				
after adjustment	3502				

III. Net assets

Description	Code	At December 31, 2021	At December 31, 2020	At December 31, 2019
Net assets	3600	(434)	---------	---------

Litvinov Sergey
General Director

TECH MAHINDRA TECHNOLOGY SERVICES LLC

STATEMENT OF CASH FLOWS 01.01.2021 - 31.12.2021

			Codes
Organization	TECH MAHINDRA TECHNOLOGY SERVICES LLC	Form No 4 per OKUD	0710002
TIN	9704042589	Date (year, month, date)	31.12.2021
Type of activity		per OKPO	51172671
Organizational-legal form/form of ownership	Limited liability company / Foreign property	TIN	7714359119
		per OKVED	73.11
Unit of measure:	Thousand RUB	per OKOPF/OKFS	12300/23
		per OKEI	0384

Description	Code	For 2021	For 2020
Cash flows from operating activities			
Cash proceeds received from - total	4110		
including:			
cash proceeds received from customers	4111		
rent payments, license payments, fees, payments under comission agreements and other	4112		
resale of financial investments	4113		
other payments	4119		
Cash disbursements for - total	4120	(851)	
including:			
payment of goods, work, services, raw materials and other assets	4121	(516)	
payroll	4122	(72)	
payment of interest	4123	-	
corporate income tax	4124		
tax payments	4125		
payments of other expenses	4129	(263)	
Net cash flows from operating activities	4100	(851)	
Cash flows from investing activities			
Cash proceeds received from - total	4210	-	
including:		-	-
proceeds from the sale of non-current assets (except for financial investments)	4211	-	-
proceeds from sales of shares in other entities	4212	-	-
proceeds from repayment of loans given, from sale of debt securities (or rights of regress from other parties)	4213	-	-
dividends received, interest received	4214	-	-
other payments	4219	-	-
Cash disbursements for - total	4220	-	-
including:		-	-
purchase, construction, modernisation, reconstruction and preparation for use of non-current assets	4221	-	-
purchase of shares in other entities	4222	-	-
purchase of debt securities (or rights of regress from other parties), extention of loans to other entities	4223	-	-
interest paid on debt securities, included in cost of investment asset	4224	-	-
other payments	4229	-	-
Net cash flows from investing activities	4200	-	-

Description	**Code**	**For 2021**	**For 2020**
Cash flows from financing activities			
Cash proceeds received from - total	4310	---------	---------
including:		-	-
proceed from loans and borrowings provided by other entities	4311	-	-
participatory inputs	4312	1,000	
issuance of stock, increase of shares	4313	-	-
issuance of bonds, promissory notes and other debt securities and other	4314	-	-
other payments	4319	-	-
Cash disbursements for - total	4320	-	-
including:		-	-
to shareholders for purchase of shares of the entity	4321	-	-
dividends or other distribution of earnings to shareholders	4322	-	-
redemption (buyout) of promissory notes and other debt securities, repayment of loans	4323	-	-
Other payments	4329	-	-
Net cash flows from financing activities	4300	1,000	---------
Net cash flows total	4400	149	---------
Balance of cash and cash equivalents as of the beginning of the reporting period	4450	-	
Balance of cash and cash equivalents as of the end of the reporting period	4500	149	
Effect of changes in the exchange rate of foreign currency to the ruble	4490		

Litvinov Sergey
General Director

EVALUATION OF THE NET ASSET VALUE OF THE COMPANY

Description		Code	at 31.12.2021	at 31.12.2020	at 31.12.2019
I. ASSETS					
1.	intangible assets	1110	0	0	0
2.	Fixed assets	1150	0	0	0
3.	Unfinished construction	1190	-	-	-
4.	Profitable investments in material assets	1160	-	-	-
5.	Long-term and short-term investments	1170	-	-	-
6.	Deferred tax assets	1180	0	0	0
7.	Inventory	1210	0	0	0
8.	VAT on valuables acquired	1220	71	-	-
9.	Receivable<*>	1230	389	0	0
10.	Monetary assets	1250	149	0	0
11.	Other current assets	1260	0	0	0
12.	Total		609	0	0
II. LIABILITIES					
13.	Long-term Debts and borrowings	1410	0	0	0
14.	Deferred tax liabilities	1420	-	-	-
15.	short-term Debts and borrowings	1510	-	-	-
16.	Payables	1520	974	0	0
17.	Provisions for charges	1540	69	0	0
18.	Other current liabilities	1550	-	-	-
19.	Total		1,043	0	0
21.	The net asset value of the company (total assets taken for calculation (line. 12), minus total liabilities taken for calculation (line. 20))		-434	0	0

<*> Except for the debt of participants (founders) for contributions to the charter capital

Litvinov Sergey
General Director

EXPLANATIONS TO THE FINANCIAL STATEMENTS FOR 2021.

1. General section.

TECH MAHINDRA TECHNOLOGY SERVICES LLC (hereinafter referred to as the Company) was established in 2020. The company was registered by IFTS No. 4 (Inspectorate of Federal Tax Service) for Moscow on December 30, 2020. PSRN (OGRN) 1207700503614 (Primary State Registration Number).

Legal and actual address: 125009, Moscow, st. Vozdvizhenka, building 10, premise IX, room 182, office 350, RM 4.

The only executive body is the General Director of the Company. As of December 31, 2021, Sergey Petrovich Litvinov was the General Director of the Company.

As of December 31, 2020, Sergey Petrovich Litvinov was the General Director of the Company.

The main activity of the Company is activity in the field of communications and information technologies as listed below:

* Development of computer software;

* Activities in the field of communications based on wired and wireless technologies

* Consultation activities and work in the field of computer technology;

The activity of the Company is regulated by the legislation of the Russian Federation.

The average number of employees of the Company amounted to 1 and 1 person as of December 31, 2021 and 2020. respectively.

All amounts in the tables of the Explanations are presented in thousands of Russian rubles, unless otherwise indicated.

2. Accounting procedure.

2.1. General information.

The financial statements of the Company are formed in accordance with the rules of accounting and reporting in force in the Russian Federation.

Accounting in the Company is organized in accordance with the requirements of the legislation of the Russian Federation on accounting, regulatory legal acts of the Ministry of Finance of the Russian Federation and bodies that are granted the right to regulate accounting by federal laws.

Accounting in 2021 was carried out in accordance with the methods specified in the Accounting Policy of the Company, approved by order of the General Director dated December 31, 2020.

bookkeeping and tax accounting is carried out using the corporate information system 1C: Accounting 8.3., 1C: Enterprise 8.3 ZUP (Payroll and HR Management).

2.2. Applicability of the Company’s business continuity assumption.

The financial statements have been prepared by the management of the Company on the assumption that the Company will continue its activities for the foreseeable future, and it does not intend and need to liquidate or significantly reduce the activities of the Company, and, therefore, the obligations will be repaid in the prescribed manner.

2.3. Chart of Accounts.

The Company has developed and applies a working chart of accounts based on the standard chart of accounts for accounting of financial and economic activities of organizations, approved by Order No 94 н of the Ministry of Finance of the Russian Federation dated October 31, 2000 with the use of separate sub-accounts, which make it possible to obtain reports that comply with the requirements of accounting and tax legislation in accordance with Russian standards, as well as the requirements for separate cost accounting.

2.4. Taking inventory.

The inventory taking is carried out in accordance with the Guidelines for the inventory taking of property and financial liabilities, approved by Order No. 49 of the Ministry of Finance of the Russian Federation dated June 13, 1995.

Inventory check/taking of fixed assets is carried out at least once every 3 years. The last inventory of fixed assets was carried out as of December 31, 2021.

Inventory check of all other assets and liabilities was carried out as at 31 December 2021.

3. Main principles of accounting policy .

3.1. Assets and liabilities denominated in foreign currencies.

When accounting for business transactions made in foreign currencies, the official ruble exchange rate established by the Central Bank of the Russian Federation (“CBR”), effective on the day of the transaction, is applied. Assets and liabilities expressed in a foreign currency are reflected in the report in amounts calculated based on the official ruble exchange rate set by the Central Bank of the Russian Federation in effect on December 31, 2020, 2019 and 2018.

The procedure for accounting for assets and liabilities whose value is expressed in foreign currency is regulated by PBU 3/2006 “Accounting for assets and liabilities whose value is expressed in foreign currency”. In accordance with PBU 3/2006 (PBU - Russian accounting regulations/standards), liabilities denominated in foreign currency are subject to recalculation into rubles as of:

* on the date of their acceptance for accounting;

* on the last date of the month on the reporting date and on the date of the transaction;

* as on the maturity date of the obligation.

Exchange differences are reflected in the Statement of Financial Performance/results as other income or other expenses.

3.2. Current and non-current assets and liabilities .

Assets reflected in the financial statements as current assets are expected to be used in production and other activities within 12 months after the reporting date. Liabilities reflected in the financial statements as short-term, are expected to be repaid within 12 months after the reporting date. All other assets and liabilities are presented as non-current/long term assets.

3.3. Accounting for fixed assets.

The initial cost of fixed assets purchased for a fee is the amount of the Company’s actual costs for the acquisition, construction and manufacture, except for value added tax and other refundable taxes (except for cases provided for by the legislation of the Russian Federation).

Fixed assets received free of charge are accepted for accounting at market value, documented, with reflection in the composition of deferred income and with subsequent monthly allocation to other income in the amount of accrued depreciation.

The initial cost of fixed assets received under agreements providing for the fulfilment of obligations (payment) in non-monetary means is the cost of valuables transferred or to be transferred to the Company. The value of valuables transferred or to be transferred is determined on the basis of the price at which, in comparable circumstances, the Company usually determines the value of similar valuables.

The initial cost of property, plant and equipment includes the actual costs of delivering the items and bringing them to a usable condition. Accrued prior to the commissioning of fixed assets, interest on loans attracted to finance the acquisition (construction) of investment assets, for accounting purposes, are included in their initial cost.

Assets in respect of which the conditions are met that meet the criteria for fixed assets provided for in clause 4 of PBU 6/01 (Accounting for assets and liabilities) , and with a value of not more than 40,000 rubles per unit, are reflected in accounting and financial statements as part of material and supply inventories (“MPZ”), including items (equipment and maintenance accessories) and special clothing, which, when they are transferred to production, are not consumed immediately, but serve for a period exceeding 12 months. Prior to January 1, 2011, items worth up to 20,000 rubles were included in inventories (“MPZ”) for a unit, in order to ensure the safety of these objects worth up to 20 thousand rubles and 40 thousand rubles, accounted for as part of inventories, when transferred to production (operation), control over their movement is organized. Fixed assets worth from 20 to 40 thousand rubles, accepted for accounting before January 1, 2011, are accounted for as fixed assets and depreciated in accordance with the generally established procedure.

Changes in the initial cost are allowed in cases of completion, additional equipment, reconstruction, modernization, partial liquidation and revaluation of fixed assets. Accounting for costs associated with the modernization and reconstruction of fixed assets is carried out in the manner established for accounting for capital investments. During the modernization and reconstruction of fixed assets, the current replacement cost of fixed assets item is increased by the amount of actual costs incurred. In cases of improvement (increase) of the initially adopted normative indicators of the functioning of the fixed assets as a result of modernization and reconstruction, the useful life of this object is reviewed. The useful life can be revised both upwards and downwards as previously established.

Depreciation on fixed asset items is calculated on a straight-line basis based on the original cost or current (replacement) cost (in case of revaluation) of fixed asset items and the depreciation rate calculated based on the useful life of this item. The straight-line method of depreciation is applied over the entire useful life of the asset.

Objects/items of fixed assets are not subject to depreciation, the consumer properties of which do not change over time (land plots and nature management objects; objects classified as museum objects and museum collections, etc.).

The useful lives of fixed assets (in years) used for depreciation are given below:

	Useful lives (years)	
	From (Minimum)	**To (Maximum)**
Asset groups		
Machines and equipment	3	5
Other fixed assets	2	3

The Company does not revalue fixed assets (clause 15 of PBU 6/01, Clause 43 of the Methodological Guidelines for Accounting of Fixed Assets").

The actual costs of current and major repairs of fixed assets are included in the costs associated with the production and sale of the period in which they are made, except for the costs of regular repairs carried out according to technological requirements.

The cost of an item of fixed assets that is retired or is not capable of generating economic benefits (income) in the future is subject to write-off from accounting.

An item of fixed assets or other non-current assets (excluding financial investments) whose use has been discontinued due to a decision to sell it and there is evidence that the resumption of use of this item is not expected for the purposes of the financial statements is recognized as a Long-term asset for sale and is accounted for on the basis of from the rules established by PBU 16/02 "Information on discontinued operations".

Income and expenses from the disposal and sale of fixed assets are reflected in the income statement as part of other income and expenses on a net basis.

Equipment to be installed is reflected in other non-current assets in the financial statement.

3.4. Accounting for intangible assets.

Intangible assets are accepted for accounting at the actual (initial) cost determined on the date of their acceptance for accounting as below:

* purchased for a fee - according to the amount of actual acquisition costs and additional costs for bringing them to a state suitable for use for the planned purposes, with the exception of value added tax and other refundable taxes (except for cases provided for by the legislation of the Russian Federation);

* created by the Company itself - according to the amount of actual expenses for creation;

* received under a donation agreement (free of charge) - at market value as of the date of acceptance for accounting;

* received under agreements providing for the fulfilment of obligations (payment) by non-monetary means - at the cost of goods (values) transferred or to be transferred by the Company.

The useful life is determined when an object/item is accepted for accounting based on:

* the period of validity of the Company's rights to the result of intellectual activity or means of individualization (including the period of validity of a patent, certificate, license (author's) agreement on the transferred exclusive rights);

* the expected period of use of the asset, during which the Company expects to receive economic benefits, determined by the competent organization department.

An inventory item is the Intangible Assets Accounting Unit..

Depreciation of intangible assets is carried out on a straight-line basis, based on the initial cost of intangible assets and the depreciation rate calculated on the basis of their useful life.

Depreciation deductions are made until the full repayment of the value of the object/item or the write-off of this object/item from accounting.

Revaluation of intangible assets is not performed.

3.5. Accounting for material and supply inventories (MPZ) .

Stocks are an asset that is consumed or sold in an entity's normal operating cycle, or used for a period of no more than 12 months.

Stocks are, in particular:

* raw materials, materials, fuel, spare parts, components, purchased semi-finished products;

* tools, inventory, special clothing and special equipment, containers and other similar items;

* finished products, goods, incl. transferred to other persons in connection with the sale before the recognition of the proceeds from their sale;

* unfinished production/under progress production;

* real estate objects acquired or created (in the process of being created) for sale in the course of the ordinary activities of the organization;

* intellectual property acquired or created (in the process of being created) for sale in the ordinary course of an organization's activities.

The item number is the Inventory Accounting Unit.

Stocks are recognized in accounting at their actual cost, determined in accordance with FSBU 5/2019 "Inventories" (FSBU – Federal accounting standard).

The amounts paid and (or) payable by the organization when acquiring (creating) stock inventories are included in the actual cost of stock inventories, taking into account all discounts, concessions, deductions, bonuses, benefits provided to the organization, regardless of the form of their provision.

Management expenses, storage expenses are not included in the cost of acquired (created) stocks, including in the actual cost of work in progress and finished products.

Accounting for the release of stocks into production (sales, other disposals) is carried out according to the average cost method.

Stocks are valued at the balance sheet date at the lower of the following values:

• the actual cost of stocks, or;

• net realizable value of stocks.

The net realizable value of stocks is determined by an organization as the estimated price at which an organization can sell stocks as it would normally sell it in the ordinary course of business, less the estimated costs necessary to produce, prepare for sale and make the sale.

3.6. Accounting for cash, cash equivalents and presentation of cash flows in the cash flow statement.

Cash equivalents are highly liquid financial investments with maturities of less than three months that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value and are included in the cash and cash equivalents line item of the balance sheet.

Data on the availability and movement of funds in foreign currency when compiling a statement of cash flows are recalculated at the official exchange rate of foreign currency to the ruble, established by the Central Bank of the Russian Federation on the date of making or receiving the payment.

The difference arising in connection with the recalculation of cash flows and balances of cash and cash equivalents denominated/expressed in foreign currency at the exchange rates as of the dates of transactions in foreign currency and on the reporting dates are included in the line of the report "The amount of the impact of changes in the exchange rate of foreign currency in relation to ruble.

In the statement of cash flows, the following are presented in summary form:

• receipts and payments arising in connection with foreign exchange transactions;

• amounts of indirect taxes as part of receipts from buyers and customers and payments to suppliers and contractors;

• other calculations that characterize not so much the activities of organizations as the activities of its counterparties.

3.7. Revenue Accounting

The Company's income, depending on their nature, conditions of receipt and areas of activity, is divided into:

(a) income from ordinary activities;

(b) other income.

Revenue is recognized in accounting when the following conditions are met:

• The Company has the right to receive this proceeds arising from a specific agreement or otherwise confirmed in an appropriate manner;

• the amount of proceeds can be determined;

• there is confidence that a particular transaction will increase economic benefits. Confidence that as a result of a specific transaction there will be an increase in the economic benefits of the organization, there is a case when the Company in the future will receive an asset in payment or there is no uncertainty regarding the receipt of an asset;

• the right of ownership (possession, use and disposal) of the products (goods) has passed from the Company to the buyer or the work has been accepted by the customer (the service has been rendered);

• the costs incurred or to be incurred in connection with this transaction can be determined.

3.8. Cost accounting

Expenses for ordinary activities form:

• expenses associated with the acquisition of materials, works, services consumed in the process of creating the final product, transferred to consumers;

• Expenses for the payment of remuneration to employees and related amounts of insurance social contributions.

General and commercial expenses are recognized in the cost of goods sold and services rendered in full in the reporting year of their recognition as expenses for ordinary activities.

Disposal of assets in the order of advance payment for inventories and other valuables, works, services, property rights are not recognized as expenses of the Company.

Other expenses include:

• state duty;

• property tax;

• Fines, penalties, forfeits for violation of the terms of contracts;

• Compensation for losses caused by the organization;

• losses of previous years recognized in the reporting year;

• the amount of receivables for which the limitation period has expired, other debts that are unrealistic to collect;

• exchange rate differences;

• the amount of depreciation of assets;

• other similar expenses.

3.9. Accounting for credit and borrowing costs

• interest on the amount of the loan (credit) payable to the lender (creditor) in the amount and on the terms stipulated by the loan (credit) agreements;

• Additional borrowing costs.

Additional borrowing costs are:

• amounts paid for information and consulting services;

• amounts paid for examination of the loan agreement (credit agreement);

• other expenses directly related to obtaining loans (credits).

Additional costs directly related to obtaining loans (credits) are included in other expenses evenly over the term of the loan (credit).

Interest due to the lender (creditor) directly related to the acquisition, construction and (or) manufacture of an investment asset is included in the cost of this investment asset evenly, regardless of the terms of their payment in accordance with loan (credit) agreements.

3.10. Accounting for valuation reserves and valuation liabilities

Valuation reserves. The following types of valuation reserves are accrued in accounting:

(i) allowance for doubtful debts

(ii) allowance for impairment/devaluation of stock inventories;

In this case, there are the following procedure for creating reserves:

Reserves for doubtful debts is formed for the following types of debt:

• doubtful debts of buyers and customers for products, goods, works and services;

• other doubtful debtors.

At the same time, the Company's receivables, which are not repaid within the terms established by the agreement, and are not secured by appropriate guarantees, are recognized as doubtful debt.

The reserve is created on a quarterly basis based on the results of an inventory of settlements with buyers and customers for products, goods, works and services for each doubtful debt as follows:

• Doubtful debts with a maturity of more than 90 days are included in the reserve in an amount equal to 100% of the amount of debts;

• Doubtful debts with maturities of 60 to 90 days (inclusive) are included in the reserve in an amount equal to 50% of the amount of debts;

• for doubtful debts with a maturity of less than 60 days (inclusive) no provision is created.

The above reserve ratio are determined based on historical collections of receivables for the last 3 calendar years and are subject to revision at the end of each reporting period.

An allowance/reserve for impairment of stock inventories is created in the amount of the excess of the actual cost of inventories over their net realizable value.

The impairment reserve of stock inventories is recognized as an expense of the period in which the reserve for their impairment was created (increased). The amount of the recovery of the provision for impairment of stock inventories is attributed to the reduction of the amount of expenses recognized in the same period in which the proceeds from the sale of these inventories are recognized;

Estimated liabilities/provisions. The following types of estimated liabilities are reflected in accounting and reporting:

• to pay for unused vacations

3.11. Accounting for deferred expenses

Accounting for deferred expenses is carried out on account 97 "Deferred expenses" according to the actual costs incurred. Deferred expenses are written off on a monthly basis to the debit of expense accounts within the period specified in the relevant documents (licenses, contracts, etc.). If it is impossible to draw a conclusion about the term from the relevant documents, then it is determined by the commission, the composition of which is approved by the General Director of the Company or directly by order of the General Director.

Deferred expenses include:

• payments for the granted right to use the results of intellectual activity or means of individualization/brand identity, made in the form of a fixed one-time payment;

• Expenses incurred in connection with the completion of an intangible asset accepted on the balance sheet in the previous period.

Deferred expenses are repaid:

evenly, based on the period of use of the relevant assets

Deferred expenses are included in the balance sheet as other current assets and other non-current assets, depending on the expected useful life at the time of acquisition of the relevant asset.

3.12. Accounting for other non-current assets

Other non-current assets are taken into account based on the actual costs incurred for their acquisition. Other non-current assets are written off on a monthly basis to the debit of expense accounts within the period specified in the relevant documents (licenses, contracts, etc.). If it is impossible to draw a conclusion about the term from the relevant documents, then it is determined by the commission, the composition of which is approved by the General Director of the Company.

Other non-current assets are reflected in the balance sheet depending on the expected useful life at the time of acquisition of the respective asset.

3.13. Accounting for income tax calculations

The Company's income tax debt to the budget is included in the "Accounts payable" indicator of the balance sheet. The budget debt to the Company for income tax is included in the indicator "Accounts receivable" of the balance sheet.

In accordance with PBU 18/02 "Accounting for Income Tax Calculations" (PBU – Russian accounting regulations), accounting and reporting reflect deferred income tax (deferred tax assets and deferred tax liabilities), i.e. amounts that can affect the amount of current income tax in subsequent reporting periods.

The amount of the current income tax is determined on the basis of accounting data. At the same time, the amount of the current income tax corresponds to the amount of the calculated income tax reflected in the income tax return of the reporting period. The amounts of deferred tax asset and deferred tax liability are reflected in the balance sheet on a gross basis as part of non-current assets (line 1180 "Deferred tax assets") and long-term liabilities (line 1420 "Deferred tax liabilities") of the balance sheet, respectively.

4. Changes in classification, changes in accounting policies and correction of errors

4.1. Correction of errors in accounting and reporting .

The materiality of the error is determined on the basis of both the size and the nature of the relevant item(s) of the financial statements. An error is recognized as significant if, as a result of correcting the relevant item in the financial statements, the group of items in the financial statements changes by more than 5%, and also if it, individually or in combination with other errors in the same reporting period, can affect the economic decisions of users, accepted by them on the basis of financial statements compiled for this reporting period.

4.2. Comparative adjustments

No adjustments were made to comparative figures in the reporting year.

4.3. Change in accounting policy due to changes in legislation

The Company applies FSBU 5/2019 "Stock Inventories" prospectively in relation to the facts of economic life occurring after January 1, 2021.

* FSBU – Federal accounting standard

The Company does not apply ahead of time:

- FSBU 25/2019 "Accounting for rent";

- FSBU 6/2021 "Fixed assets";

- FSBU 26/2021 "Capital investments".

No changes were made to the accounting policy.

4.4. Correction of the mistake of the past years

No corrections were made (not identified).

5. Intangible assets

There are no intangible assets in the property.

6. Fixed assets

There are no fixed assets in property, as well as in off-balance sheet accounting.

The Company leases office premises under a lease agreement, however, due to the fact that the cost of this premises is not specified in the lease agreement, the Company does not reflect this premises in off-balance sheet accounting.

7. Stocks

The Company had no inventory balances/stocks as of December 31, 2021 and 2020.

As of December 31, 2021 and 2020, the Company had no stock inventories in transit or pledged.

8. Accounts receivable

Accounts receivable as at 31 December 2021, 2020 and 2021 are as follows

(In thousand rubles)

	31 December		
	2021	**2020**	**2019**
Accounts receivable			
Buyers and customers	-	-	-
Advances issued	389	-	-
Others	-	-	-
Total	**389**		

As there are no doubtful receivables, no allowance for doubtful debts was accrued.

As of December 31, 2021 and 2020, the Company had no obligation to return previously issued advances due to non-fulfilment of the terms of the contract.

9. Cash and cash equivalents

Cash and cash equivalents as at 31 December 2021 and 2020 are as follows:

(In thousand rubles)

	31 December		
	2021	**2020**	**2019**
Cash and cash equivalents			
Current bank accounts	149	-	-
Total	**149**		

As of December 31, 2021 and 2020, there are no funds in cash that are not available for use, as well as in previous reporting periods.

10. Other current assets

There were no other current assets as at 31 December 2021 and 2020.

11. Authorized capital

The authorized capital of the Company as of December 31, 2021, 2020 and 2019 is as follows:

(In thousand rubles)

	31 December		
	2021	**2020**	**2019**
Category			
Authorized capital	1000,0	1000,0	-
Total	**1000,0**	**1000,0**	

The structure of founders as of December 31, 2021, 2020 and 2019 is as follows:

(In thousand rubles)

	% ownership		
	99	**99**	
A. Tech Mahindra limited (India)	1	1	-
B. Suluguri Raji Reddy	100	100	
Total	**1000,0**	**1000,0**	

As of December 31, 2021 and 2020, the ultimate beneficiary is TECH MAHINDRA LIMITED (India).

12. Borrowed funds

In 2021, the Company did not raise any borrowed funds

13. Accounts payable

Accounts payable as at 31 December 2021 and 2020 are as follows:

(In thousand rubles)

	31 December		
	2021	**2020**	**2019**
Accounts payable			
Suppliers and contractors	290	-	-
Debt on taxes and fees	-	-	-
Debt to the staff of the organization	517	-	-
Debt to state off-budget funds	167	-	-
Total	**974**		

As of December 31, 2021 and 2020, the Company had no obligation to return previously received advances due to non-fulfilment of the terms of the contract.

14. Estimated liabilities/Provisions

Movements/flow in provisions for 2021 and 2020 are as follows:

(See clause 7 of the Notes to the balance sheet and income statement)

(In Thousand Rubles)

	To pay for unused vacations	**Total**
Balance as of December 31, 2019	-	-
Increase in reserves	-	-
Use of reserves	-	-
Balance as of December 31, 2020	-	-
Increase in reserves	69	69
Use of reserves	-	-
Balance as of December 31, 2021	69	69

The Company has no estimated liabilities with a maturity of more than 12 months.

15. Contingent liabilities

As of the date of signing the accounting (financial) statements, there were no contingent liabilities in the Company.

16. Contingent assets

As of the date of signing the accounting (financial) statements, there were no contingent assets in the Company.

17. Revenue

There were no revenues for 2021 and 2020 as active commercial activity has not yet commenced.

18. Cost of sales, selling expenses, administrative expenses

Cost of sales by cost elements for 2021 and 2020 is presented as follows:

(See clause 6 of the Explanatory Notes to the Balance Sheet and Statement of Financial Results)

(In Thousand Rubles)

	2021	2020
Management expenses/Operational cost	-	-
Payroll expenses	552	-
Deductions for social needs	167	-
Office space rental	106	-
Accounting services	247	-
Reserve for future expenses	69	-
Total	1141	69

19. Other income

Other income for 2021 and 2020 is presented as follows:

(In Thousand Rubles)

	2021	2020
Other income	-	-
Exchange rate differences	14	-
Total	14	-

20. Other expenses

Other expenses for 2021 and 2020 are as follows:

(In Thousand Rubles)

	2021	2020
Other expenses	-	-
Exchange rate differences	8	-
Expenses for payment of banking services	263	-
Compensation for late payment of salary	37	-
Total	308	-

21. Related parties

The related parties of TECH MAHINDRA TECHNOLOGY SERVICES LLC are the members of the Company (founders), as well as the key management personnel of the Company and related parties.

Key management personnel as at 31 December 2021 included:

Litvinov Sergey Petrovich. General Director (CEO)

As at 31 December 2020, key management personnel included:

Litvinov Sergey Petrovich. General Director (CEO)

The total amount of remuneration paid to key management personnel for 2021 and 2020 amounted to RUB 552 thousand rubles and 0 thousand rubles respectively.

Related party transactions

Transactions with related parties did not take place in 2020 and 2021, except for the fulfilment by the Founders of the obligation to deposit the authorized capital to the Company's settlement account/current account.

22. Exchange rates and exchange rate differences

Rates of the Central Bank of the Russian Federation, effective on the date of preparation of financial statements:

Currency	December 31, 2021	December 31, 2020	December 31, 2019
USD	74.2926	73.8757	61.9057
Euro	84.0695	90.6824	69.3406
GBP	100.0573	100,0425	81.1460

23. Guarantees and warranties/ sureties issued

As of December 31, 2021, the Company did not issue guarantees and sureties, and no reserves were created for possible payments.

24. Insurance

The Company did not purchase insurance services and did not enter into agreements with insurance companies.

25. Litigation

As part of its normal activities, the Company may be involved in a number of legal proceedings. According to the Company's Management, there are currently no legal proceedings, claims against the Company or court decisions made that could have a material negative impact on the financial position of the Company.

26 Operating environment and financial risks .

26.1. Operating environment

The economy of the Russian Federation exhibits some of the characteristics of an emerging market. It is particularly sensitive to fluctuations in oil and gas prices. The tax, currency and customs legislation of the Russian Federation continues to evolve and is subject to varying interpretations. Low oil prices, continued political tensions in the region, and ongoing international sanctions against certain Russian companies and individuals have had a negative impact on the Russian economy in 2020. The action of these factors contributed to the economic recession in the country, characterized by a fall in the gross domestic product. Financial markets continue to be characterized by instability, frequent and significant price changes, and widening trading spreads. The rating of the Russian Federation was downgraded to "below investment" level. This economic environment has a significant impact on the activities and financial position of the Company. The management takes the necessary measures to ensure the sustainable operation of the Company. However, the future impact of the current economic environment is difficult to predict and management's current expectations and estimates may differ from actual results.

The activities of the Company are to some extent exposed to various types of risks (financial, market, legal, country and regional, reputational, etc.). The explanations disclose information on the Company's exposure to risks and the reasons for their occurrence, risk management mechanisms, as well as changes compared to the previous period

Disclosure of Covid-19

On March 11, 2020, the World Health Organization (WHO) declared the outbreak of the new coronovirus pandemic. The difficult epidemiological situation around the world has affected the global economy. The response by governments around the world to contain the pandemic has caused significant disruptions to the operating cycles of many companies and has had a significant impact on their business in various sectors of the economy, including such consequences as disruption to operations due to the suspension, supply disruption, transfer of personnel to quarantine or remote work, reduced demand and difficulties in attracting funding. The activities of the Company turned out to be dependent on the duration and spread of the pandemic impact on the global and Russian economies.

In response to the spread of the coronavirus infection in Russia, the Company's management promptly monitors the development of the situation. The Company is taking active measures to prevent the spread and reduce the risk of coronavirus infection and is promptly monitoring the development of the situation. Employees of the Company daily receive up-to-date information on the current epidemiological situation at the enterprise, country and in the world through the channels of internal corporate communications. The Company is taking active measures to prevent the spread and reduce the risk of coronavirus infection.

At the end of 2021, the spread of coronavirus infection did not have a significant impact on the Company's activities. The company was able to optimize its work in order to comply with Government Decrees, comply with recommendations for employers and ensure the safety of customers and employees..

The Company's management continues to closely monitor the development of the pandemic, taking active measures to minimize risks for personnel and business as a whole. The nature of the Company's activities does not relate to the areas most affected by the spread of coronavirus infection, and this circumstance did not lead to serious consequences related to the violation of the business continuity assumption (going concern assumption). In 2022 and subsequent periods, the management of the Company does not expect a significant impact of the pandemic on the activities of the Company.

26.2 Financial risks .

Financial risks include market risks, credit and liquidity risks

Market risk is the risk that the Company may experience adverse consequences if certain market parameters change. Market parameters include the following types of risk: interest rate risk, foreign exchange rate risk, commodity price risk and price index risk, and other price risks such as equity price risk.

Interest rate risk The assets and liabilities of the Company do not depend on the interest rate. Therefore, management believes that the Company is not exposed to interest rate risk on its assets and liabilities.

Currency risk

Currency risk is the risk that the Company may experience adverse effects in the event of changes in foreign exchange rates. Exposure to the risk of changes in foreign exchange rates is primarily due to operating activities (when revenue or expenses are denominated in foreign currency).

The Company purchases services in Russian rubles, and therefore the currency risks are assessed as insignificant.

Credit risk

Credit risk is the risk that the Company will incur financial losses because counterparties will not fulfil their obligations under the borrowed funds provided to them (including in the form of deferrals and instalment payments for goods sold, work performed or services rendered).

The Company is not exposed to credit risk associated with its operating activities. First of all, in relation to trade receivables.

Customer credit risk management is carried out in accordance with the policy, procedures and control system established by the Company in relation to customer credit risk management. Regular monitoring of outstanding receivables from clients is carried out. Analysis of receivables showed that the degree of this type of risk for the Company is not high.

Liquidity risk

Liquidity risk is associated with the Company's ability to timely and fully repay the financial liabilities available at the reporting date: accounts payable to suppliers and contractors, debt to lenders on loans and borrowings received, etc. The Company manages liquidity risk by choosing the optimal ratio of equity and borrowed capital in accordance with with management plans. Given the fact that part of the Company's accounts payable is accounts payable for services received from related parties, the Company has the opportunity to discuss options for debt restructuring, if necessary. In addition, the Company believes that it has sufficient access to sources of financing (primarily within the group of companies), and also has both engaged and unused credit resources that will allow it to meet expected borrowing needs.

27. Legal risks .

Legal risks represent the risk of losses due to non-compliance by companies with the requirements of regulatory legal acts and concluded agreements, legal errors made in the course of their activities and imperfections in the legal system.

Legal risk management is carried out in order to reduce (exclude) possible losses.

In order to maintain legal risk at an acceptable level, the Company takes the following measures:

• monitoring of changes in the legislative and regulatory framework of the Russian Federation and analysis of the need to change the internal regulatory framework of the Company;

• monitoring of the Company's internal documents for their availability, completeness and compliance with the legislative and regulatory framework of the Russian Federation;

• informing the employees of the Company about changes in the legislation of the Russian Federation, about changes in the internal documents of the Company;

• standardization of operation and transactions (methods, procedures, implementation of operations and transactions, conclusion of contracts) by developing and approving internal regulations and standard forms;

• control over compliance with the established internal procedure for approval by the Company's employees of concluded contracts and transactions;

• systematic analysis of indicators characterizing legal risks;

• monitoring the effectiveness of legal risk management;

• the legal service department monitors the legislation on an ongoing basis, informing the Company's employees about changes in the provisions and rules of law relating to legal risk.

27.1 Risks associated with new transfer pricing controls

Transfer pricing legislation allows the tax authorities to apply adjustments to transfer prices and impose additional income tax liabilities on all "controlled" transactions if the transaction price deviates from the market price level. The list of "controlled" transactions includes transactions with related parties and certain types of foreign transactions.

For intra-group transactions, transfer pricing rules apply only if the sum of all transactions with each related party individually exceeds:

• for operations in the domestic market - 1,000,000 thousand rubles in 2020 and 2021, if the parties apply different income tax rates and different tax regimes, apply exemption from VAT and/or income tax, application of investment tax deduction;

for operations on the international market - 60,000 thousand rubles in 2020 and 2021

In cases where internal transactions have led to the accrual of additional tax liabilities of one of the parties, the other party may accordingly adjust its income tax liabilities on the basis of a special notice issued by the authorized body in the prescribed manner.

These rules apply not only to transactions that took place in 2021, but also to transactions with related parties in previous years, if the related income and expenses were recognized in 2020.

The company is not subject to the new transfer pricing rules in 2021.

27.2 Risks associated with changes in currency regulation .

Domestic market: the risks associated with the possibility of changes in currency regulation are currently considered by the Company as immaterial. In connection with the policy of liberalization of foreign exchange regulation, the risks associated with changes in foreign exchange legislation are reduced.

Foreign market: legal risks associated with changes in foreign exchange regulations in the foreign market may affect the Company's activities in connection with operations in the foreign market. The Company constantly monitors changes in the regulatory framework in the field of currency regulation and control, strictly follows the provisions of the currency legislation.

Thus, the Company considers the risk of changes in currency regulation as insignificant and believes that the problem of a possible change in currency control rules should not significantly affect the Company's activities.

27.3.Risks associated with changes in currency regulation.

Recent developments in the Russian Federation indicate that the tax authorities may be taking a more assertive stance in interpreting tax legislation and tax calculations. As a result, the tax authorities may file claims for those transactions and accounting methods for which they have not previously filed claims. As a result, significant additional taxes, interest and penalties may be assessed. Tax audits may cover the three calendar years of activity immediately preceding the audit year. Under certain conditions, even earlier periods may be subject to verification.

The Company's management believes that the Company fully complies with the tax legislation relating to its activities, which, however, does not eliminate the potential possibility for disagreement with the relevant regulatory authorities on issues that allow for ambiguous interpretation.

Realization of this risk, that is, a change in the rules of taxation in the Russian Federation, may lead to an increase in the tax burden on the Company and a decrease in the Company's net profit.

In order to limit the possible negative impact of this risk on its activities, the Company provides for measures such as ongoing monitoring of changes in tax legislation.

In the event that changes are made to the existing procedure and conditions of taxation, the Company intends to plan its financial and economic activities taking into account these changes.

The probability of occurrence of this risk is assessed as medium, the damage to the Company from the realization of this risk is assessed as low.

Thus, the Company considers the risk of changes in tax legislation as insignificant and believes that the problem of a possible change in taxation rules should not significantly affect the Company's activities.

27.4 Risks of changes in judicial practice on issues related to the activities of the Company .

The realization of this risk, that is, a change in judicial practice, may lead to negative consequences in the form of penalties applied to the Company.

In order to limit the possible negative impact of this risk on its activities, the Company provides for such measures as conducting a permanent monitoring of changes in judicial practice on issues related to the activities of the Company.

If changes are made to the judicial practice on issues related to the activities of the Company, the Company intends to plan its financial and economic activities taking into account these changes.

The probability of occurrence of this risk is assessed as low, the damage to the Company from the realization of this risk is assessed as low.

Thus, the Company considers the risk of changes in judicial practice as insignificant and believes that the problem of possible issuance of court decisions that are negative for the Company should not significantly affect the Company's activities.

28 Country and regional risks

Country and regional risks and which are associated with the political and economic situation, geographical features in the country (countries) and region (regions) in which the organization carries out normal activities and (or) is registered as a taxpayer.

The stability of the Russian economy largely depends on the progress of economic reforms, the development of the legal, tax and administrative infrastructure, as well as on the effectiveness of the measures taken by the Government of the Russian Federation in the field of finance and monetary policy.

Despite the stabilization measures taken by the Government of the Russian Federation to ensure liquidity and refinance foreign loans of Russian banks and companies, uncertainty remains regarding the possibility of access to sources of capital, as well as the cost of capital for the Company and its counterparties, which may affect the financial position, results of operations and economic prospects of the Company. Instability in the capital markets could lead to a significant deterioration in liquidity in the banking sector and tightening credit conditions in Russia.

In general, the Company cannot have a significant impact on the economic situation in the country. However, in the event of a negative impact of a change in the situation in the country or region of the Russian Federation in which the Company operates, the Company will take all measures to reduce the negative consequences on the financial position and financial performance of the Company.

29 Reputational risks

Reputational risk is associated with a decrease in the number of customers (clients) of an organization due to a negative perception of the quality of its products, works, services, compliance with the terms of product delivery, performance of work, provision of services, participation in price collusion (price fixing) etc.

The Company's management believes that at present there are no facts that could have a significant negative impact on the reduction in the number of its buyers (customers) due to a negative perception of the quality of products (works, services) produced and sold by the Company, compliance with the deadlines for the performance of works (services), as well as participation of the Company in any price collusion/fixing. Accordingly, reputational risks are assessed by the Company as insignificant.

30 Events after the balance sheet date

Acquisition of shares in a subsidiary

The Company did not acquire shares of subsidiaries.

Legislative change

There were no changes in legislation that had an impact on the financial and economic performance of the Company.

Change in authorized capital

There were no changes in the authorized capital.

Change of leadership

There was no change in leadership.

General Director (CEO)

TECH MAHINDRA TECHNOLOGY SERVICES LLC Litvinov S.P.

March 29, 2022

TECH MAHINDRA IT SERVICES NL B.V.

UNAUDITED FINANCIAL STATEMENTS
For the year ended 31st March 2022

Managing Directors
Mr. Sandeep Phadke
Mr. Mandar Vasant Bhairavkar

Registered Office
Maanplein 20, Gebouw 8,
2516 CK,in ‘s-Gravenhage

Bankers
CITI Bank Europe PLC

TECH MAHINDRA IT SERVICES NL B.V.

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note	31-03-2022		31-03-2021	
		EUR	EUR	EUR	EUR
ASSETS					
FIXED ASSETS					
Property, plant and equipment					
Other fixed assets	1		413,304		-
Financial assets					
Deferred tax assets	2	2,582,911		2,908,000	
Other amounts receivable	3	117,027		-	
			2,699,938		2,908,000
CURRENT ASSETS					
Receivables					
Trade debtors	4	1,969,531		-	
Other receivables and accrued assets	5	1,402,305		1,500	
			3,371,835		1,500
Cash and cash equivalents	6		1,510,870		4,363
Total Assets			7,995,947		2,913,863
EQUITY AND LIABILITIES					
EQUITY	7				
Share capital paid called up	8	18,000		18,000	
Share premium reserve	9	41,742,754		41,173,126	
General reserve		-39,440,289		-40,704,584	
Result for the year		566,004		1,264,295	
			2,886,469		1,750,837
CURRENT LIABILITIES AND ACCRUALS AND DEFERRED INCOME					
Received in advance	10	698,276		-	
Trade payables		290,574		8,593	
Liabilities to group companies	11	1,940,034		146,874	
Payables relating to taxes and social security contributions	12	1,189,168		989,161	
Other liabilities and accrued expenses	13	991,426		18,398	
			5,109,478		1,163,026
Total equity and liabilities			**7,995,947**		**2,913,863**

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 01-04-2021 UNTIL 31-03-2022

Particulars	Note	**31-03-2022**		31-03-2021	
		EUR	**EUR**	EUR	EUR
Net Turnover	14	18,633,994		-	
Cost of sales	15	-2,665,304		-	
Gross margin			15,968,690		-
Wages and salaries	16	10,552,393		-	
Social security and pensions cost	17	911,643		-	
Depreciation of intangible and tangible fixed assets	18	82,361		4,399	
Other operating expenses	19	3,497,329		-81,179	
Total of sum of expenses			15,043,726		-76,780
Total of operating result			924,964		76,780
Other interest and similar income	20	-8,029		19,603	
Interest and similar expenses	21	-1,753		-1,740,088	
Currency translation differences		-24,090		-	
Financial income and expense			-33,872		-1,720,485
Total of result before tax			891,093		-1,643,705
Income tax expense			-325,089		2,908,000
Total of result after tax			**566,004**		**1,264,295**

NOTES TO THE FINANCIAL STATEMENTS

ENTITY INFORMATION

Registered address and registration number trade register

The registered and actual address of Tech Mahindra IT Services NL B.V. is Maanplein 20 Gebouw 8, 2516 CK in ‘s-Gravenhage. Tech Mahindra IT Services NL B.V. is registered at the Chamber of Commerce under number 17145728.

GENERAL NOTES

The most important activities of the entity

The activities of Tech Mahindra IT Services NL B.V. consist mainly of trading software licenses.

As of May 3, 2021 the company has changed it’s name from LCC Network Services B.V. to Tech Mahindra IT Services NL B.V.

Disclosure of group structure

Tech Mahindra IT Services NL B.V. is part of a group. The head of this group is Tech Mahindra Limited, established in Mumbai (India).

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Tech Mahindra IT Services NL B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Disclosure of mergers and acquisitions

As per 1 July 2021, Tech Mahindra Netherlands B.V. and Tech Mahindra Limited Branch are merged into Tech Mahindra IT Services NL B.V.

The method used for the mergers is carry over accounting. With this method the book values of Tech Mahindra Netherlands B.V. will be transferred to Tech Mahindra IT Services NL B.V. as per the date of the merger. The equity of Tech Mahindra Netherlands B.V. will be recorded as share premium in the financial statements of Tech Mahindra IT Services NL B.V. The comparative figures don’t need to be adjusted in the financial statements.

For Tech Mahindra Limited Branch, the employees will be economically and legally transferred to Tech Mahindra IT Services NL B.V. as per 1 July 2021. All receivables and liabilities are transferred to the current account with Tech Mahindra Ltd.

GENERAL ACCOUNTING PRINCIPLES

The accounting standards used to prepare the financial statements

The financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board (‘Raad voor de Jaarverslaggeving’).

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, profit and loss account and the cash flow statement, references are made to the notes.

ACCOUNTING PRINCIPLES

Property, plant and equipment

Tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Financial assets

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction costs. These receivables are subsequently valued at amortised cost price, which is, in general, equal to the nominal value. For determining the value, any depreciation is taken into account.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

Income tax expense

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.ates.

NOTES TO THE BALANCE SHEET

1. Property, plant and equipment

Movement may be presented as follows:

	Other fixed assets
	EUR
Book value as at 1 April 2021	-
Movements	
Additions / Merger Transfer	472,791
Depreciation	-59,487
Balance as at 31 March 2022	413,304
Cost or manufacturing price	472,791
Accumulated depreciation	-59,487
Book value as at 31 March 2022	413,304
Depreciation rate	20

2. Deferred tax assets

	31-03-2022	31-03-2021
	EUR	EUR
Deferred tax asset	**2,582,911**	2,908,000
Deferred tax asset		
Balance as at 1 April	**2,908,000**	-
Mutation	**-325,089**	2,908,000
Balance as at 31 March	**2,582,911**	2,908,000

This concerns a deferred tax asset for compensable losses, this is valued at nominal value and calculated at the applicable tax rate of 25%.

3. Other amounts receivable

	31-03-2022	31-03-2021
	EUR	EUR
Deposits	**117,027**	-

4. Trade debtors

	31-03-2022	31-03-2021
	EUR	EUR
Trade debtors	**1,969,531**	-

A provision for doubtful debts is not deemed necessary.

5. Other receivables and accrued income

	31-03-2022	31-03-2021
	EUR	EUR
Taxes and social security charges	**120,046**	-
Other receivables and accrued income	**1,282,259**	1,500
	1,402,305	1,500
Taxes and social security charges		
Corporate income tax	**120,046**	-

	31-03-2022	31-03-2021
	EUR	EUR
Other receivables and accrued income		
Prepaid expenses	**1,210,058**	-
Prepaid personnel expenses	**72,201**	-
Other	**-**	1,500
	1,282,259	1,500

6 Cash and cash equivalents

	31-03-2022	31-03-2021
	EUR	EUR
Citibank	**1,510,870**	4,363

7 Equity

Movements in equity were as follows:

	Share Capital	Share Premium	General Reserve	Results for the year	Total
	EUR	EUR	EUR	EUR	EUR
Balance as at 1 April 2021	18,000	41,173,126	-40,704,584	1,264,295	1,750,837
Result for the year	-	-	-	566,004	566,004
Appropriation of result	-	-	1,264,295	-1,264,295	-
Merger transfer	-	569,628	-	-	569,628
Balance as at 31 March 2022	18,000	41,742,754	-39,440,289	566,004	2,886,469

8 Share capital paid called up

The authorised share capital of Tech Mahindra IT Services NL B.V. amounts to Euro 90,000, divided into 90,000 ordinary shares of Euro 1.00 each, of which 18,000 shares are issued and paid up. As at 31 March 2022 the issued and paid up shares are owned by Tech Mahindra Limited, India.

9 Share premium reserve

The mutation in the share premium reserve arises from the merger with Tech Mahindra Netherlands B.V.

10. Received in advance

	31-03-2022	31-03-2021
	EUR	EUR
Received in advance	**698,276**	-

11 Liabilities to group companies

	31-03-2022	31-03-2021
	EUR	EUR
Current-account Tech Mahindra Ltd.	**1,940,034**	146,874

All receivables and liabilities from the merger of Tech Mahindra Limited Branch into Tech Mahindra IT Services NL B.V. are transferred to the current-account Tech Mahindra Ltd.

12 Payables relating to taxes and social security contributions

	31-03-2022	31-03-2021
	EUR	EUR
Value added tax	**754,838**	989,161
Social security contributions	**328,923**	-
Pension premiums	**105,408**	-
	1,189,168	989,161

The net sales decreased till Zero compared to 2019/2020. This drop in revenue is related to no sales activities of business during 2020/2021.

13 Other liabilities and accrued expenses

	31-03-2022	31-03-2021
	EUR	EUR
Accrued expenses	671,856	-
Leave encashment	214,735	-
Other	88,193	-
Accounting and consultancy costs	16,642	18,398
	991,426	**18,398**

14 Net Turnover

	31-03-2022	31-03-2021
	EUR	EUR
Turnover	18,633,994	-

15 Cost of sales

	31-03-2022	31-03-2021
	EUR	EUR
Cost of sales	2,665,304	-

16 Wages and salaries

	31-03-2022	31-03-2021
	EUR	EUR
Wages and salaries	10,552,393	-

17 Social security and pensions cost

	31-03-2022	31-03-2021
	EUR	EUR
Social security charges	911,643	-

18 Depreciation of intangible and tangible fixed assets

	31-03-2022	31-03-2021
	EUR	EUR
Depreciation	82,361	4,399

19 Other operating expenses

	31-03-2022	31-03-2021
	EUR	EUR
Other expenses of employee benefits	2,052,190	-
Housing expenses	277,924	-
Selling expenses	355,317	36
Office expenses	145,831	-
General expenses	666,067	-81,215
	3,497,329	**-81,179**

Other expenses of employee benefits		
Third party services	1,670,464	
Study excursion	330,907	-
Provident fund	38,621	-
Canteen expenses	7,213	-
Other staff expenses	4,986	-
	2,052,190	**-**

	31-03-2022	31-03-2021
	EUR	EUR
Housing expenses		
Rental expenses	216,620	-
Cleaning expenses	61,304	-
	277,924	**-**
Selling expenses		
Travelling and hotel expenses	284,414	36
Freight expenses	46,984	-
Representation expenses	23,919	-
	355,317	**36**
Office expenses		
Telephone and fax expenses	86,721	
Automation expenses	41,439	
Repair and maintenance office furniture	16,715	
Printed matters	957	
	145,831	**-**
General expenses		
Audit costs, fiscal advisory services	390,717	
Insurance premium	121,764	
Penalties	40,000	
Litigation expenses	31,715	
Bank expenses	28,390	
Link charges	26,657	
Other	26,823	-81,215
	666,067	**-81,215**

20 Other interest and similar income

	31-03-2022	31-03-2021
	EUR	EUR
Interest of receivables from group companies	-	12,273
Interest of receivables from other participations	-	7,330
Other interest received	8,029	-
	8,029	**19,603**

21 Interest and similar expenses

	31-03-2022	31-03-2021
	EUR	EUR
Interest liabilities to group companies	1,753	-1,740,088

TECH MAHINDRA IT SERVICES NL B.V.

Sandeep Phadke
Director
Place: Netherlands
Date : 24th June 2022

Mandar Bhairavkar
Director

SOFGEN HOLDINGS LIMITED

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1ST APRIL 2021 TO 31 MARCH 2022

Board of Directors
Mr. Vivek Agarwal
Mr. Vikram Narayanan Nair
Mr. Alexander Dembitz

Registered office
Arch. Makariou III, 229
Meliza Court, 4th floor P.C.
3105 Limassol (Cyprus)

Bankers
HSBC Bank
UBS Switzerland

CONSOLIDATED BALANCE SHEET

USD. in Thousand

	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A		36
(b) Right to use assets	3B	-	204
(c) Goodwill	4	-	-
(d) Financial assets			
(i) Investments	5	77	83
(ii) Loans	5A	-	500
(iii) Other financial assets	6	30	155
(e) Deferred tax assets (Net)		-	282
(f) Other non-current assets	7	377	439
Total Non - Current Assets		**484**	**1,699**
Current assets			
(a) Financial assets			
(i) Trade receivables	8		
(1) Billed		1,755	4,108
(2) Unbilled		-	1,287
(ii) Cash and cash equivalents	9	2,035	8,072
(iii) Other financial assets	10	2	1
(b) Current tax assets		31	-
(c) Other current assets	11	1,629	1,627
Total current assets		**5,451**	**15,095**
Total assets		**5,935**	**16,794**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	16,557	6,557
(b) Other equity	13	(18,922)	(14,822)
Total equity		**(2,366)**	**(8,265)**
Liabilities			
Non-current liabilities			
(a) Provisions	14	-	443
Total non-current liabilities		**-**	**443**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	4,143	15,859
(ii) Lease liabilities		-	218
(iii) Trade payables		3,895	7,111
(iv) Other financial liabilities	16	211	484
(b) Other current liabilities	17	46	313
(c) Provisions	18	5	215
(d) Income tax liabilities (Net)		-	416
Total current liabilities		**8,300**	**24,617**
Total equity and liabilities		**5,935**	**16,794**

See accompanying notes forming part of the consolidated financial statements

For Sofgen Holdings Limited

Alexander L. Dembitz
Director

Vivek Satish Agarwal
Director

Place:
Date: 29 June 2022

Place:
Date: 29 June 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

USD. in Thousand

		Note No.	For the year ended March 31, 2022	March 31, 2021
I	Revenue from operations		10,485	23,912
II	Other income	19	2,714	1,124
III	**Total income (I +II)**		**13,199**	**25,036**
IV	**EXPENSES**			
	Employee benefit expenses	20	7,371	13,610
	Subcontracting expenses		772	5,287
	Finance costs	21	88	390
	Depreciation and amortisation expenses	22	352	510
	Other expenses	23	10,384	4,085
	Total expenses		**18,967**	**23,882**
V	**(Loss)/Profit before tax (III-IV)**		**(5,768)**	**1,155**
VI	**Income tax expense**			
	Current tax		57	1,761
	Deferred tax		(693)	840
	Total tax expense		**(636)**	**2,601**
VII	**Loss after tax (V-VI)**		**(5,132)**	**(1,446)**
	Loss for the year attributable to:			
	Owners of the Company		(5,132)	(1,446)
	Non controlling interests		-	-
VIII	**Other Comprehensive Income**			
A	I. Items that will not be reclassified to Profit or Loss			
	(a) Remeasurements of the Defined Benefit Liabilities - Gain/(Loss)		-	6
	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			
	(a) Exchange differences in translating the financial statements of foreign operations - Gain/(Loss) (net)		146	(211)
	Total Other Comprehensive Income / (Loss) (A+B)		**(4,986)**	**(205)**
IX	**Total Comprehensive Income / (Loss) (VII+VIII)**		**(4,986)**	**(1,651)**
	Total Comprehensive Income / (Loss) for the year attributable to:			
	Owners of the Company		(4,986)	(1,651)
	Non Controlling Interests		-	-
X	**Earnings per Equity Share in USD (Face Value EUR. 1)**			
	Basic		(0.44)	(1.31)
	Diluted		(0.44)	(1.31)

See accompanying notes forming part of the consolidated financial statements

For Sofgen Holdings Limited

Alexander L. Dembitz	**Vivek Satish Agarwal**
Director	Director
Place:	Place:
Date: 29 June 2022	Date: 29 June 2022

CONSOLIDATED CASH FLOW STATEMENT

		USD. in Thousand	
		For the year ended	
		March 31, 2022	**March 31, 2021**
A	**Cash Flow from Operating Activities**		
	(Loss)/Profit before tax	(5,768)	1,155
	Adjustments for :		
	Depreciation and amortisation expenses	352	510
	Allowances for Doubtful Receivables / Advances and Deposits and Bad Debts written off (net)	5,778	195
	Excess provision and sundry balances written back	(1)	(811)
	Loss/(Gain) on disposal of Property, Plant and Equipment (Net)	-	(3)
	Finance costs	88	390
	Loss on sale of investment in subsidiary	-	1,096
	Unrealised Exchange Loss/(Gain) (Net)	1,914	(934)
	Interest Income	(9)	(3)
	Operating Profit before Working Capital Changes	**(349)**	**1,595**
	Changes in working capital		
	Trade receivables and other assets	(1,959)	4,804
	Trade payables, other liabilities and provisions	(4,380)	(5,817)
		(6,339)	**(1,013)**
	Cash (used in)/generated from operating activities before taxes	(6,689)	582
	Income taxes paid, net	(505)	(1,042)
	Net cash (used in) from operating activities (A)	**(7,194)**	**(460)**
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment	-	0
	Proceeds from Sale of Property, Plant and Equipment	-	13
	Purchase of treasury bonds and bills	-	(50)
	Proceeds from sale of investment subsidiary	3,482	4,466
	Sale of net assets of subsidiaries	(782)	(3,155)
	Loan given to related parties	500	(500)
	Interest income received	8	5
	Net cash generated from investing activities (B)	**3,209**	**779**
C	**Cash Flow from Financing Activities**		
	Proceeds from issue of equity shares	10,000	5,000
	Repayment of lease liabilities	(218)	(452)
	Repayment of loans to related parties	(11,716)	(1,979)
	Finance costs paid	(118)	(589)
	Net cash (used in)/generated from financing activities (C)	**(2,052)**	**1,980**
	Net (decrease)/increase in cash and cash equivalents during the year (D=A+B+C)	**(6,037)**	**2,299**
	Cash and cash equivalents at the beginning of the year (E)	**8,072**	**5,773**
	Cash and cash equivalents at the end of the year (D+F) (Refer Note 9)	**2,035**	**8,072**

See accompanying notes forming part of the consolidated financial statements

For Sofgen Holdings Limited

Alexander L. Dembitz	**Vivek Satish Agarwal**
Director	Director
Place:	Place:
Date: 29 June 2022	Date: 29 June 2022

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

A. Equity Share Capital

		USD. in Thousand
Balance as of April 1, 2020	**Changes in equity share capital during the year**	**Balance as at March 31, 2021**
1,557	5,000	6,557
Balance as of April 1, 2021	**Changes in equity share capital during the year**	**Balance as at March 31, 2022**
6,557	10,000	16,557

B. Other Equity

USD. in Thousand

Particulars	Reserves & Surplus				Items of Other comprehensive Income	Owners Equity	Total
	Securities Premium	General Reserve	Other Reserve	Retained Earnings	Foreign Currency Translation Reserve		
Balance as at April 1, 2020	11,049	566	148	(23,167)	(1,767)	(13,171)	(13,171)
Loss for the year	-	-	-	(1,446)	-	(1,446)	(1,446)
Other Comprehensive Income (net of tax)	-	-	-	6	(211)	(205)	(205)
Balance as at March 31, 2021	11,049	566	148	(24,607)	(1,978)	(14,822)	(14,822)
Balance as at April 1, 2021	**11,049**	**566**	**148**	**(24,607)**	**(1,978)**	**(14,822)**	**(14,822)**
Loss for the year	**-**	**-**	**-**	**(5,132)**	**-**	**(5,132)**	**(5,132)**
Changes in ownership interest in subsidiaries that result in loss of control	**-**	**-**	**-**	**-**	**885**	**885**	**885**
Other Comprehensive Income (net of tax)	**-**	**-**	**-**	**-**	**146**	**146**	**146**
Total Comprehensive income	**-**	**-**	**-**	**(5,132)**	**1,031**	**(4,101)**	**(4,101)**
Profit on sale of investment in subsidiary	**-**	**-**	**-**	**-**	**-**	**(0)**	**(0)**
Balance as at March 31, 2022	**11,049**	**566**	**148**	**(29,739)**	**(947)**	**(18,922)**	**(18,922)**

Securities Premium:

Securities premium reserve is used to record the premium on issue of shares. The fair value of employee stock options is recognised in securities premium once the shares have been allotted on exercise of the options.

General Reserve:

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

Other Reserve:

Other reserve represent reserve created out of profits for compliance of local laws of a subsidiaries.

Retained Earnings:

Retained earnings represents the undistributed profits of the group accumulated as on balance sheet date.

Foreign Currency Translation Reserve:

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than USD is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

See accompanying notes forming part of the consolidated financial statements

For Sofgen Holdings Limited

Alexander L. Dembitz
Director

Place:
Date: 29 June 2022

Vivek Satish Agarwal
Director

Place:
Date: 29 June 2022

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Corporate Information:

The Company Sofgen Holdings Limited (the ''Company'') was incorporated in Cyprus on 27 May 2008 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 229, Arch. Makarios III Ave. Meliza Court, 4th floor, 3105, Limassol, Cyprus.

The condensed consolidated financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on June 29th 2022.

2. Significant accounting policies:

2.1 Statement of Compliance:

These condensed consolidated financial statements (referred to as 'financial statements') have been prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

2.2 Basis for preparation of financial statements:

The functional currency of the Company is EURO and of its subsidiaries is the currency of the primary economic environment in which the entity operates. The presentation currency of the reporting entity is USD to facilitate consolidation by the Ultimate Holding Company.

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 the 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. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle.

The net-worth of the Group is eroded, primarily on account of losses earned in recent years. Management has performed an assessment of the ability of the Group to continue as a going concern at the reporting date for the foreseeable future, including a sensitivity assessment of its projections. In addition, the Group has obtained a Letter of Support from its ultimate holding company to provide financial assistance to the Group and it will continue in the near future which will at least be for 12 months from the date of signing of the 2021 financial statements.

Considering all the above factors, the Group believes that it has the ability to pay its operating expenses as they fall due in the ordinary course from its operating income and cash reserves; to satisfy the interest repayments in the ordinary course for 12 months from the date of the financial statements, from free cash available. Further, the Group continues to generate and receive revenue through new and existing customers even during the Pandemic situation and current economic uncertainty. Accordingly, these financial statements have been prepared as per the going concern assumption.

The Financial statements have been prepared as per section 129 (1) of the Act to assist the Tech Mahindra Limited (Parent Company) for preparation of consolidated financial statements and for the purpose of compliance with the provision of section 129 and Section 136 read with Schedule III of the Companies Act, 2013.

2.3 Basis of Consolidation:

These condensed consolidated financial statements comprise the financial statements of Sofgen Holdings Limited and its subsidiaries (the Company and its subsidiaries constitute "the Group"). The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity. The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra- group balances, transactions including unrealized gain / loss from such transactions and cash flows are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Condensed Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

2.4 Business Combinations:

Acquisitions of businesses are accounted for using the purchase (acquisition) method.

The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed, and equity instruments issued at the date of exchange by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business acquisition are expenses as incurred.

The interest of non-controlling shareholders is initially measured either at fair value or at the non- controlling interests' proportionate share of the fair value of the acquiree' s identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with IND AS 109 Financial Instruments or IND AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognized in profit or loss.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill and intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment at least annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination, are measured at fair value as of the date of acquisition. Following initial recognition intangible assets are carried at cost , less accumulated amortization and accumulated impairment losses, if any.

2.5 Use of Estimates:

The preparation of financial statements requires the management of the Group to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Critical accounting estimates

i) Revenue Recognition

The Company applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Judgement is also required to determine the transaction price for the contract and to allocate the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgments while determining the transaction price allocated to performance obligations using the expected cost-plus margin approach.

ii) Income taxes

The major tax jurisdictions for the Company are Cyprus, Singapore, Philippines and Africa. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced. The policy for the same has been explained under Note 2.15.

iii) Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.6.

iv) Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.17.

v) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets and their estimated useful life. These valuations are conducted by independent valuation experts.

vi) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections consider past experience and represent management's best estimate about future developments.

vii) Compensated Absences

The cost of the compensated absences is based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, other long-term employee benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2.13.

viii) Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. The policy for the same has been explained under Note 2.8.

ix) Estimation uncertainties relating to the COVID-19 pandemic

The Group has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used an internal and external source of information including economic forecasts. The Group based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions.

2.6 Property, Plant & Equipment and Intangible assets:

Property, Plant & Equipment and intangible assets are stated at actual cost less accumulated depreciation and net of impairment.

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 costs of bringing the item to it working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure 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.

The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work in progress.

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life has been assessed based on internal technical estimate, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives of assets are as follows:

Computers	3 years
Furniture and Fixtures	5 years
Plant and equipments	3 to 5 years
Leasehold Improvements	5 yeas
Office Equipment	5 years

The estimated useful lives and residual values of the Property, Plant & Equipment and Intangible Assets are reviewed at the end of each reporting period

Leasehold improvements are amortized over the shorter of estimated useful life of the asset and lease term.

The cost of software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

Project specific intangible assets are amortized over their estimated useful lives on a straight-line basis or over the period of the license/lease period, whichever is lower.

An item of Property, Plant & Equipment and intangibles asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

2.7 Leases:

At inception of the contract, the Company determines whether the contract is a lease or contains a lease arrangement. 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.

Group as a lessee

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group 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 Group 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 Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

2.8 Impairment of Assets:

i) Financial assets

The Group applies the expected credit loss model for recognizing impairment loss on financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate. Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes into the account historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

ii) Non-financial assets

a) Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset (or CGU) is estimated to be less than it's carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

b) Goodwill

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 Group's cash generating units (CGU) or groups of CGUs' expected to benefit from the synergies arising from the business combination.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

The Group estimates the value-in-use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on the historical market returns of comparable companies.

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.

2.9 Revenue recognition:

Revenue from information technology services include revenue earned from services rendered on 'time and material' basis, time bound fixed price engagements and fixed price development contracts. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expect to receive in exchange for those products or services, net of indirect taxes, discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

Revenue from time and material contracts is recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed price maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenue is recognized as the services are performed. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the manner in which services are performed.

Revenue on fixed price development contracts is recognised using the 'percentage of completion' method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the consolidated statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third- party products are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognizes gross amount of consideration as revenue when it is acting as a principal and net amount of consideration as revenue when it is acting as an agent.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

In arrangements for hardware and software implementation and integration, related services and maintenance services, the Group has applied the guidance in Ind AS 115, by applying the revenue recognition criteria for each distinct performance obligation. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost-plus margin approach in estimating the standalone selling price. Fixed Price Development contracts and related services, the performance obligation is satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a ‘right to use’ the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a ‘right to access’ is recognised over the access period. The Group has applied the principles of Ind AS 115 to account for revenues for these performance obligations.

The Group accounts for volume discount and pricing incentives to customers as a reduction based on ratable allocation of the discounts/incentives amount to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning the discount/incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Group recognises the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Group recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are upfront costs incurred for the contract and are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling prices. Services added that are not distinct are accounted for on a cumulative catch up basis, while those 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.

Liquidated damages and penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Group and when there is a reasonable certainty with which the same can be estimated.

The Group disaggregates revenue from contracts with customers by geography.

Dividend income is recognised when the Group’s right to receive dividend is established. Interest income is recognised using effective interest rate method.

2.10 Foreign currency transactions:

The functional currency of the group is United States Dollar (‘USD’) whereas the functional currency of foreign subsidiaries is the currency of their primary economic environment.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit or loss.

2.11 Foreign Operations:

For the purpose of these consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognized in other comprehensive income and accumulated in equity.

When a subsidiary is disposed of, 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.

2.12 Financial Instruments:

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and 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 measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost using the effective interest rate method less impairment losses, if these financial assets are held within a business whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Group, on initial application of IND AS 109 has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method or at FVTPL. For financial liabilities carried at amortized cost, the carrying amounts approximate fair values due to the short-term maturities of these instruments. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized in a business combination or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit and 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 issued by the Company are initially measured at fair value and 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 recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

iii) Derecognition of financial instruments

The Group derecognizes 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 Group retains substantially all the risk and rewards of transferred financial assets, the Group continues to recognize the financial asset and also recognizes the borrowing for the proceeds received.

The Group derecognizes financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

2.13 Employee Benefits:

a) Gratuity:

The Group accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation, or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method. Certain overseas subsidiaries of the Company also provide for retirement benefit plans in accordance with the local laws.

Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognized in profit or loss in the period of a plan amendment.

b) Defined Contribution Plans

Provident fund/Social Security Contributions:

The eligible employees of the Group are entitled to receive the benefits of Social Security Contributions Scheme applicable to the employees as per the labour laws of the country in which the subsidiary is domiciled. These Schemes are in nature of a defined contribution plan, in which both employees and the company make monthly contributions at a specified percentage of the covered employees' salary which are charged to the Statement of Profit and Loss on accrual basis.

c) Compensated absences:

The Group provides for the compensated absences subject to certain Group's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date. It is measured as at balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The Group also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is recognised as undiscounted liability at the balance sheet date.

d) Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised in the statement of profit and loss during the period when the employee renders the service.

2.14 Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss.

2.15 Taxation:

Tax expense comprises of current tax and deferred tax. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

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 income taxes are recognised in other comprehensive income or directly in equity, respectively.

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

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, 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.

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

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax liability (DTL) is not recognized on the accumulated undistributed profits of the subsidiary companies in the consolidated financial statements of the company if it is determined that such accumulated undistributed profits will not be distributed in the foreseeable future. When it is probable that the accumulated undistributed profits will be distributed in the foreseeable future, then DTL on accumulated undistributed profits of the subsidiary companies is recognized in the consolidated statement of profit and loss of the Group.

In cases, where the dividend distribution tax (DDT) paid by a subsidiary on distribution of its accumulated profits/ tax on dividend from a foreign subsidiary, is allowed as a set off against the Group's own DDT liability, then the amount of DDT paid by domestic subsidiary/ tax paid on foreign dividend is recognised in the consolidated statement of changes in equity.

The Group recognizes interest levied and penalties related to income tax assessments in interest expenses.

2.16 Earnings per Share:

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period.

For the purpose of calculating diluted earnings / (loss) per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.17 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Group has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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 the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.18 Recent Indian Accounting Standards (Ind AS):

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from 1 April 2021. The amendments primarily relate to:

a) Change in existing presentation requirements for certain items in the Balance sheet, for e.g. lease liabilities, security deposits, current maturities of long-term borrowings, effect of prior period errors on Equity Share capital

b) Additional disclosure requirements in specified formats, for e.g. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions

d) Additional Regulatory Information, for e.g. compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel

e) Disclosures relating to undisclosed income and crypto or virtual currency etc.

The Company is currently evaluating the impact of these amendments.

Note 3 : Property, Plant and Equipment

USD. in Thousand

Particulars	Gross Block					Accumulated Depreciation					Net Block
	Balance at the beginning of year	Additions during the year	Deletions during the year	Foreign Currency Translation	Balance as at the end of the year	Balance at the beginning of year	Depreciation for the year	Depreciation on deletion	Foreign Currency Translation	Balance as at the end of the year	As at March 31, 2022
Computers	224	-	224	-	-	219	1	220	-	-	-
	895	(0)	699	27	224	858	16	690	35	219	5
Plant and Equipment	6	-	6	-	-	6	-	6	-	-	-
	6	-	0	0	6	4	2	-	0	6	0
Furniture and Fixtures	397	-	397	-	-	367	47	414	-	-	-
	468	-	95	23	397	413	29	94	20	367	29
Office Equipments	222	-	222	-	-	220	2	222	-	-	-
	322	-	115	15	222	316	1	115	18	220	2
Leasehold Improvements	50	-	50	-	-	50	-	50	-	-	-
	203	-	157	4	50	203	-	157	5	50	0
Balance as at 31 March 2022	**898**	**-**	**899**	**-**	**-**	**862**	**50**	**913**	**-**	**-**	**-**
Balance as at 31 March 2021	**1,895**	**(0)**	**1,067**	**70**	**898**	**1,794**	**48**	**1,056**	**77**	**862**	**36**

Notes:

i) Amounts less than USD 0.5 thousands are reported as “0”.

ii) Amounts in italics represent comparitive year figures i.e. for the year ended March 31, 2021.

Note 3B : Right-of-Use Assets

USD. in Thousand

Particulars	As at March 31, 2022	As at March 31, 2021
Gross Block		
Balance at the beginning of year	977	1,137
Additions	-	-
Deletions	(977)	(150)
Foreign Currency Translation	-	(10)
Balance as at the end of the year	-	977
Accumulated Depreciation		
Balance at the beginning of year	774	456
Additions	302	462
Deletions	(977)	(150)
Foreign Currency Translation	(98)	5
Balance as at the end of the year	**-**	**774**
Net Block	**-**	**204**

Note 4 : Goodwill

USD. in Thousand

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of year	-	2,406
Addition/ Acquisition	-	-
Disposals	-	(2,406)
Foreign currency translation	-	-
Balance as at the end of the year	**-**	**-**

Note 5 : Investments - Non Current

USD. in Thousand

Particulars	As at March 31, 2022	As at March 31, 2021
In Bonds, Debentures and Trust Securities		
- Unquoted, carried at amortized cost		
Treasury Bonds and Bills	77	83
Total	**77**	**83**

Note 5A: Loans

USD. in Thousand

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Loans to related parties		
Considered good	-	500
Credit impaired	2,616	-
	2,616	**500**
Less: Allowance for expected credit loss	(2,616)	-
Total	**-**	**500**

Note 6 : Other Financial Assets : Non Current

USD. in Thousand

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Interest Receivable		
Others	5	1
	5	**1**
Security Deposits		
- Unsecured, considered good	25	155
- Credit Impaired	-	-
Less : Allowance for expected credit loss	-	-
	25	**155**
Total	**30**	**155**

Note 7 : Other Non-Current Assets

USD. in Thousand

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Government Authorities		
Unsecured, considered good	377	439
	377	**439**

Note 8 : Trade Receivables : Current

USD. in Thousand

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables - Billed (Unsecured)		
Considered good	1,755	4,108
Credit impaired	4,330	1,726
	6,085	**5,834**
Less: Allowance for expected credit loss	4,330	1,726
Trade Receivables - Unbilled (Unsecured, Considered Good)	**-**	**1,287**
Total	**1,755**	**5,395**

Note 9 : Cash and Cash Equivalents

USD. in Thousand

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in hand	0	0
Balances with banks		
In Current Accounts	2,035	8,049
In Deposit Account (original maturities less than three months)	-	22
Total	**2,035**	**8,072**

Note 10 : Other Financial Assets : Current

USD. in Thousand

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Interest Receivable		
Others	2	1
Advances to related parties	0	-
	2	1
Total	**2**	**1**

Note 11: Other Current Assets

USD. in Thousand

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Advance to employees	13	2
Prepaid Expenses	16	53
Contract Assets	1,507	1,492
Balance with Government Authorities	57	61
Others advances	36	18
Total	**1,629**	**1,627**

Note 12 : Equity Share Capital

Particulars	March 31, 2022		March 31, 2021	
	Number	USD in Thousands	Number	USD in Thousands
Authorised share capital				
Ordinary shares	15,335,848	18,455	5,335,848	6,518
Class A shares	27,062	39	27,062	39
Option shares	17,500,000	24,938	17,500,000	24,938
Issued, Subscribed and Paid up Share Capital				
Ordinary shares	13,712,848	6,519	5,335,848	6,519
Class A shares	27,062	38	27,062	38
Total	**13,739,910**	**6,557**	**5,362,910**	**6,557**
Reconciliation of No. of equity shares and equity share capital				
Shares outstanding at the beginning of the year	5,362,910	6,557	1,092,910	1,557
Shares issued during the year	8,377,000	10,000	4,270,000	5,000
Total	**13,739,910**	**16,557**	**5,362,910**	**6,557**

Number of shares held by each shareholder holding more than 5 percent of the equity shares of the Company is as follows:

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% of Holding #	No. of shares held	% of Holding #
Tech Mahindra Limited	13,739,910	100	5,362,910	100

This percentage of holding is presented with reference to issued, subscribed and paid up share capital.

i) Each ordinary equity share and option share entitles the holder to one vote and carries an equal right to dividend. Class A type equity shares are not entitled to right to vote or dividend.

ii) Capital Management:

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt and total equity of the Group. The Group is not subject to any externally imposed capital requirements. The Group's risk management committee reviews the capital structure of the Group on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

Shares held by promoters at the beginning and at the end of the year:

Name of Shareholder	As at March 31, 2022			As at March 31, 2021		
	No. of shares held	% of Holding	% Change during the year	No. of shares held	% of Holding	% Change during the year
Tech Mahindra Limited	13,739,910	100	-	5,362,910	100	-

Note 13 : Other Equity

USD. in Thousand

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium Account		
Opening Balance	11,049	11,049
Closing Balance	**11,049**	**11,049**
Statutory Reserve		
Opening Balance	148	148
Closing Balance	**148**	**148**
General Reserve		
Opening Balance	566	566
Closing Balance	**566**	**566**
Retained Earnings		
Opening Balance	(24,607)	(23,167)
Loss for the year	(5,132)	(1,446)
Other Comprehensive Income (net)	-	6
Closing Balance	**(29,739)**	**(24,607)**
Foreign Currency Translation Reserve		
Opening Balance	(1,978)	(1,767)
Add: Movement during the year (Net)	146	(211)
Add: Changes in ownership interest in subsidiaries that result in loss of control	885	-
Closing Balance	**(947)**	**(1,977)**
Total	**(18,923)**	**(14,822)**

Note 14 : Provisions : Non Current

USD. in Thousand

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Compensated absences and long service awards	-	443
	-	**443**

Note 15 : Borrowings : Current

USD. in Thousand

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured Borrowings		
From related parties*	4,143	15,859
	4,143	**15,859**

*The loans are for fixed tenure with repayment on or before March 31, 2023. Interest rate on borrowings is in the range of 1%-4%p.a.

Note 16: Other Financial Liabilities : Current

USD. in Thousand

Particulars	As at	
	March 31, 2022	**March 31, 2021**
Interest payable on borrowings	16	44
Accrued salaries and benefits	195	441
	211	**484**

Note 17 : Other Current Liabilities

USD. in Thousand

Particulars	As at	
	March 31, 2022	**March 31, 2021**
Unearned revenue	7	93
Others	6	-
Statutory dues	33	220
	46	**313**

Note 18 : Provisions : Current

USD. in Thousand

Particulars	As at	
	March 31, 2022	**March 31, 2021**
Provision for employee benefits		
Gratuity	-	1
Compensated absences and long service awards	5	214
Total	**5**	**215**

Note 19 : Other Income

USD. in Thousand

Particulars	For the Year Ended	
	March 31, 2022	**March 31, 2021**
Interest Income		
- On other financial assets	9	3
Profit on sale of investment in subsidiary	2,705	-
Gain on disposal of Property, Plant and Equipment (net)	-	3
Sundry balances written back	1	195
Excess provision no longer required written back	-	616
Miscellaneous income	-	307
Total	**2,714**	**1,124**

Note 20 : Employee Benefit Expenses

USD. in Thousand

Particulars	For the Year Ended	
	March 31, 2022	**March 31, 2021**
Salaries and wages	7,099	12,788
Contribution to provident and other funds	271	817
Staff welfare expenses	2	5
Total	**7,371**	**13,610**

Note 21 : Finance Costs

USD. in Thousand

Particulars	For the Year Ended	
	March 31, 2022	**March 31, 2021**
Interest on loans from related parties	86	343
Other interest expense	2	26
Interest expense on lease liabilities	-	21
Total	**88**	**390**

Note 22 : Depreciation and Amortisation Expense

USD. in Thousand

Particulars	For the Year Ended	
	March 31, 2022	**March 31, 2021**
Depreciation on Property, Plant and Equipment	50	48
Depreciation on Right of Use Asset	302	462
Total	**352**	**510**

Note 23 : Other Expenses

USD. in Thousand

Particulars	For the Year Ended	
	March 31, 2022	**March 31, 2021**
Power and fuel expenses	3	52
Rent	9	70
Rates and taxes	28	27
Communication expenses	52	109
Travelling expenses	27	233
Recruitment expenses	9	208
Training expenses	123	49
Legal and other professional fees	172	297
Repair and maintenance expenses		
- Computers and equipments	-	24
- Others	8	59
Insurance charges	75	265
Software, hardware and project specific expenses	284	774
Advertisement, promotion & selling expenses	0	99
General office expenses	18	37
Allowance for doubtful receivables and bad debts written off (net)		
-Provided during the period	2,604	165
Allowance for doubtful advances, deposits and advances written off (net)		
-Provided during the period	2,734	-
-Advances written off	440	30
Loss on sale of investment in subsidiary	-	1,096
Foreign exchange loss (net)	3,763	405
Miscellaneous expenses	35	85
Total	**10,384**	**4,085**

24. Particulars of Consolidation

The financial statements present the consolidated accounts of the Group, which consists of financial statements of Sofgen Holdings Limited and its subsidiaries:

Name of Company	Country of Incorporation	Extent of Holding	
		As at March 31, 2022	As at March 31, 2021
Sofgen Holdings Limited and its following subsidiaries:	Cyprus		
• Sofgen Africa Limited	Kenya	100%	100%
• Tech Mahindra Products Services Singapore Pte. Ltd. (Formerly known as Sofgen Services Pte. Ltd.)	Singapore	-	100%

25. Contingent Liabilities

Bank Guarantees/corporate guarantees outstanding as at March 31, 2022: Nil. (March 31, 2021: Nil).

26. Goodwill

Following is the summary of changes in carrying amount of goodwill:

	USD in Thousands	
Particulars	**Year ended**	
	March 31, 2022	**March 31, 2021**
Balance at the beginning of the year	-	2,406
Acquisition/(Sell-off) during the year	-	(2,406)
Effect of foreign currency exchange differences (net)	-	-
Impairment	-	-
Balance at the end of the year	**-**	**-**

The Group tests goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill has been allocated for impairment testing purposes to the underlying cash-generating unit ('CGU') identified based on business units/geographies. The goodwill impairment test is performed at the level of the CGU or groups of CGUs which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. The recoverable value was determined by value in use in cases where there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions.

In determining the value in use, cash flow projections from financial budgets approved by senior management have been considered. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins.

Cash flow projections are considered for next 3-5 years and consider past experience and represent management's best estimate about future developments. Cash flows beyond the five-year period are extrapolated using a 2% rate.

27. Details of employee benefits as required by IND AS-19 - Employee Benefits are as under:

Defined Contribution Plan

Amount recognized as an expense in the Statement of Profit and Loss for the year ended March 31, 2022 in respect of defined contribution plan is USD 271 Thousand (March 31, 2021: USD 817 Thousand).

28. Financial Instruments and Risk Review

Financial Risk Management Framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, 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.

Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as of March 31, 2022 is as follows:

USD in Thousand

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortized cost	Total carrying value	Total Fair Value*
Assets:						
Cash and cash equivalents	-	-	-	2,035	2,035	2,035
Trade receivables	-	-	-	1,755	1,755	1,755
Investments (other than subsidiaries)	-	-	-	77	77	77
Loans	-	-	-	-	-	-
Other financial assets	-	-	-	32	32	32
Total	**-**	**-**	**-**	**3,899**	**3,899**	**3,899**
Liabilities:						
Trade and other payables	-	-	-	3,895	3,895	3,895
Borrowings	-	-	-	4,143	4,143	4,143
Lease Liability	-	-	-	-	-	-
Other financial liabilities	-	-	-	211	211	211
Total	**-**	**-**	**-**	**8,249**	**8,249**	**8,249**

The carrying value and fair value of financial instruments by categories as of March 31, 2021 is as follows:

USD in Thousand

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortized cost	Total carrying value	Total Fair Value*
Assets:						
Cash and cash equivalents	-	-	-	8,072	8,072	8,072
Trade receivables	-	-	-	5,395	5,395	5,395
Investments (other than subsidiaries)	-	-	-	83	83	83
Loans	-	-	-	500	500	500
Other financial assets	-	-	-	156	156	156
Total	**-**	**-**	**-**	**14,206**	**14,206**	**14,206**
Liabilities:						
Trade and other payables	-	-	-	7,111	7,111	7,111
Borrowings	-	-	-	15,859	15,859	15,859
Lease Liability				218	218	218
Other financial liabilities	-	-	-	484	484	484
Total	**-**	**-**	**-**	**23,672**	**23,672**	**23,672**

*The fair value of cash and cash equivalents, trade receivables, unbilled receivables, trade payables, borrowing and certain other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

Fair Value Hierarchy

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required), The different levels have been defined as follows:

Level -1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities at net market value.

Level -2 – Inputs other than quoted prices included within level-1 that are observable for 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). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Since there are no financial instruments valued at fair value, no further disclosure is required.

Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, and other financial assets. None of the financial instruments of the Group results in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in funds deposited at a bank/financial institution for a specified time period.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was USD 3,899 Thousand and USD 14,206 Thousand as of March 31, 2022 and March 31, 2021 respectively, being the total of the carrying amount of trade receivables, investments, loans, cash and cash equivalents, and other financial assets.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks provided by the Group. The Group's maximum exposure in this respect is the maximum amount the Group would have to pay if the guarantee is called on. Refer Note 25 above.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusts for forward-looking information. Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2022 and March 31, 2021. The concentration of credit risk is limited because the customer base is large and unrelated.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Movement in the expected credit loss allowance:

		USD in Thousand
Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Balance at the beginning of the year	1,726	1,578
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	2,604	148
Balance at the end of the year	**4,330**	**1,726**

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity, and other market changes. The Group's exposure to market risk is primarily because of foreign currency exchange rate risk.

Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Singapore Dollar, Great Britain Pound, Swiss Franc and Kenyan Shillings against the respective functional currencies of Sofgen Holdings Limited. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

Interest Rate Sensitivity Analysis

If interest rates had been 0.25 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2022 would decrease/increase by USD 10 Thousand (March 31, 2021: decrease/ increase by USD 40 Thousand). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022:

USD in Thousand

Particulars	**Less than 1 year**	**1-3 years**	**3-5 years**	**Total**
Non-Derivative Financial Liabilities				
Lease Liabilities	-	-	-	-
Other borrowings	4,143	-	-	4,143
Trade Payables	3,895	-	-	3,895
Other Financial Liabilities	211	-	-	211
Total	**8,249**	-	-	**8,249**

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:

USD in Thousand

Particulars	**Less than 1 year**	**1-3 years**	**3-5 years**	**Total**
Non-Derivative Financial Liabilities				
Lease Liabilities	218	-	-	218
Other borrowings	15,859	-	-	15,859
Trade Payables	7,111	-	-	7,111
Other financial liabilities	484	-	-	484
Total	**23,672**	-	-	**23,672**

Other Risks:

Financial assets carried at amortized cost as at March 31, 2022 is USD 3,899 Thousand (March 31, 2021: USD 14,206 Thousand).

In addition to assessing counterparty risk and the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk considering emerging situations due to the COVID-19 pandemic. This assessment is based on the likelihood of the recoveries from the customers in the present situation. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables and contract assets while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables is considered adequate.

29. Current Tax and Deferred Tax

The income tax expense for the year ended can be reconciled to the accounting profit as follows:

USD in Thousand

Particulars	**Year ended**	
	March 31, 2022	**March 31, 2021**
Profit/(Loss) before income taxes	(5,768)	1,155
Enacted tax rates	22.51%	22.51%
Income tax expense calculated at tax rate	-	(260)
Effect of expenses that are not deductible in determining taxable profit	-	501
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	-	38
Others	636	(2,879)
Income tax expense recognized in profit or loss	**636**	**(2,601)**

Deferred Tax:

The breakup of Deferred Tax Assets presented in the Balance Sheet is as follows:

USD in Thousand

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Property, Plant and Equipment	-	-
Provisions	-	282
Other Items	-	-
Total	**-**	**282**

The tax effect of significant timing differences that has resulted in deferred tax assets given below:

USD in Thousand

Particulars	**For year ended March 31, 2022**				
	Opening balance	**Recognised in Profit and loss**	**Recognised in OCI**	**Others***	**Closing balance**
Property, Plant and Equipment	-	-	-	-	-
Provisions	282	693	-	(975)	-
Other Items	-	-	-	-	-
Net Deferred Tax Assets	**-**	**-**	**-**	**-**	**-**

USD in Thousand

Particulars	For year ended March 31, 2021				
	Opening balance	**Recognised in Profit and loss**	**Recognised in OCI**	**Others***	**Closing balance**
Property, Plant and Equipment	-	-	-	-	-
Provisions	856	(840)	-	266	282
Other Items	-	-	-	-	-
Net Deferred Tax Assets	**856**	**(840)**	**-**	**266**	**282**

*includes exchange (gain)/ loss

30. Related Party Disclosures

As required under Indian Accounting Standard 24 “Related Party Disclosures” (Ind AS – 24), following are the details of transactions during the year ended March 31, 2022 and outstanding balances as of that date with the related parties of the Group as defined in Ind AS 24.

a) List of Related Parties and Relationships

Name of Related Party	**Relation**
Mahindra & Mahindra Limited	Promoter/Enterprise having significant influence.
Tech Mahindra Limited	Holding Company
Leadcom Integrated Solutions (L.I.S.) Ltd	Fellow Subsidiary Company
Tech Mahindra (Switzerland) SA (Formerly known as Sofgen SA)	Fellow Subsidiary Company
Tech Mahindra Singapore Pte Ltd	Fellow Subsidiary Company
Tech Mahindra Products Services Singapore Pte. Ltd. (Formerly known as Sofgen Services Pte. Ltd.)	Fellow Subsidiary Company
Tech Mahindra Gmbh	Fellow Subsidiary Company
Mahindra Engineering Services UK Limited	Fellow Subsidiary Company
Tech Mahindra ICT Services Sdn Bhd	Fellow Subsidiary Company
Alexander L. Dembitz	
Vikram Nair	Key Management Personnel
Vivek Agarwal	

b) Related Party Transactions for the year

Nature of Transactions	Name of the party	USD in Thousand For the year ended March 31, 2022	March 31, 2021
Revenue	Tech Mahindra Limited	2,302	4,271
	Leadcom Integrated Solutions (L.I.S.) Ltd	21	636
	Tech Mahindra Products Services Singapore Pte	(8)	-
	Tech Mahindra (Switzerland) SA	564	189
	Tech Mahindra Americas	15	626
Sub-contracting cost	Tech Mahindra Limited	-	244
	Tech Mahindra Products Services Singapore Pte	45	-
	Tech Mahindra (Switzerland) SA	666	42
Interest Expenses	Mahindra Engineering Services (Europe) Limited	8	51
	Tech Mahindra ICT Services Sdn Bhd	8	30
	Tech Mahindra Singapore Pte Ltd	7	21
	Tech Mahindra GmbH	63	241
Interest Income	Tech Mahindra (Switzerland) SA	6	-
Loan Taken	Tech Mahindra GmbH	1,671	2,606
	Mahindra Engineering Services (Europe) Limited	-	-
Loan Repaid (Including interest)	Mahindra Engineering Services (Europe) Limited	1,508	-
	Tech Mahindra GmbH	9,751	4,900
	Tech Mahindra Singapore Pte Ltd	992	145
	Tech Mahindra ICT Services Sdn Bhd	1,233	200
Loan Given	Tech Mahindra (Switzerland) SA	2,116	500

Balance as on	Name of the party	USD in Thousand March 31, 2022	March 31, 2021
Trade Payables	Tech Mahindra Limited	936	5,409
	Tech Mahindra Products Services Singapore Pte	1,149	
	Tech Mahindra GmbH	16	-
	Tech Mahindra (Switzerland) SA	1,260	737
Trade Receivables	Tech Mahindra Limited	139	372
	Leadcom Integrated Solutions (L.I.S.) Ltd	-	154
	Tech Mahindra Products Services Singapore Pte	3,598	
	Tech Mahindra Americas	7	(7)
	Tech Mahindra (Switzerland) SA	2,209	1,881
Unbilled Revenue	Tech Mahindra Limited	-	7
	Tech Mahindra (Switzerland) SA	-	231
	Leadcom Integrated Solutions (L.I.S.) Ltd	-	-

Balance as on	Name of the party	March 31, 2022	March 31, 2021
Loan given (Along with unpaid interest)	Tech Mahindra (Switzerland) SA	-*	500
Loan taken (Along with unpaid interest)	Mahindra Engineering Services (Europe) Limited	-	1,500
	Tech Mahindra GmbH	4,175	12,192
	Tech Mahindra ICT Services Sdn Bhd	-	1,225
	Tech Mahindra Singapore Pte Ltd.	-	985

* Loan given to Tech Mahindra (Switzerland) SA amounting to USD 2,622 Thousand has been fully impaired.

31. Operating Segments

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

Based on the "management approach" as defined in Ind AS 108, the management evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

The Group is engaged in the business of providing IT services. As the Group is engaged in only one business segment, the balance sheet as at 31 March 2022 and statement of profit and loss for the year ended then pertain to only one business segment. Accordingly, information has been presented only for geographic segments.

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized. Information on reportable segments for the year ended March 31, 2022 given below:

Revenues as per geographies

USD in Thousand

Geography	For the year ended	
	March 31, 2022	March 31, 2021
Americas	34	196
Europe	562	11,704
Asia Pacific Region	9,432	10,377
Rest of the world	457	1,636
Total	**10,485**	**23,912**

32. Disclosure for Ind AS 115 – Revenue from contracts with customers

Disaggregation of Revenue:

Revenue disaggregation by geography is disclosed in Note 31 above.

The Group has evaluated the impact of the COVID-19 pandemic, amongst other matters, resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, (ii) termination or deferment of contracts by customers and (iii) customer disputes. The Group has concluded that the impact of the COVID-19 pandemic is not material based on these estimates.

33. Leases:

Group as a lessee:

Operating leases:

The Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

The total cash outflow for leases is USD 218 Thousand for the year ended March 31, 2022, including cash outflow for short term and low value leases.

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2022 on discounted and undiscounted basis:

			USD in Thousands
Particulars	**Not later than 1 year**	**1 - 5 years**	**Later than 5 years**
Minimum Lease Rental Payables	-	-	-
Present Value of Minimum Lease Payments	-	-	-

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2021 on discounted and undiscounted basis:

			USD in Thousands
Particulars	**Not later than 1 year**	**1 - 5 years**	**Later than 5 years**
Minimum Lease Rental Payables	223	-	-
Present Value of Minimum Lease Payments	218	-	-

34. Earnings Per Share is calculated as follows:

	USD. in Thousands except earnings per share	
Particulars	**For the year ended**	
	March 31, 2022	**March 31, 2021**
Net Loss attributable to shareholders after taxation	(5,132)	(1,446)
Equity Shares outstanding as at the end of the period (in nos.)	13,739,910	5,362,910
Weighted average number of equity shares outstanding	11,720,249	1,104,609
Nominal Value per Equity Share		
- Earnings Per Share (Basic)	(0.44)	(1.31)
- Earnings Per Share (Diluted)	(0.44)	(1.31)

35. Additional regulatory information

A. Trade Receivable ageing schedule as on March 31, 2022:

	Particulars	**Outstanding for following period from due date of payment**				
		Less Than 6 months	**6 months to 1 year**	**1 to 3 years**	**More than 3 years**	**Total**
(i)	Undisputed trade receivables- considered good	866	734	65	90	1,755
(ii)	Undisputed trade receivables – which have significant increase in credit risk	-	1,890	1,304	1,136	4,330
(iii)	Undisputed trade receivables – credit impaired					
(iv)	Disputed trade receivables – considered good	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-

Total	**866**	**2,624**	**1,369**	**1,226**	**6,085**

B. Trade Payables ageing schedule as on March 31, 2022:

Particulars	**Outstanding for following period from due date of payment**			
	Less Than 1 year	**1 to 3 years**	**More than 3 years**	**Total**
(i) Undisputed dues	2,117	209	1,115	3,441
(ii) Disputed dues	-	-	-	-
Total	**2,117**	**209**	**1,115**	**3,441**

Provision for expenses amounting to USD 454 Thousand as on March 31, 2022 is not included above.

C. Ratios:

Particulars	**Numerator**	**Denominator**	**March 31, 2022**	**March 31, 2021**	**Variance**	**Explanation**
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	0.66	0.61	0.07	Current Ratio is in line with previous year.
Return on Equity Ratio (in %)	Net Profit After Tax	Average Shareholders' Equity	97%	15%	564%	Infusion of USD 1,000 thousand as Share Capital in the current year has led to decrease in the average capital employed.
Trade Receivable Turnover Ratio (in times)	Revenue from operation	Average Trade Receivable	1.59	3.44	-0.54	Reduction in revenue for the year is greater than reduction in trade receivables leading to a decrease in the ratio.
Trade Payable Turnover Ratio (in times)	Other Expenses	Average Trade Payables	2.03	15%	0.97	Increase in trade payables ratio is on account of reduction in payables.
Net Capital Turnover Ratio (in times)	Revenue from operation	"Net Working Capital (A)”	-3.68	-2.51	0.47	Improvement in working capital management on account of reduction in receivables and payables has led to improvement in net capital turnover ratio.
Net Profit Ratio (in %)	Profit After Tax	Revenue from operation	-49%	-6%	709%	Reduction in revenue and increase cost have resulted in increased losses in the current year.

Return on Capital Employed (in %)	Earnings before interest and taxes	Average capital employed (B)	109%	-12%	-1034%	Impact is on account of PBT of USD 1,155 Thousand in March 21 and loss of USD 5,768 Thousand in March 22.

D. The Company has not availed borrowings from banks or financial institutions on the basis of security of current assets and has not been declared a willful defaulter by any bank or financial institutions or government or government authority.

E. The Company has not traded or invested in crypto currency or virtual currency during the current year.

For and on behalf of the Board of Directors of
Sofgen Holdings Limited

Alexander L. Dembitz	**Vivek Satish Agarwal**
Director	Director
Place:	Place:
Date: 29 June 2022	Date: 29 June 2022

TECH MAHINDRA (SWITZERLAND) SA

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1ST APRIL 2021 TO 31 MARCH 2022

Board of Directors
Mr. Vivek Satish Agarwal
Mr. Alexander Dembitz

Registered Office
Chemin du Chateau-Bloch 11,
1219 Le Lignon Geneva,
Switzerland

Bankers
UBS, Switzerland
HSBC Bank

TECH MAHINDRA (SWITZERLAND) SA

BALANCE SHEET AS OF 31 MARCH

	Notes	2022 CHF	2021 CHF
ASSETS			
Cash and cash equivalents	4.3	2,253,020	3,469,974
Trade accounts receivable			
- from third parties		4,347,338	1,297,363
- from shareholder		146,645	343,803
- from sister companies		1,054,984	698,570
Other short-term receivables			
- from third parties		148,838	430,506
Work in Progress		4,398,083	3,247,969
Prepaid expenses and accrued income		40,985	52,220
		12,389,893	**9,540,405**
Non-current assets			
Guarantee deposits		86,905	148,918
Other non-current receivable		23,637	23,637
Property, plant and equipment			
- Tangible fixed assets		-	1,527
		110,542	**174,082**
		12,500,435	**9,714,487**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Short-term liabilities			
Trade accounts payable			
- to third parties		976,615	22,576
- to shareholder		6,584	509,207
- to sister companies		2,193,807	1,805,776
Short-term interest-bearing liabilities			
- to sister companies		4,032,268	471,026
Other short-term liabilities			
- to third parties		155,759	198,280
Accrued expenses and deferred income		915,140	2,265,829
Total Short-term liabilities		**8,280,173**	**5,272,694**
Long-term liabilities			
Long-term liabilities from third parties	3.4	500,000	500,000
Long-term provisions		48,874	133,538
Unrealized foreign exchange gain		-	44,468
Total Long-term liabilities		**548,874**	**678,006**
Total Liabilities		**8,829,047**	**5,950,700**
Shareholders' equity			
Share capital	3.1	1,800,000	1,700,000
Legal capital reserves			
- Other capital reserves		730,000	730,000
Legal retained earnings			
- General legal retained earnings		144,589	82,000
Accumulated losses			
- Accumulated losses brought forward		1,189,199	(8,204,067)
- Profit / (Loss) for the year		-192,400	9,455,854
Total Shareholders' equity		**3,671,388**	**3,763,787**
Total Liabilities and Shareholders' equity		**12,500,435**	**9,714,487**

INCOME STATEMENT

	Notes	2022 CHF	2021 CHF
Services		6,902,303	8,860,890
Intercompany services		1,757,176	1,902,957
Change in work in progress		1,150,114	896,067
Total operating income		**9,809,593**	**11,659,914**
Subcontracting expenses		(6,960,116)	(5,246,135)
Salaries and social charges		(1,904,445)	(2,920,137)
Other operating expenses		(1,009,883)	(1,347,920)
Depreciation on non-current assets		(1,617)	(2,925)
Total operating expenses		**(9,876,062)**	**(9,517,117)**
Operating result		**(66,469)**	**2,142,797**
Financial Expenses		(12,271)	-
Exchange gain / (loss)		(67,430)	202,902
Non-operating income	3.2	104,600	9,189,095
Non operating expenses	3.3	(143,499)	(2,058,479)
Profit / (Loss) for the year before taxes		**(185,068)**	**9,476,315**
Direct taxes		(7,332)	(20,461)
Profit / (Loss) for the year		**(192,400)**	**9,455,854**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Principles General

The Company was incorporated on November 2, 2001.

The principal activity of the Company is to provide banking consultancy services to banks and financial institutions in order to assist them in the implementation of solutions.

The Company's headquarter is in Vernier (Geneva - Switzerland).

2. Summary of significant accounting policies

2.1 General aspects

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2.2 Revenue recognition

Services include revenue earned from services rendered on time and material basis, time bound fixed price engagements and system integration projects.

Revenue is recognised over the period of the contract in accordance with its term.

2.3 Tangible and intangible fixed assets

Fixed assets are stated at cost and are depreciated using the linear method on their estimated useful lives. Depreciation durations are the following:

Office equipment	5 years
Hardware	3 years
Software	3 years
Development cost	5 years

2.4 Payables

Trade payables and other current liabilities are carried at their nominal value.

3. Disclosure on balance sheet and income statement items

3.1 Share capital

The share capital includes 1,800 registered shares of CHF 1,000, fully paid-in (2021: 1,700 registered shared of CHF 1,000, fully paid).

3.2 Non-operating income

	2022	2021
Waiver obtained from intercompany and shareholder debt		8,764,838
Tax / insurance /sponsorship refunds		177,568
Other	104,600	246,689
Total	**104,600**	**9,189,095**

3.3 Non-operating expenses

	2022	2021
Write-off of intercompany receivables		(2,058,479)
Write-off of receivables	(143,499)	
Total	**(143,499)**	**(2,058,479)**

3.4 Long-term liabilities from third parties

The Company has obtained and used in 2020 a credit facility granted by the Swiss Government, i.e, a zero interest bearing COVID-19 credit amounting to CHF 500,000.

4. Other information

4.1 Pension scheme liabilities

On March 31, 2022, there was no liability to the pension scheme (31.03.2021: nil).

4.2 Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 250.

4.3 Assets pledged as guarantee for commitments of the company

Bank current accounts for an amount of CHF 1,505,065 are pledged in favour of the banks (31.03.2021 : CHF 1,202,351). Those pledges relate to performance guarantees (note 4.4).

4.4 Contingent liabilities

At year-end, the Company has provided performance guarantees for CHF 1,284,144 (31.03.2021 : CHF 1,199,670) in favour of clients.

4.5 Residual amount of leasing obligations

The maturity of leasing obligations which have a residual maturity of more than twelve months or which cannot be cancelled within the next twelve months is CHF 273,796 (31.03.2021 : CHF 46,270).

4.6 Significant events after the balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed here.

ALLYIS INDIA PRIVATE LIMITED

Directors:
Mr. Manish Samadarshi (DIN: 08860006)
Mr. Rakesh Garg (DIN No.02925559)
Mrs. Sarada Ramakrishnan Bharadwaj (DIN: 08858046)
Mrs. Geeta Surendra Prasad (DIN: 01664746) – resigned w.e.f 12th May, 2022
Mr. Surendra Prasad (DIN: 01664695) – resigned w.e.f 12th May, 2022
Mr Nalin Mittal (DIN-02170896) appointed w.e.f 29th April, 2022
Mr Narasimham Venkata Rachakonda (DIN-00339167) appointed w.e.f 29th April, 2022

Registered Office:
9th Floor, My Home Hub, Block No. 1, Madhapur,
Hyderabad, TG 500081, India

Bankers
IDBI BANK LTD.
KOTAK MAHINDRA BANK LTD.

Auditors
APU & Company
Chartered Accountants

BOARD'S REPORT

To the Members,

Allyis India Private Limited,

Your Directors have the pleasure in submitting their 8th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2022.

1. FINANCIAL SUMMMARY

The summarised version of the financial data for the current year and the previous year are as follows:

		[INR]
	For the year ended 31st March, 2022	**For the year ended 31st March, 2021**
Gross Receipts	**37,25,38,202**	18,92,38,035
Other Income	**10,94,198**	--
Total Income	**37,36,32,400**	18,92,38,035
Less: Expenses	**31,51,43,432**	15,91,43,220
Profit before Depreciation	**58,488,968**	3,00,94,814
Less: Depreciation	**98,86,588**	55,67,762
Profit after depreciation	**4,86,02,380**	2,45,27,052
Less: Current/ Earlier year Income Tax	**1,35,43,013**	71,94,365
Less: Previous year adjustment of Income Tax	**34,990**	3,49,601
Less: Deferred Tax	**(6,52,266)**	(2,04,450)
Net Profit after Tax	**3,56,76,643**	1,71,87,537
Dividend (including Interim if any and final)	**-**	-
Net Profit after dividend and Tax	**3,56,76,643**	1,71,87,537
Amount transferred to General Reserve	**3,56,76,643**	1,71,87,537
Balance carried to Balance Sheet	**3,56,76,643**	1,71,87,537
Earnings per share (Basic)	**41.75**	17.19
Earnings per Share (Diluted)	**41.75**	17.19

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the period under review, the Company has earned revenue from operations of Rs 37,25,38,202 from rendering of services representing an increase of 96.86% over previous year. The Directors are striving hard and making all efforts for further improved performance in the years to come.

3. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and the date of this report.

4. DIVIDEND

Your Directors feel that it is prudent to plough back the profits for future growth of the company and do not recommend any dividend.

5. TRANSFER TO RESERVES

During the year under review, the Company has transferred an amount of Rs.19,99,900/- to "Capital Redemption Reserve" as a consequence of buy back of 1,99,999 shares.

6. CHANGES IN SHARE CAPITAL

Buy Back of Equity Shares

During the financial year 2021-22, Company bought back 1,99,999 (One Lac Ninety Nine Thousand Nine Hundred and Ninety Nine) fully paid up equity shares of the face value of Rs. 10/- each out of free reserves and/ or securities premium account, from the existing shareholders in accordance with applicable provisions of Companies Act and rules framed there under. The shares bought back were cancelled and accordingly the issued share capital of the company got reduced to 79,97,71 equity shares of Rs.10/- each.

Acquisition by Tech Mahindra Limited

During the financial year 2021-22, 100% equity of the Company was acquired by Tech Mahindra Limited (TechM). TechM is an Indian MNC listed on NSE and BSE and engaged in IT services across the globe.

7. CHANGE IN NATURE OF BUSINESS

There is no change in the nature of the business of the Company.

8. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return of the Company for the Financial Year 2021-22 is available on the Company's website at (www.allyis.com)

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under section 186 of the Companies Act 2013.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The company had entered into certain Related Party Transactions pursuant to section 188 of the Companies Act, 2013 during the year under review. Although all the transactions were at Arms' Length basis, the details of the same are provided in Form AOC-2 as Annexure to the Directors Report.

11. STATUTORY AUDITORS

M/s APU & Company, Chartered Accountants (Firm Registration Number : 019542N), were appointed as the Statutory Auditors of the Company for a period of five years at the 3rd Annual General Meeting of the Company held on 29th September, 2017, to hold office from the conclusion of 3rd Annual General Meeting till the conclusion of 8th Annual General Meeting at a remuneration as mutually agreed between the Board and the Auditors and being eligible offer themselves for re-appointment until the conclusion of Thirteenth Annual General Meeting of the Company to be held in the Year 2027. As required under the provisions of section – 139(1) of the Companies Act, 2013, the Company has received a written consent from M/s. A P U & Company, Chartered Accountant to their re-appointment and a certificate, to the effect that their re-appointment, if made, would be in accordance with Act and the Rules framed there under and that they satisfy the criteria provided in section- 141 of Companies Act, 2013. The Board recommends their appointment.

12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report.

13. DETAILS OF DIRECTORS & KMP(s)

During the year under review there was no appointment/resignation of Director. None of the directors were disqualified during the year under review. However, Mr Nalin Mittal (DIN 02170896) and Mr Narasimham Venkata Rachakonda (DIN-00339167) are co-opted by the Board as Additional Directors effective 29th April, 2022. The term of these two additional directors will end at the ensuing Annual General Meeting and they being eligible are proposed to be appointed as Directors of the company at the ensuing Annual General Meeting.

Mrs.Geeta Surendra Prasad and Mr. Surendra Prasad have resigned as Directors with effect from 12th May, 2022. The Board places its appreciation of the contribution of these two directors during their term as Directors of the company.

14. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the Company being unlisted, sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company;

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. NUMBER OF BOARD MEETINGS/COMMITTEE MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Board meets at regular intervals to discuss and decide on the Company and its business policies and strategies apart from other Board businesses. The Board met 8 times on the following dates during the year financial year under review:

Sl. No.	**Date of Board Meeting**	**No. of Directors attended**
1.	16th April 2021	5
2.	12th May 2021	5
3.	2nd August 2021	5
4.	30th August 2021	5
5.	18th October 2021	5
6.	20th December 2021	5
7.	28th December 2021	5
8.	31st December 2021	5

ATTENDANCE OF DIRECTORS IN THE MEETINGS:

Sr. No.	Name of Director	Board Meeting			Committee Meeting		
		No of Meeting held	No of Meeting attended	%	No of Meeting held	No of Meeting attended	%
1.	Manish Samadarshi	8	8	100	-	-	-
2.	Rakesh Garg	8	8	100	-	-	-
3.	Sarada Ramakrishnan Bharadwaj	8	8	100	-	-	-
4.	Geeta Surendra Prasad	8	8	100	-	-	-
5.	Surendra Prasad	8	8	100	-	-	-

16. STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS, AND THAT OF ITS COMMITTEES

The disclosure with respect to formal annual evaluation by the board is not applicable to your Company.

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company or Joint Venture. The transations with the associate companies are enlisted in the Financial Statements.

During the year under review, the Holding Company has changed from Allyis Inc to Tech Mahindra Limited, India (TML) in consequence of acquisition of 100% equity shares by TML.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Part A and B pertaining to the conservation of energy and the technology absorption is not applicable to the company.

C	Foreign Exchange Earnings/ Outgo:	INR
	Earnings	37,25,38,202/-
	Outgo	NIL

19. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The provisions related to Risk Management Policy development and implementations are not applicable to your company.

20. SECRETARIAL STANDARDS

Your directors state and confirm that the Company has complied with the secretarial standards as notified by the Institute of Company Secretaries of India to the extent applicable to the Company.

21. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions relating to Section 135 of the Companies Act, 2013 are not applicable to the company.

22. PROVIDING VIGIL MECHANISM

The provisions relating to Section 177(9) read with Rule 7 of the Companies (Meetings of the Board and its Powers), Rules, 2014 are not applicable to the company.

23. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

24. DEPOSITS

The Company has not accepted any deposits during the year under review.

25. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has a "Prevention of Sexual Harassment Committee (POSH)". Such committee is responsible for end to end management and disposal of any cases that may be reported to it. During the year 2020-21, no such cases were reported.

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

During the year under consideration, no order is passed by regulators, courts or tribunals impacting the going concern status and Company's operations in future.

27. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The current scale of operations of the Company is not such to require any severe measures being taken towards the Internal Financial Control. Although all the necessary measures being taken by the Management to ensure adoption of proper processes, practices and procedure in conducting the affairs of the Company and preparation and presentation of Financial statements. These aspects of operations are regularly reviewed and verified by the Company's Statutory Auditor.

28. AUDITOR'S REPORT

Auditor Report on the Final Statements of the Company does not contain any reservation, qualification or adverse remark. The observations made by the Auditors of the Company in their report read with the Notes to Accounts, are self-explanatory and do not need any further clarification.

29. TRANSFER TO UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply to the Company as the company was not required to transfer any amount to IEPF.

30. OTHER MATTERS

The following disclosures are not applicable to this company and hence no reporting is required:

Sl. No	Particulars	Section & Rules
1.	Secretarial Audit Report	Section 204(1) of the Companies Act, 2013.
2.	Declaration of Independent Directors	Section 134(3)(d) read with Section 149(6) of the Companies Act, 2013.
3.	Receipt of Any Commission By MD / WTD From A Company Or For Receipt Of Commission / Remuneration From Its Holding Or Subsidiary	Section 197(14) of the Companies Act, 2013.
4.	Managerial Remuneration	Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
5.	Disclosure Of Composition Of Audit Committee	Section 177(8) read with Rule 6 of the Companies (Meetings of the Board and its Powers), Rules, 2014
6.	Nomination & Remuneration Committee Policy	Section 178(3) of the Companies Act, 2013.
7.	Statement Indicating the Manner in which Formal Annual Evaluation Has Been Made by the Board Of Its Own Performance, Its Directors, And That Of Its Committees	Section 134(p) read with Rule 8(4) of Companies (Accounts) Rules, 2014.
8.	Management Discussion and Analysis Report	Article I. Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
9.	Corporate Governance	Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
10.	Maintenance of Cost Records	Section 148(1) of the Companies Act, 2013
11.	Particulars of employees	The provisions relating to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

31. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, employees, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed in the Company.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

ALLYIS INDIA PRIVATE LIMITED

Rakesh Garg
Director
DIN No. 02925559

Manish Samadarshi
Director
DIN No. 08860006

Place: USA

Date: May 11,2022

ANNEXURE

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms' length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: NIL

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**Allyis INC.** Till July 09, 2021, 80% shares of Allyis India (P) Ltd. were held by Allyis INC. From July 09, 2021 to Dec. 31, 2021, 100% shares of Allyis India (P) Ltd. were held by Allyis INC. From Jan 01, 2022 to balance sheet date 0% shares of Allyis India (P) Ltd. were held by Allyis INC.
b)	Nature of contracts/ arrangements/ transaction	Service Agreement for Software Development
c)	Duration of contracts/ arrangements/ transaction	5 Years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 3725.38 Lakhs (Export Turnover)
e)	Date of approval by the Board	02/08/2021
f)	Amount paid as advances, if any	Nil

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

ALLYIS INDIA PRIVATE LIMITED

Rakesh Garg	**Manish Samadarshi**
Director	Director
DIN No. 02925559	DIN No. 08860006

Place: USA

Date: May 11,2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLYIS INDIA (P) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ALLYIS INDIA (P) LIMITED, ("the Company"), which comprise the balance sheet as at 31st March 2022, statement of profit and loss, 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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, 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 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 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 Management Discussion and Analysis, Board's Report including Annexure to 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 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 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, (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.

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. 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 Companies Act, 2013, 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. 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.

(d) The Balance Sheet, the Statement of Profit and Loss, (the Statement of Changes in Equity) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(e) 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.

(f) 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.

(g) Since the Company's turnover as per last audited financial statements is less than ₹50 Crores and its borrowings from banks and financial institutions at any time during the year is less than ₹25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;

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

i. The Company does not have any pending litigations which would impact its financial position

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For APU & Company

Chartered Accountants

CA Ankur Jain
Partner
M No. 502270
UDIN: 22502270AIYBNX9595
Place: Delhi
Date: May 11, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ALLYIS INDIA (P) LIMITED

(i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company is maintaining proper records showing full particulars of intangible assets;

(b) As explained to us, these Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) The company does not own any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Hence, clause i(c) of paragraph 3 is not applicable to the Company.

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) There are 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.

(ii) (a) The nature of the business of the company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said order is not applicable.

(b) During any point of time of the year, the company doesn't have any working capital limits from banks or financial institutions on the basis of security of current assets. Hence, there is no requirement to file the quarterly returns or statements by the company with such banks or financial institutions.

(iii) During the year 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 clause (iii) of paragraph 3 of the said order is not applicable.

(iv) The Company has not given any loans, made investments, guarantees, and security, in respect of provisions of sections 185 and 186 of the Companies Act. Hence clause (iv) of paragraph 3 of the said order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence clause (v) of paragraph 3 of the said order is not applicable.

(vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (l) of section 148 of the Act in respect of business of the company.

(vii) (a) The company is regular in depositing 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 statutory dues to the appropriate authorities.

(b) There is no disputed amount of statutory dues referred to sub-clause (a).

(viii) There are no such transactions need to recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) As the Company does not have any loans or borrowings from any financial institution or bank or Government, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

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

(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. Hence, the provisions of Clause 3(x) of the Order are not applicable to the Company.

(xi) (a) There is no fraud by the company or any fraud on the company has been noticed or reported during the year. Hence, the provisions of Clause 3(xi)(a) of the Order are not applicable to the Company.

(b) There is no report requited to file under sub-section (12) of section 143 of the Companies Act by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) There are no whistle-blower complaints received during the year by the company. Hence, the provisions of Clause 3(xi)(c) of the Order are not applicable to the Company.

(xii) (a) As the Company is not a Nidhi Company, Nidhi Rules, 2014 are not applicable to it. The provisions of clause 3(xii) of the Order are not applicable to the Company.

(xiii) All the transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.

(xiv) The company is not covered u/s 138 of Companies Act 2013. Hence, clause 3(xiv) of the Order are not applicable to the Company.

(xv) The Company has not entered any non-cash transactions with directors or persons connected with him.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

(b) 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) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) As the company is not CIC, clause 3(xvi) (d) not applicable to the Company.

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

(xviii) There has been no resignation of the statutory auditors 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, the auditor's knowledge of the Board of Directors and management plans, The auditor is of the opinion that no material uncertainty exists as on the date of the audit report 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;

(xx) As provisions of Section 135 of the Act is not applicable on the company, the provisions of Clause 3(xx) of the Order are not applicable to the Company.

(xxi) As the consolidated financial statements is not applicable on the company, the provisions of Clause 3(xxi) of the Order are not applicable to the Company.

For APU & COMPANY

Chartered Accountants

CA Ankur Jain
Partner
M No. 502270

Place: Delhi

ALLYIS INDIA PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2022

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

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	**10,042,917**	8,131,946
Intangible assets	4	**29,972**	46,742
Deferred tax assets (net)	5	**835,433**	183,167
Financial assets			
i) Investments		**-**	-
ii) Trade receivables		**-**	-
iii) Loans & Advances	6	**7,508,887**	7,476,194
iv) Other financial Assets		**-**	-
Other non current assets		**-**	-
		18,417,209	15,838,049
Current assets			
Financial assets			
i)Investments			
ii)Trade receivables	7	**30,386,336**	20,367,721
iii)Cash and bank balances	8	**27,897,086**	12,584,025
iv) Loans and advances	9	**3,491,711**	429,124
v)Other Financial Assets		**-**	-
Other current assets	10	**25,060,143**	15,632,081
		86,835,276	49,012,952
TOTAL		**105,252,485**	**64,851,001**
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	11	**7,997,710**	9,997,700
Other equity	12	**64,032,142**	36,246,404
		72,029,852	46,244,104
Non-current liabilities			
Financial Liabilities			
i) Lease liabilities			
ii) Other Financial Liabilities			
Deferred tax liabilities (net)	5	**-**	-
Provisions	13	**8,084,792**	5,523,269
Other non-current Liabilities		**-**	-
		8,084,792	5,523,269

	Note	As at 31 March 2022	As at 31 March 2021
Current liabilities			
Financial Liabilities			
i) Lease liabilities			
ii) Trade payables	14	**216,772**	109,364
iii) Other Financial Liabilities			
Provisions	15	**21,378,945**	10,758,875
Other current liabilities	16	**3,542,124**	2,215,389
		25,137,841	13,083,628
TOTAL		**105,252,485**	**64,851,001**
Significant accounting policies	1 & 2		
see accompanying notes forming part of the financial statements	1 to 26		

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

As per our report of even date attached

For APU & Company
Chartered Accountants
Firm Registration Number : 019542N

For and on behalf of the Board of Directors of
ALLYIS INDIA PRIVATE LIMITED

CA Ankur Jain
Partner
M.No.502270
UDIN: 22502270AIYBNX9595
Place : Delhi
Date : May 11, 2022

Rakesh Garg
Director
DIN 02925559
Place : USA
Date : May 11, 2022

Manish Samadarshi
Director
DIN 08860006
Place : USA
Date : May 11, 2022

ALLYIS INDIA PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

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

	Note	For the year ended 31 March 2022	For the year ended 31 March, 2021
Revenue			
Revenue from operations	17	**372,538,202**	189,238,035
Other income	18	**1,094,198**	-
Total revenue		**373,632,400**	189,238,035
Expenses			
Employee benefits expense	19	**293,962,691**	139,147,392
Finance costs	20	**89,925**	439,681
Depreciation and amortization expense	21	**9,886,588**	5,567,762
Other expenses	22	**21,090,816**	19,556,148
Total expenses		**325,030,020**	164,710,983
Profit/(loss) before tax		**48,602,380**	24,527,052
Tax expense			
Current tax		**13,543,013**	7,194,365
Deferred tax charge/(credit)		**(652,266)**	(204,450)
Tax related to earlier years		**34,990**	349,601
Profit/(loss) for the year		**35,676,643**	17,187,537
Earning/(Loss) per share (Rs)			
Basic [nominal value of Rs 10 per share (previous year Rs 10)]	23	**41.75**	17.19
Diluted [nominal value of Rs 10 per share (previous year Rs 10)]	23	**41.75**	17.19
Significant accounting policies	1 & 2		
see accompanying notes forming part of the	1 to 26		

financial statements

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

As per our report of even date attached

For APU & Company
Chartered Accountants
Firm Registration Number : 019542N

For and on behalf of the Board of Directors of
ALLYIS INDIA PRIVATE LIMITED

CA Ankur Jain
Partner
M.No.502270
UDIN: 22502270AIYBNX9595
Place : Delhi
Date : May 11, 2022

Rakesh Garg
Director
DIN 02925559
Place : USA
Date : May 11, 2022

Manish Samadarshi
Director
DIN 08860006
Place : USA
Date : May 11, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from operating activities		
Net profit/(loss) before tax	**48,602,380**	24,527,052
Adjustments:		
Depreciation and amortisation	**9,886,588**	5,567,762
Finance costs	**89,925**	439,681
Operating cash flow before working capital changes	**58,578,892**	30,534,496
Increase in inventories	**-**	-
Decrease in loans & advances and other assets	**(12,523,342)**	(15,291,082)
Decrease/(Increase) in trade receivables	**(10,018,614)**	-
Increase in other current liabilities	**1,326,735**	9,754,900
(Decrease) / Increase in trade payables	**107,408**	-
Increase in provisions	**13,181,503**	-
Cash generated from operations	**50,652,581**	24,998,315
Income tax paid	**(13,578,003)**	(7,543,966)
Net cash from operating activities (A)	**37,074,578**	17,454,349
Cash flow from investing activities		
Purchase of property, plant and equipment	**(11,864,435)**	(10,203,716)
Proceeds from sale of property, plant and equipment	**83,646**	-
Net cash (used in) investing activities (B)	**(11,780,789)**	(10,203,716)
Cash flow from financing activities		
Dividend paid (including corporate dividend tax)		-
Finance costs paid	**(89,925)**	(439,681)
Buy back of shares	**(8,399,868)**	-
Tax on buy back of Equity Shares	**(1,490,937)**	
Net cash (used in)/ from by financing activities (C)	**(9,980,730)**	(439,681)

	Year ended 31 March 2022	Year ended 31 March 2021
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**15,313,060**	6,810,952
Cash and cash equivalents at the beginning of the year	**12,584,025**	5,773,073
Cash and cash equivalents at the end of the year	**27,897,085**	12,584,025
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents	**27,897,086**	12,584,025
Cash and cash equivalents at the end of the year	**27,897,086**	12,584,025

Note 1:

Cash and cash equivalents at the end of the year comprises:		
(a) Cash in hand	**-**	-
(b) Balances with banks:		
- in current accounts	**27,897,086**	12,584,025
Cash and cash equivalents at the end of the year	**27,897,086**	12,584,025

Note 2: The above Cash Flow Statement has been prepared under the indirect method as set out in the applicable Accounting Standard [Accounting Standard - 3 on “Cash Flow Statement” specified under section 133 of the Companies Act, 2013 (“the Act”)]

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

As per our report of even date attached

For APU & Company
Chartered Accountants
Firm Registration Number : 019542N

For and on behalf of the Board of Directors of
ALLYIS INDIA PRIVATE LIMITED

CA Ankur Jain
Partner
M.No.502270
UDIN: 22502270AIYBNX9595
Place : Delhi
Date : May 11, 2022

Rakesh Garg
Director
DIN 02925559
Place : USA
Date : May 11, 2022

Manish Samadarshi
Director
DIN 08860006
Place : USA
Date : May 11, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts in Indian Rupees, except for share data, and if otherwise stated)

1 Corporate information

Alliys India Private Limited ('the Company') is a private limited company domiciled in India. The Company is engaged in rendering Software Development Service for its holding company i.e. Allyis INC and domestic customers in the field of employee's recruitment.

2 Significant accounting policies

a. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 as amended. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

c. Current-non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised 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 realised within 12 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 12 months after the reporting date.

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 12 months after the reporting date; or

d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 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 assets/ liabilities include the current portion of non-current financial assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.The Company has determined its operating cycle as twelve months having regard to the nature of its business.

d. Fixed assets

Property, plant and equipment and depreciation

Property, plant and equipment are carried at the cost of acquisition or construction, less accumulated depreciation and/ or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

Borrowing cost are interest costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of the funds. Borrowing costs directly attributable to acquisition or construction of those property, plant and equipment which necessarily takes a sustainable period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Property, plant and equipment under construction are disclosed as capital work-in-progress

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

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

Property, plant and equipment are depreciated on a pro-rata basis using the rates arrived based on useful lives as prescribed in Schedule-II of the Companies Act, 2013, or useful lives of assets estimated by the management based on technical advice in cases where a useful life is different than the useful lives indicated in Schedule-II of the Companies Act, 2013, which represents the period over which management expects to use these assets, as follows:

Asset description	**Useful Life (Years)**	**Rate WDV**
Office Equipment (NSED)	5	45.07%
Electrical Installations & Equipment (NSED)	10	25.89%
Computer & Data processing (NESD)		
a) Server & Networks	6	39.30%
b) End user devises such as desktop, laptops etc.	3	63.16%
Furniture & Fittings (NESD)	10	25.89%
Motor Vehicles	10	39.30%

Leasehold land and leasehold improvement are depreciated on straight line basis over the period of the lease or their estimated useful life, whichever is lower.

Leasehold land is being depreciated over the period of primary lease period of 99 years.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed by management at each reporting date and adjusted prospectively, as appropriate.

Depreciation on additions is provided on a pro-rata basis from the date of acquisition/ installation. Depreciation on sale/ deduction from property, plant and equipment is provided for up to the date of sale/ adjustment, as the case may be.

A property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are shown under ‘Other current assets’. Losses arising from retirement or gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognized in the Statement of Profit and Loss.

Intangible assets and amortisation

Intangible assets comprise computer software are stated at acquisition cost less accumulated amortisation and impairment loss, if any. The cost of an item of intangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under long-term loans and advances.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortised in the Statement of Profit and Loss over their estimated useful life being 3 years.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal 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 the Statement of Profit and Loss.

e. Impairment

The carrying value of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the assets recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

f. Revenue recognition

Income from services

Revenue from export of services is recognized in accordance with the terms of the contract on a time proportion basis to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Other income is recognized on accrual basis.

g. Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash balance with bank, and highly liquid investments with original maturities, at the date of purchase/ investment, of three months or less.

h. Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1 Exchange differences arising on long-term foreign currency monetary items related to acquisition of a property, plant and equipment and intangible assets are capitalized and depreciated over the remaining useful life of the asset.

2 All other exchange differences are recognized as income or as expenses in the period in which they arise.

i. Retirement and other employee benefit

Provident fund: Contribution towards provident fund for employees 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.

The company's contribution to defined contribution plan is charged to Statement of Profit and Loss as incurred.

Employees' state insurance: The Company's contribution to state plan, namely employees' state insurance fund(ESI) a defined contribution benefits is charged to the Statement of Profit & Loss as incurred.

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 and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year and the benefit plan is a non-funded scheme. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Compensated absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end 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.

Termination benefits: Termination benefits in the nature of voluntary retirement benefits are recognized in the Statement of Profit and Loss as and when incurred.

j. 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.

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 tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer 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.

k. Provisions and contingencies

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 Balance Sheet date. Provisions are measured on an undiscounted basis.

Contingencies

Provisions in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

l. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not a 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 neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

m. Leases

Leased assets under which the Company assumes substantially all risks and benefits of ownership are classified as finance lease. Other leases are classified as operating leases.

Operating leases: Lease rentals in respect of assets taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease period.

n. Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

o. Segment reporting

Business segment:

The Company engaged in the business of manufacturing and sale electrical distribution equipment for industrial use which is considered as single business segment. Accordingly, the disclosures on primary business segment have not been provided since the Company has only one business segment.

Geographical segment:

The Company exports to customers and accordingly, the secondary segment for the Company is based on the location of the customers.

p. Earning per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

3 Property, Plant and Equipment

	Computers	Office Equipment	Total
Gross Block			
At 1 April 2020	6,264,635	390,168	6,654,803
Additions	10,292,716	-	10,292,716
Disposals/Adjustment	148,265	-	148,265
At 31st March 2021	16,409,086	390,168	16,799,253
Additions	11,864,435	-	11,864,435
Disposals/Adjustment	170,000	-	170,000
At 31st March 2022	**28,103,521**	**390,168**	**28,493,688**
Depreciation			
At 1 April 2020	3,099,263	131,715	3,230,977
Charge for the year	5,379,110	116,485	5,495,595
Disposals/Adjustment	59,265	-	59,265
At 31 March 2021	8,419,108	248,200	8,667,307
Charge for the year	9,805,832	63,985	9,869,817
Disposals/Adjustment	86,354	-	86,354
At 31 March 2022	**18,138,586**	**312,185**	**18,450,771**
Net Block			
At 31 March 2021	7,989,978	141,968	8,131,946
At 31 March 2022	**9,964,935**	**77,984**	**10,042,917**

4 Intangible Assets

	Computer Software	Total
Gross Block		
At 1 April 2020	457,200	457,200
Additions	-	-
Disposals/Adjustment	-	-
At 31st March 2021	457,200	457,200
Additions	-	-
Disposals/Adjustment	-	-
At 31st March 2022	**457,200**	**457,200**
Depreciation		
At 1 April 2020	338,291	338,291
Charge for the year	72,167	72,167
Disposals/Adjustment	-	-
At 31 March 2021	410,458	410,458
Charge for the year	16,771	16,771
Disposals/Adjustment	-	-
At 31 March 2022	**427,228**	**427,229**
Net Block		
At 31 March 2021	46,742	46,742
At 31 March 2022	**29,972**	**29,972**

5 Deferred tax liabilities/assets

	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities on:		
Excess depreciation/ amortisation on fixed assets under Income tax Act, 1961 over depreciation/ amortisation as per books	**-**	-
Total deferred tax liability	**-**	-
Deferred tax assets on:		
Excess depreciation/ amortisation on fixed assets under Income tax Act, 1961 over depreciation/ amortisation as per books	**835,433**	183,167
Total deferred tax assets	**835,433**	183,167
Net deferred tax liabilities recognised	**835,433**	183,167

6 Loans and advances : Non-Current

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
Security Deposit	**7,508,887**	7,476,194
	7,508,887	7,476,194

7 Trade receivables : Current

	As at 31 March 2022	As at 31 March 2021
Unsecured, Considered Good	**30,386,336**	20,367,721
	30,386,336	20,367,721

8 Cash and bank balances: Current

	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Cash in hand	**-**	-
Balance with banks		
In current account	**27,897,086**	12,584,025
	27,897,086	12,584,025

9 Loans and advances : Current

(Unsecured and considered good)

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	**268,726**	388,071
Loans & advances to employees & creditors	**3,222,985**	41,053
	3,491,711	429,124

10 Other Current Assets : Current

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
Balances with government authorities	**4,523,416**	5,220,537
Advance Income Tax & Tax Deducted at source	**20,536,727**	10,411,544
	25,060,143	15,632,081

11 Share Capital

	As at 31 March 2022		As at 31 March 2021	
Authorised	**Number of shares**	**Amount**	Number of shares	Amount
Equity shares of ₹ 10 each.	**2,000,000**	**20,000,000**	2,000,000	20,000,000
	2,000,000	**20,000,000**	2,000,000	20,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each				
At the beginning of the year	**999,770**	**9,997,700**	999,770	9,997,700
Buy Back of shares during the year	**199,999**	**1,999,990**	-	-
At the end of the year	**799,771**	**7,997,710**	999,770	9,997,700

11(a) Right preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. An equity shareholder present in person shall have right to one vote in case of voting by show of hand. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company in accordance with Articles of Association of the Company (as may be in force).

11(b) Shares held by holding company

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	**Amount**	Number of shares	Amount
Equity shares of ₹ 10 each fully paid up held by				
Allyis Inc., the holding company	**-**	**-**	799,770	7,997,700
Tech Mahindra Limited	**799,770**	**7,997,700**	-	-

11(c) Particulars of shareholders holding more than 5% shares of the Company

	Number of shares	**% holding in the class**	Number of shares	% holding in the class
Equity shares of ₹10 each fully paid up held by				
Surendra Prasad			100,000	10.00%
Sundaresa Ramakrishnan			100,000	10.00%
Allyis Inc.			799,770	80.00%
Tech Mahindra Limited	**799,770**	**100.00%**		
	799,770	**100.00%**	999,770	100.00%

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.

11(d) The Board of Directors at its meeting held on May 12, 2021, approved a proposal to buy-back upto 1,99,999 equity shares of the Company for an aggregate amount not exceeding ₹ 83,99,958, being 20% of the total paid up equity share capital at ₹42 per equity share. The shareholders approved the same on June 14, 2021, by way of a special resolution. A Letter of Offer was made to all eligible shareholders. The Company bought back 1,99,999 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on July 09, 2021. Capital redemption reserve was created to the extent of share capital extinguished (₹1,99,999). The excess cost of buy-back of ₹ 83,99,958 (including NIL towards transaction cost of buy-back) over par value of shares and corresponding tax on buy-back of ₹ 14,90,937 were offset from retained earnings.

12 Other Equity

	As at 31 March 2022	As at 31 March 2021
Capital Redemption Reserve		
At the commencement of the year	**-**	-
Add: Additions During the year	**1,999,900**	-
Balance at the end of the year	**1,999,900**	-
Surplus in the statement of profit and loss		
At the commencement of the year	**36,246,404**	19,058,867
Add: Profit/(loss) for the year	**35,676,643**	17,187,537
Less:- Buy back of Equity Shares	**8,399,868**	-
Less:- Tax on Buyback of Equity Shares	**1,490,937**	-
Balance at the end of the year	**62,032,242**	36,246,404
Total reserves and surplus	**64,032,142**	36,246,404

13 Provisions : Non-Current

	As at 31 March 2022	As at 31 March 2021
Provision for Leave Encashment	**3,814,752**	2,253,391
Other Liabilities (Gratuity Fund)	**4,270,040**	3,269,878
	8,084,792	5,523,269

14 Trade payables : Current

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues to micro and small enterprises	**-**	-
Total outstanding dues to creditors other than micro and small enterprises	**216,772**	109,364
	216,772	109,365

15 Other current liabilities : Current

	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	**3,359,714**	2,215,389
Salary Payable	**182,411**	
	3,542,124	2,215,389

16 Provisions : : Current

	As at 31 March 2022	As at 31 March 2021
Provision for Taxation	**20,772,368**	10,401,902
Expenses payables	**606,577**	356973
	21,378,945	10,758,875

17 Revenue from operations

	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of services	**372,538,202**	189,238,035
	372,538,202	189,238,035

18 Other income

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest Income	**-**	-
Foreign Exchange Fluctuation Gain (Net)	**1,094,198**	-
Miscellaneous income	**-**	-
	1,094,198	-

19 Employee benefits expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and Wages	**280,512,681**	128,945,232
Gratuity and Leave Encashment	**2,561,523**	3,254,038
PF Expenses (Employer)	**8,509,228**	4,868,314
Labour Welfare Fund	**2,875**	
Employees Health Insurance Premium	**2,254,744**	2,068,474
Staff Welfare	**121,640**	11,334
	293,962,691	139,147,392

20 Finance costs

	For the year ended 31 March 2022	For the year ended 31 March 2021
Bank Charges	**89,925**	54,626
Interest	**-**	68,345
Loss on foreign currency transactions	**-**	316,711
	89,925	439,681

21 Depreciation and amortisation

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 11)	**9,869,817**	5,495,595
Amortisation of intangible assets (refer note 12)	**16,771**	72,167
	9,886,588	5,567,762

22 Other expenses

	For the year ended 31 March 2022	For the year ended 31 March 2021
Advertisement Expenses	-	26,460
Communication Expense	424,742	585,123
Duties and Taxes	147,576	1,270
Donation	-	139,016
Legal and Professional Charges*	4,891,151	1,476,211
Local Conveyance & Travelling Expense	11,000	-
Loss by Employee	13,646	-
Office Expenses	167,067	176,658
Printing, Stationery & Courier	237,385	114,610
Professional Tax	2,500	2,500
Referal Bonus	15,000	-
Rent	13,959,000	16,285,500
Repair and Maintiance - Computers	321,251	141,354
Security Guard Expense	412,300	358,000
Shops & Establishment Fees	21,409	24,655
STPI Service Charges	250,000	225,000
Short & Excess	-10,361	-210
Training and Development	227,150	-
	21,090,816	19,556,148

*** Payments to auditors**		
As Auditor		
Statutory audit	25,000	25,000
Other services	25,000	25,000
Reimbursement of expenses	-	-
	50,000	50,000

23 Earnings per share

The calculation of Earnings per Share (EPS) as disclosed in the Statement of Profit and Loss has been made in accordance with Accounting Standard (AS)-20 on “Earnings Per Share”.

A statement of calculation of EPS is given below:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit/ (Loss) after tax	35,676,643	17,187,537
Net profit attributable to equity shareholders for calculation of basic EPS	35,676,643	17,187,537
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	854,565	999,770
Basic earning per share	41.75	17.19
Diluted earning per share	41.75	17.19

24(a) Expenditure in foreign currency (on accrual basis)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Travelling expenses	**-**	-
	-	-

25(b) Earnings in foreign exchange (accrual basis)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Export of Services	**372,538,202**	188,955,262
	372,538,202	188,955,262

Related party disclosures (As per Accounting Standard 18- Related party disclosures)

(A) Names of related parties and related party relationship

(i) Related parties where control exists

Name of related parties	**Relationship**
Allyis INC (USA)	

(ii) Related parties where control with whom transactions has taken place

Name of related parties	**Relationship**
Allyis INC (USA)	Holding Company

(iii) Key management personnel

a) Mr. Rakesh Garg (Director)
b) Mrs. Geeta Surendra Prasad (Director)
c) Mr. Surendra Prasad (Director)
d) Mrs. Sarada Bharadwaj (Director)
e) Mr. Manish Samadarshi (Director)

(B) Transactions with Key management Personnel:

Compensation of key management personnel of the Company recognised as expense during the reporting period

Short-term employee benefits*	**For the year ended 31 March 2022**	For the year ended 31 March 2021
	-	-
Total compensation paid to key management personnel	**-**	-

* Excludes gratuity and leave encashment as these are recorded in the books of accounts on the basis of actuarial valuation for the company as a whole and hence individual amount cannot be determined

(C) Transactions with related parties:

Particulars	**Name of related party**	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Income from Services Rendered	Allyis INC (USA)	372,538,202	188,955,262

(D) Balances from Related Parties

Particulars	**Name of Related Party**	**As at 31 March 2022**	As at 31 March 2021
Trade Receivables	Allyis INC (USA)	30,386,336	20,367,721

26 Previous year figures

Previous year figures have been regrouped/reclassified, wherever necessary to conform to this year's classification.

As per our report of even date attached

For APU & Company
Chartered Accountants
Firm Registration Number : 019542N

For and on behalf of the Board of Directors of
ALLYIS INDIA PRIVATE LIMITED

CA Ankur Jain
Partner
M.No.502270
UDIN: 22502270AIYBNX9595
Place : Delhi
Date : May 11, 2022

Rakesh Garg
Director
DIN 02925559

Place : USA
Date : May 11, 2022

Manish Samadarshi
Director
DIN 08860006

Place : USA
Date : May 11, 2022

BEGIG PRIVATE LIMITED

Directors:
Mr. Chethan Prabhudeva, Director (w.e.f June 03, 2021)
Mr. Harshvendra Soin, Director (w.e.f October 25, 2021)
Mr. Shresth Shrivastav, Whole-Time Director

Registered Office:
7th Floor, Capital Cyberscape, Sector-59, Golf
Course Extension Road, Gurugram, Haryana-122102

Bankers
CITI Bank Limited

Auditors
M/s. P A S & Company, Chartered Accountants
815, GD ITL Tower, B-8, Netaji Subhash Palace,
Ring Road, Pitampura, Delhi-110034

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the First Annual Report with the audited financial statements of the Company for the financial year ended March 31, 2022.

FINANCIAL SUMMARY/ HIGHLIGHTS:

FINANCIAL RESULTS	**2021-22**
Total Income	2,83,04,604
Profit/ (Loss) before Depreciation & Taxation	(2,27,67,506)
(-) Depreciation	7,09,728
Exceptional items:	
(+) Additional consideration on sale of subsidiary	0
(+) Profit on sale of investment in subsidiary	0
(-) Provision for impairment	0
Profit/(Loss) before Taxation	(2,34,77,234)
(-) Provision for Income Tax	
(-) Deferred Tax Reversal /(charge)	(58,83,224)
Profit/(Loss) for the period	(1,75,93,990)
EPS Basic (Rs.)	(7.35)
EPS Diluted (Rs.)	(7.35)

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIRS

Begig was founded in April 2021 as a subsidiary of Tech Mahindra Limited. It's a freelance marketplace that connects top tech talent with top companies, revolutionising the gig economy.

Our Vision is to build the world's largest global ecosystem for tech freelancers and businesses, bridging the technological skills gap in all industries. We aspire to develop a tech community for the future by delivering experienced and vetted tech people as well as high-budget gigs with top companies through our ecosystem.

Our Mission is to transform the way tech freelancers get work, earn more money, and grow by providing exclusive rewards. With our hand-picked, premium talent pool of qualified technologists, we help businesses save time and money.

Begig is using AI matching technology to match the qualified candidates according to their skill sets as per the Gig posted instantly to achieve their goals with ease and maximise the quality. Apart from quality we are providing perks & rewards to both Freelancers and enterprises. At present, we have launched our website and App (both android and iOS) and are doing business in India only.

Our future plan is to expand worldwide in the next 2-3 years. Our Target market for freelancers is South Asia & eastern Europe & USA, Europe & Australia for Enterprises. Also, we are focusing towards creating facilities for code repositories, GDPR compliance, cyber security & smart contracts for transactions.

Begig has a diversified team of very talented people with innovative & self-driven mindset from top colleges with managerial and entrepreneurial backgrounds. Everyone in the team is multi-talented, working cross functionally and growing together.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of the business of the Company during the Financial Year 2021-22.

DIVIDEND AND TRANSFER TO RESERVES

Since the operations during the year resulted in net loss, declaration of dividend or transfer to general reserves did not arise.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statement relates and the date of the report.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

As on March 31, 2022, the Company does not have any subsidiary/Joint Venture/Associate company.

DEPOSITS

Company has not accepted any deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Chapter V of the Companies Act, 2013.

STATUTORY AUDITORS

P A S & Company, Chartered Accountants, was appointed as First Statutory Auditor of the Company by the Board on April 26, 2021 to hold the office till the conclusion of the First Annual General Meeting.

The Board has recommended to the shareholders to appoint P A S & Company, Chartered Accountants (Firm Registration No. 019679N), Chartered Accountants, as Statutory Auditor of the Company in the ensuing Annual General Meeting for a term of five (5) years effective from the conclusion of First Annual General Meeting till the conclusion of Sixth Annual General Meeting of the Company.

The Company has received an eligibility certificate from the Statutory Auditors to the effect that their appointment, if made, would be within the limits prescribed under section 141(3) of the Companies Act, 2013.

AUDITOR'S REPORT

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2021-22 by M/s. P A S & Company, Statutory Auditors.

There are no frauds reported by the auditors under sub-section (12) of section 143 of the Companies Act, 2013.

SHARE CAPITAL

The Authorized share capital of the Company is Rupees Six Crores (6,00,00,000) divided into Sixty Lakhs (60,00,000) Equity Shares of Rupees Ten (10) each.

The Company was incorporated with issued and paid-up share capital of Rupees Five Lakhs (5,00,000) divided into Fifty Thousand (50,000) Equity Shares of Rupees Ten (10) each.

The Board on June 17, 2021 issued and allotted Twenty Nine Lakh and Fifty Thousand (29,50,000) Equity Shares of Rupees Ten (10) each to Tech Mahindra Limited under Rights Issue. Consequently, the issued share capital of the Company was raised to Rupees Three Crores (3,00,00,000).

EMPLOYEES STOCK OPTION PLANS

Company has no ESOP Schemes implemented for the employees as on the date of this Report.

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, the Annual Return in Form MGT-7 is available at the weblink: https://www.begig.io/

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, the Board of Directors met eight (8) times on April 26, 2021, June 03, 2021, June 17, 2021, October 25, 2021, November 30, 2021, December 16, 2021 and January 06, 2022 and the notices convening meeting of the Board were duly sent to all the Directors.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO UNDER SECTION 134(3)(m)

(A) CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy:

The Company does not have huge consumption of energy as it is not into manufacturing activity. However, effort have been made to conserve and optimise the use of energy through improved operational methods like maximum use of skylight and other energy saving devices wherever possible.

(ii) The steps taken by the Company to utilize alternate sources of energy:

As Company has taken all their premises on lease, alternate source of energy could not be installed.

(iii) The capital investment on energy conservation equipment:

There is no capital investment on energy conservation equipment.

(B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption

All the commercial activities being carried out by the Company are neither owned by it nor it will create any intellectual property rights out of any deliverables.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

The Company is constantly acquiring new hardware and software solutions and upgrading its existing hardware and software to provide more and better services to its customers.

(iii) In case of imported technology (Imported during last three years reckoned from the beginning of the Financial Year)

Company has not imported technology during the last year.

(C) FOREIGN EXCHANGE EARNINGS & OUTFLOWS

Till the end of the financial year, the Company has NIL Foreign Exchange earnings and Foreign Exchange Outflows (on actual basis) during the year was Rs. 9,19,900.

DIRECTORS

A. Changes in Directors and Key Managerial Personnel (KMP)

In accordance with the provisions of Section 152(6)(c) of the Companies Act, 2013, Mr. Shresth Shrivastav (DIN: 09156107), Whole-Time Director, is liable to retire by rotation and being eligible offered for re-appointment. The Board recommends his re-appointment in the ensuing Annual General Meeting.

During the financial year, Mr. Apurva Chamaria (DIN: 07408982) resigned from the office of Director of the Company with effect from October 29, 2021 and Mr. Harshvendra Soin (DIN: 02917590) was appointed as an Additional Director of the Company on October 25, 2021 and proposed to be regularized as Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting of the Company. The Company has received a notice in writing from him under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director of the Company.

Further, Mr. Chethan Prabhudeva (DIN: 07318167) was appointed as an Additional Director of the Company on June 03, 2021 and proposed to be regularized as Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting of the Company. The Company has received a notice in writing from him under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director of the Company.

Directors	Board Meeting Attended
Apurva Chamaria*	2
Chethan Prabhudeva**	7
Harshvendra Soin***	3
Shresth Shrivastav	8

*resigned with effect from October 29, 2021

**appointed with effect from June 03, 2021

***appointed with effect from October 25, 2021

B. Declaration by an Independent Director(s)

The Company is not required to appoint independent director as per section 149 of the Companies Act, 2013.

C. Commission paid to Managing Director or Directors of the Company

During the year under review, none of the Directors are not entitled to any Commission.

D. Formal Annual Evaluation

The provisions of Section 178 are not applicable to the Company. Hence, details of performance evaluation are not offered.

E. Policy for selection and appointment of Directors, KMP and their remuneration

The Company is not required to maintain Nomination and Remuneration Policy as provided under section 178(3) of the Companies Act, 2013

PARTICULARS OF EMPLOYEES u/s 197(12) OF THE COMPANIES ACT, 2013 r/w RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

As per the provisions of this section the same is not applicable to the Company.

BOARD COMMITTEES

The Company is not required to constitute any Committees as prescribed under the Companies Act, 2013.

CSR (Corporate Social Responsibility) Committee

The provisions of section 135 of Companies Act, 2013 is not applicable on the Company.

POLICY TO PREVENT AND DEAL WITH SEXUAL HARASSMENT

The Company has adopted policy to Prevent & Deal with Sexual Harassment at workplace is in place as per the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

During the year under report, there was no complaint which was received by the ICC.

The Company has complied with provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 relating to the constitution of Internal Complaints Committee.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The provisions of vigil mechanism are not applicable to the Company.

RISK MANAGEMENT POLICY

Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management system, organizational, structure, processes, standards, code of conduct and behaviors together form the risk management matrix that govern how the Company conducts the business and manages associated risks.

Company has introduced several improvements to integrated Enterprise Risk Management, Internal Controls Management and Assurance Framework and Processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by fully aligned across Companywide risk management, internal control and internal audit methodologies and process.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 AS ON MARCH 31, 2022

Details of loans/ guarantees/ investments made by the Company:

Sl. No.	Particulars	Amount (in Rs.)
1.	Loans	Nil
2.	Guarantees	Nil
3.	Investments (in subsidiaries)	Nil
4.	Security extended	Nil

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 has been annexed in AOC-2 as Annexure 1.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There is no significant and material order passed by the regulators or courts or tribunals impacting going concern status and Company's operations.

PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

VALUATION OF ASSETS

The provisions of Section 134(3)(q) read with Rule 8(5)(xii) of the Companies (Accounts) Rules, 2014 are not applicable on the Company as it has not taken any valuation of assets for the given purpose.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIALS CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, the safeguarding of assets, the prevention & detection of frauds & errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is confirmed:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

During the period under review, the Company is not required to appoint any Independent Director therefore, the requirement to provide a statement in this regard is not required.

COST RECORDS

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 (1) of the Companies Act, 2013 are not applicable for the business activities of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards.

ACKNOWLEDGEMENT

Your Directors on behalf of the Company and management express their gratitude for the co-operation and support received from Customers, Vendors, Shareholders, Bankers, various agencies and Government departments both State and Central Governments.

The Directors also place on record their appreciation for the true team spirit, valued contributions and efforts put in by the employees at all levels.

For and on behalf of
Begig Private Limited

	Shresth Shrivastav	Chethan Prabhudeva
	Director	Director
	DIN: 09156107	DIN: 07318167
Date: May 10, 2022	Place: Gurugram	Place: Gurugram

AOC 2

S.No.	Name(s) of the related party and nature of relationship		Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advances /Loan, if any
1	YABX India Private Limited	Fellow Subsidiary	Sale of Services	22-Apr-2021 to 31-Mar-2022	Sale of Services	NA	343,616
2	Tech Mahindra Limited	Holding Company	Sale of Services	22-Apr-2021 to 31-Mar-2022	Sale of Services	NA	28,109,737
3	Shresth Shrivastav	Director	Remuneration to WTD	22-Apr-2021 to 31-Mar-2022	Remuneration to WTD	NA	1,094,170
4	Shrivastav & Khurana	Director's Relative	Professional fee paid	08-Jan-2022 to 31-Mar-2022	Professional fee paid	16-Dec-2021	156,000

for Begig Private Limited

Shresth Shrivastav
Director
DIN: 09156107

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BEGIG PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of BEGIG 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 significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

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 loss, other 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 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 Director's Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard

Management's Responsibilities 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, 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 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 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 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.

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 except information which is contained in the electronic records is complete but possible to be altered.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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 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".

g) With respect to the 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 read with Schedule V to the Companies Act, 2013.

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

   i. The Company does not have any pending litigations which would impact its financial position

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

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

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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;

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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;

   (a) Based on the audit procedures 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 and (b) above, contain any material misstatement.

   v. During the year, Company did not declare or paid any Dividend.

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, to the extent applicable.

For P A S & Company
Chartered Accountants
(Firm's Registration No. 019679N)

Ankur Garg
Partner
(Membership No.522582)
UDIN: 22522582AIUADO6818

Place: Delhi
Date

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 to the Members of BeGig Private Limited 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 BEGIG 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 Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "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 Act.

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 ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being

made only in accordance with 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, 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 ICAI.

For P A S & Company
Chartered Accountants
(Firm's Registration No. 019679N)

Ankur Garg
Partner
(Membership No.522582)
UDIN: 22522582AIUADO6818

Place: Delhi
Date

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 BeGig 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 Property, Plant and Equipment:

(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 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) 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 immovable properties.

(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 any working capital limits, 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. 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, during the year hence reporting under clause 3(iii) of the Order is not applicable.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as 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) In our opinion, the Company has generally been regular in depositing 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 and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess 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.

(b) According to records of the Company, there are no statutory dues as referred to in sub-clause (a) above, which have not been deposited 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) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix) 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 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, associates or joint ventures

(f) The Company has not raised any loans 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 made allotment of equity shares through Right Issue and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

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 up to the date of this report.

(c) As informed to us, no whistle blower complaints have been received by the Company during the year (and up to the date of this report). Hence reporting under clause 3(xi)(c) of the Order is not applicable

xii. The Company is not a Nidhi Company and hence reporting under clause 3(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. The company is not required to have internal audit system under section 138 of the Companies Act, 2013 hence reporting under clause 3(xiv) 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.

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 during the financial year covered by our audit amounting to ₹ 2,27,67,506.

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.

xx. The company is not required to spend in pursuance of its Corporate Social Responsibility under section 135 of the Companies Act, 2013. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For P A S & Company
Chartered Accountants
(Firm's Registration No. 019679N)

Ankur Garg
Partner
(Membership No.522582)
UDIN: 22522582AIUADO6818

Place: Delhi
Date

BEGIG PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2022

(Amount in Rs)

Particulars	Note No.	Amount As At 31/03/2022
I. ASSETS		
A. Non-Current Assets		
a. Property, Plant and Equipment	3	**864,758**
b. Other Intangible Assets	4	**4,243,904**
c. Income Tax Assets (Net)	5	**2,435,455**
d. Deferred tax assets (net)	6	**5,883,244**
Total Non-Current Assets		**13,427,361**
B. Current Assets		
a. Financial Assets		
i. Trade Receivables	7	
Billed		**1,579,813**
Unbilled		**1,910,971**
ii. Cash and Cash Equivalents	8	**617,769**
iii. Other Financial Assets	9	**430,000**
c. Other Current Assets	10	**1,098,133**
Total Current Assets		**5,636,685**
Total Assets		**19,064,046**
II. EQUITY AND LIABILITIES		
A. Equity		
a. Equity Share Capital	11	**30,000,000**
b. Other Equity	12	**(17,593,990)**
Total Equity		**12,406,010**
B. LIABILITIES		
1. Non-Current Liabilities		
(a) Provisions	13	**108,824**
Total Non - Current Liabilities		**108,824**
2. Current liabilities		
(a) Financial Liabilities		
(i) Trade payables	14	
(A) Dues of micro and small enterprises		**2,822,866**
(B) Dues of creditors other than micro and small enterprises		**2,550,512**
(ii) Other Financial Liabilities		
(b Other Current Liabilities	15	**1,175,656**
(c) Provisions	16	**177**
Total Current Liabilities		**6,549,212**
Total Equity and Liabilities		**19,064,046**
See accompanying notes forming part of financial statements	1-41	

As per our report of even date attached

For P A S & Company
Chartered Accountants
Firm Registration Number: 019679N

For and on behalf of the Board of Directors of
BeGig Private Limited

Ankur Garg
Partner
Membership Number: 522582

Shresth Shrivastav
Director

Chethan Prabhudeva
Director

Place: Delhi
Date:

Place: Gurugram
Date:

Place: Gurugram
Date:

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022

(Amount in ₹ except Earnings per share)

S.NO	Particulars	Note No.	For the Period ended 31.03.2022
I	Revenue from Operations	17	**28,304,604**
II	Other Income		-
III	**Total Revenue (I +II)**		**28,304,604**
IV	**EXPENSES**		
a.	Purchase Of Services	18	**23,438,150**
b.	Employee benefits expense	19	**16,402,035**
c.	Finance costs		-
d.	Depreciation and amortization expense	3&4	**709,728**
e.	Other expenses	20	**11,231,925**
	Total Expense		**51,781,838**
V	**Profit/(loss) Before Tax**		**(23,477,234)**
VI	**Tax Expense**		
	Current tax	29	-
	Deferred Tax Expene/ (Income)	6	**(5,883,244)**
	Total Tax Expense/ (Income)		**(5,883,244)**
VII	**Profit/(loss) after Tax**		**(17,593,990)**
VIII	**Other Comprehensive Income**		
A	I. Items that will not be reclassified to Profit or Loss		
	(a) Re-measurement gain/(loss) on defined benefit plans		-
	II. Income tax relating to items that will not be reclassified to Profit or Loss		-
IX	Other comprehensive income/(loss) for the year		-
X	**Total Comprehensive Income/ (Loss) for the period (VII+IX)**		**(17,593,990)**
XI	**Earnings per equity share (Face value of ₹ 10/- each)**		
	(1) Basic	21	**(7.35)**
	(2) Diluted	21	**(7.35)**

See accompanying notes forming part of financial statements 1-41

As per our report of even date attached

For P A S & Company
Chartered Accountants
Firm Registration Number: 019679N

For and on behalf of the Board of Directors of
BeGig Private Limited

Ankur Garg
Partner
Membership Number: 522582

Place: Delhi
Date:

Shresth Shrivastav
Director

Place: Gurugram
Date:

Chethan Prabhudeva
Director

Place: Gurugram
Date:

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

(Amount in ₹)

Particulars	No Of Shares	As at March 31, 2022
As at 22nd April 2021	-	**-**
Changes in Equity Share Capital during the current year	3,000,000	**30,000,000**
As at March 31, 2022	3,000,000	**30,000,000**

B. Other Equity

(Amount in ₹)

Particulars	As at March 31, 2022				
	Share application money pending allotment	**Retained Earnings**	**General Reserve**	**Security Premium**	**Total Other Equity**
As at 22nd April 2021	**-**	**-**	**-**	**-**	**-**
Add: Profit / (Loss) for the year	**-**	**(17,593,990)**	**-**	**-**	**(17,593,990)**
Add: Other comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**
As at March 31, 2022	**-**	**(17,593,990)**	**-**	**-**	**(17,593,990)**

Retained Earnings:

Retained earnings represents the undistributed profits/ (Loss) of the Company accumulated as on Balance Sheet date

See accompanying notes forming part of financial statements 1-41

As per our report of even date attached

For P A S & Company
Chartered Accountants
Firm Registration Number: 019679N

For and on behalf of the Board of Directors of
BeGig Private Limited

Ankur Garg
Partner
Membership Number: 522582

Shresth Shrivastav
Director

Chethan Prabhudeva
Director

Place: Delhi
Date:

Place: Gurugram
Date:

Place: Gurugram
Date:

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2022

(Amount in Rs)

Particulars	For the year ended 31.03.2022	
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before tax		**(23,477,234)**
Adjustments for:		
Depreciation	**709,728**	
Interest Paid	**-**	**709,728**
Operating profit before working capital changes		**(22,767,506)**
Adjustments for changes in working capital:		
Inventories	**-**	
Trade Receivable	**(3,490,784)**	
Other current and non current assets	**(1,528,133)**	
Long term & Short term Loans & advances	**-**	
Trade payables, current liabilities & provisions	**6,658,036**	**1,639,119**
Cash generated from operations		**(21,128,387)**
Direct taxes paid (Net)		**2,435,455**
Net cash flows used in operating activities (A)		**(23,563,842)**
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES:		
Purchase/(sale) of property, plant & equipment and intangible assets	**(5,818,390)**	
Interest received	**-**	**(5,818,390)**
Net Cash flows generated from investing activities (B)		**(5,818,390)**
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES:		
Proceeds from Incraese in Share Capital	**30,000,000**	
Interest Paid	**-**	**30,000,000**
Net cash flows generated from financing activities (C)		**30,000,000**
Net increase in cash and cash equivalents(A + B+ C)		**617,768**
Cash & cash equivalents at the end of the period (refer note 1 below)		**617,768**
Cash & cash equivalents at the beginning of the year		**-**
Net increase in cash and cash equivalents		**617,768**

Particulars	For the year ended 31.03.2022
Note 1:	
Cash and cash equivalents include:	
Cash on hand	**-**
Balance with banks	
'-In current accounts	**617,768**
'- In deposit accounts	**-**
Total Cash and cash equivalents - refer note 3	**617,768**

Note 2:

Figures in brackets represent outflow of cash and cash equivalents

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements.

See accompanying notes forming part of financial statements 1-41

As per our report of even date attached

For P A S & Company
Chartered Accountants
Firm Registration Number: 019679N

Ankur Garg
Partner
Membership Number: 522582

Place: Delhi
Date:

For and on behalf of the Board of Directors of
BeGig Private Limited

Shresth Shrivastav
Director

Place: Gurugram
Date:

Chethan Prabhudeva
Director

Place: Gurugram
Date:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

1. Company Overview

BeGig Private Limited ('the Company') was incorporated on 22 April, 2021 as a private limited company under the Companies Act, 2013. The registered office is located in 7th Floor, Capital Cyberscape, Sector 59 Golf Course Extension Road, Gurugram, Haryana- 122102. BeGig was established with a vision to create the biggest global ecosystem for tech freelancers and enterprises, bridging the tech skill gap across all industries. Also, to transform the way tech freelancers find work, earn more, and encourage growth with exclusive rewards and help enterprises save time and money with hand-picked, premium talent pool of skilled techies.

The financial statements ('financial statement') for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on 10th May, 2022.

2. Significant Accounting Policies

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation of financial statements

These financial statements are presented in Indian rupees ("INR") which is also the Company's functional currency. All amounts have been reported in Indian Rupees, unless otherwise stated. This is being the first financial statement of the Company after incorporation, statement of profit and loss is prepared from the date of incorporation (April 22, 2021) to period ended 31 March, 2022. Also, no comparative numbers are applicable for the Company for the current period's financial statements.

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

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized 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:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.3 Use of Estimates:

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. 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 and future periods are affected.

Critical accounting estimates

i) Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under Note 2.10.

ii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.4.

iii) Provisions

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.13.

iv) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2.9.

2.4 Property, Plant & Equipment and Intangible assets

Property, Plant & Equipment and intangible assets are stated at cost less accumulated depreciation/amortization and net of impairment. 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 costs of bringing the item 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. Subsequent expenditure 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.

The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work in progress

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on Property, Plant & Equipment (including assets taken on lease), other than freehold land, is charged based on the straight line method on the estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the certain categories of assets, where the life of the assets has been assessed based on internal technical estimate, considering the nature of the asset and estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes.

The estimated useful lives of assets are as follows

Particulars	**Life (In years)**
Computers	3
Trademarks	10
Software	3

The estimated useful life and residual values of Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period.

An item of Property, Plant & Equipment and intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the standalone statement of profit and loss.

2.5 Impairment of Assets:

i. Financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii. Non-financial assets - Property, Plant & Equipment

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e., 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 the recoverable amount of an asset or CGU is estimated to be less than it carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

2.6 Revenue recognition:

Revenue recognition is based on the terms and conditions as per the contracts entered into / understanding with the customers. All revenues from services, as rendered, are recognized when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the contract and applicable indirect taxes.

Contracts assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability arises when there is Company’s obligation to transfer goods or services to a customer for which the entity has received consideration (“Advances from Customer”) or the amount is due from the customer (“Unearned Revenue”)

2.7 Foreign currency transactions:

The functional currency of the company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit or loss.

2.8 Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and 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 measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized in Statement of profit and loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial asset not measured at amortized cost is carried at fair value through profit and loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL is measured at fair values at the end of each reporting period, with any gains or losses arising on re-measurement recognized in Statement of profit and loss.

Financial liabilities

Financial liabilities maturing after one year are subsequently carried at amortized cost using the effective interest method.

For trade payables and other financial liabilities maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derecognition of financial instruments

The Company derecognizes 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.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.9 Employee benefits

i) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method.

Actuarial gains and losses are recognized in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognized in profit or loss in the period of a plan amendment.

ii) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis.

iii) Compensated absences:

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognized in full in the Statement of Profit and Loss in the period in which they occur. 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 at the present value of the defined benefit obligation at the balance sheet date.

iv) Other short term employee benefits:

Other short-term employee benefits such as performance incentives expected to be paid in exchange for the services rendered by employees, are recognized during the period when the employee renders the service.

2.10 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the income tax laws.

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

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

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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

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

2.11 Employee Stock Option:

Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) on a straight-line basis over the requisite service period for each separately vesting portion of the award, as if award was in substance, multiple awards. The Company estimates the fair value of stock options. The cost is recorded under the head employee benefit expense in the statement of profit and loss with corresponding increase in "Employee stock option Reserve"

2.12 Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equities shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The Company does not have any potentially dilutive shares.

2.13 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. 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 and Contingent assets are not recognized in the financial statements.

2.14 Short term leases and leases of low value Assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor 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

2.15 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 March 23, 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 April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

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 labour, 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 April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material

For and on behalf of

BeGig Private Limited

Shresth Shrivastav	**CHETHAN PRABHUDEVA**
Director	Director
DIN: 09156107	DIN: 07318167
Place:	Place

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

Note 3: Property, Plant and Equipment

(Amount in Rs)

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block (as at)
	Cost as at April 01, 2021	Additions during the Year	Deletions during the year	Balance as at March 31, 2022	As at April 01, 2021	For the Year	Deductions during the year	Upto March 31, 2022	As at March 31, 2022
Tangible Assets									
Computers	-	982,332	-	982,332	-	117,574	-	**117,574**	**864,758**
Total	-	982,332	-	982,332	-	117,574	-	**117,574**	**864,758**

Note 4: Intangible Assets

(Amount in Rs)

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block (as at)
	Cost as at April 01, 2021	Additions during the Year	Deletions during the year	Balance as at March 31, 2022	As at April 01, 2021	For the Year	Deductions during the year	Upto March 31, 2022	As at March 31, 2022
Intangible Assets									
Trademarks	-	90,000	-	90,000	-	1,662	-	**1,662**	**88,338**
Software (Platform)	-	4,746,058	-	4,746,058	-	590,492	-	**590,492**	**4,155,566**
Total	-	4,836,058	-	4,836,058	-	592,154	-	**592,154**	**4,243,904**

NOTE-5 : Income Tax Assets (Net)

(Amount in Rs)

Particulars	**As at March 31, 2022**
Tax Deducted at Source under the Income Tax Act (Prepaid Taxes)	**2,435,455**
Total	**2,435,455**

NOTE-6 : Deferred tax assets (Net) (refer Note 30):

(Amount in Rs)

Particulars	**As at March 31, 2022**
Deferred Tax Assets:	
Business losses	**5,766,974**
Provision for Employee benefits	**27,436**
Other Disallowances	**127,586**
Total (A)	**5,921,996**
Deferred Tax Liability:	
Depreciation timing difference	**38,752**
Total (B)	**38,752**
Deferred tax assets (Net) (A-B)	**5,883,244**

BEGIG PRIVATE LIMITED

Note-7 : Trade Recievables : Current

(Unsecured, considered good unless otherwise stated)

(Amount in Rs)

Particulars	As at March 31, 2022
Trade receivables (Unsecured)	
Considered Good*	**1,579,813**
Unbilled Revenue#	**1,910,971**
Trade receivables which have significant increase in credit risk	**-**
Trade Receivables – Credit impaired	**-**
Total	**3,490,784**

*Note: Includes amount Due from Holding Company i.e. Tech Mahindra Limited ₹ 915,855

#Note: Includes amount from Holding Company i.e. Tech Mahindra Limited ₹ 1,758,717

Trade Receivable Ageing Schedule

Particulars	Unbilled Revenue (Not Due)	Outstanding for the following periods from due date of payment					Total
		Less Than 6 months	6 months - 1year	1 - 2 years	2 - 3 years	More than 3 years	
i) Undisputed Trade Receivables - Considered Good	1,910,971	1,579,813	-	-	-	-	3,490,784
ii) Undisputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit Impaired		-	-	-	-	-	-
iv) Disputed Trade Receivables - Considered Good		-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired		-	-	-	-	-	-

NOTE-8 : CASH NAD CASH EQUIVALANTS

(Amount in Rs)

Particulars	As at March 31, 2022
Cash in hand	**-**
Balances with banks	
(i) In Current Account	**617,769**
(ii) In Deposit Account (Original maturity less than 3 months)	**-**
Total	**617,769**

NOTE-9 : OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

(Amount in Rs)

Particulars	As at March 31, 2022
Security Deposits	**360,000**
Balance with KODO Cards	**70,000**
Total	**430,000**

NOTE-10 : OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

(Amount in Rs)

Particulars	As at March 31, 2022
Prepaid Expenses	**668,220**
Balance with Government Authorities	
Goods and service tax input credit	**356,972**
TDS Receivbale from Vendors	**11,931**
Advance to suppliers/ Vendors	**58,196**
Others Receivables (From employees)	**2,814**
Total	**1,098,133**

Note 11: Equity Share Capital

(Amount in Rs)

Particulars	As at March 31, 2022
Authorised:	
6000000 Equity Shares of ₹ 10 each	**60,000,000**
Total	**60,000,000**
Issued, Subscribed and Fully Paid-up :	
3000000 Equity Shares of ₹ 10 each fully paid up	**30,000,000**
Total	**30,000,000**

11.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	No. of equity shares	Amount in ₹
Shares outstanding at April 22, 2021	-	-
Issued during the year	3,000,000	30,000,000
Shares outstanding at March 31, 2022	**3,000,000**	**30,000,000**

11.2 Terms/ rights attached to equity shares

The Company has equity shares having par value of ₹ 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 amount. The distribution will be in proportion to the equity shares held by the shareholders

11.3 Details of shares held by the holding company

Name of the shareholder	As at March 31, 2022
	No. of equity shares held
Tech Mahindra Limited	2,999,999

11.4 Details of shareholders holding more than 5 % equity shares in the company as at the end of the year

Name of the shareholder	As at March 31, 2022	
	No. of equity shares held	% of Shareholding
Tech Mahindra Limited	2,999,999	99.99997

11.5 Details of Shareholding of Promoters

	Shares held by promoters at the end of the year		% Change during the year
Promoter Name	No. of Shares	% of Total Shares	
Tech Mahindra Limited	2,999,999	99.99997%	99.99997%
Shresth Shrivastav*	1	0.00003%	0.00003%

*Note: 1 equity share Held by Shresth Shrivastav as Nominee of M/s Tech Mahindra Limited.

Note 12: Other Equity

(Amount in Rs)

Particulars	As at 31st March 2022
Reserves and Surplus	
Retained Earnings	
Balance at the beginning of the period	-
Profit/ (Loss) for the period	**(17,593,990)**
Balance at the end of the period	**(17,593,990)**
Closing Balance	**(17,593,990)**

NOTE-13 : Long Term Provisions

(Amount in Rs)

Particulars	As at 31st March 2022
Provision for Employee Benefits	
Gratuity	**108,824**
Compensated absences and Long service awards	-
Total	**108,824**

Note-14 : Trade payables (Also refer Note 25)

(Amount in Rs)

Particulars	As at 31st March 2022
Creditors for supplies / services Due to micro and small enterprises*	**2,822,866**
Creditors for supplies / services Due to others*	**2,550,512**
Total	**5,373,378**

*Note: Includes Accrued expenses amounting to ₹ 20,37,729 as at 31.03.2022

Trade Payables Ageing Schedule

Particulars	Outstanding For Following Period From Due date Of Invoice						Total
	Accrued Expenses	Not Due	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 years	
MSME	1,206,013	-	1,616,853	-	-	-	2,822,866
Others	831,716	-	1,718,796	-	-	-	2,550,512
Disputed dues- MSME	-	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-	-
Grand Total	**2,037,729**	**-**	**3,335,650**	**-**	**-**	**-**	**5,373,378**

NOTE-15: Other Current Liabilities

(Amount in Rs)

Particulars	As at 31st March 2022
Statutory Remittances	**1,175,656**
Total	**1,175,656**

NOTE-16 : Short Term Provisions

(Amount in Rs)

Particulars	As at 31st March 2022
Provision for Employee Benefits	
Gratuity	**177**
Compensated absences and Long service awards	**-**
Total	**177**

NOTE-17: Revenue From Operations

(Amount in Rs)

Particulars	For the period from 22nd Apr 2021 to 31st March 2022
Sale of services*	**23,438,150**
Other operating revenues	**4,866,454**
Total	**28,304,604**

*Note: Refer Note 37 & 38

NOTE-18: Purchase of Services

(Amount in Rs)

Particulars	For the period from 22nd Apr 2021 to 31st March 2022
Purchase of Services*	23,438,150
Total	23,438,150

*Note: Refer Note 37 & 38

Note-19: Employee Benefit Expenses

(Amount in Rs)

Particulars	For the period from 22nd Apr 2021 to 31st March 2022
Salaries and Wages	15,315,437
Stipend	603,860
Contribution to Provident and other Funds	285,423
Gratuity	109,001
Staff Welfare Expense	88,314
Total	16,402,035

NOTE-20: Other Expenses

(Amount in Rs)

Particulars	For the period from 22nd Apr 2021 to 31st March 2022
Advertisement, Promotion & Selling Expenses	2,804,164
Audit Fees	100,000
Bank Charges	13,003
Communication Expenses	5,360
General Office Expenses	17,188
Insurance Charges	21,570
Legal and other professional Charges	4,718,614
Membership, Fees & Subscription	936,761
Preliminary Expenses	633,621
Rates & Taxes	110,232
Rent	875,373
Repair and maintenance Expenses	
- Buildings (including leased premises)	-
- Machinery and Computers	52,580
- Others	-
Recruitment Expenses	615,180
Software Expenses	47,500
Travelling Expenses	280,778
Total	11,231,925

(Amount in Rs)

Particulars	For the period from 22nd Apr 2021 to 31st March 2022
Statutory Audit fees	**100,000**
Total	**100,000**

NOTE-21: Earnings per share

(Amount in Rs)

Particulars	For the period from 22nd Apr 2021 to 31st March 2022
Net loss after tax for the year (Amount in ₹)	**(17,593,990)**
Weighted average number of equity shares outstanding for basic earning per share	**3,000,000**
Add : Dilutive share -Employees stock options outstanding	**-**
Weighted average number of equity shares outstanding for diluted earning per share	**2,395,205**
Nominal value per equity share (in Rs)	**10**
Basic earnings per share (in Rs)	**(7.35)**
Diluted earnings per share (in Rs)	**(7.35)**

NOTE-22: Contingent Liabilities & Commitments (to the extent not provided for)

(Amount in Rs)

Particulars	For the period from 22nd Apr 2021 to 31st March 2022
Estimated amount of contracts remaining to be executed on capital & other account (net of advances)	**22,560**
Bank Gurantee given (Net of deposit)	**Nil**
Any other	**Nil**

Note 23: Financial Instruments

The Company's Board of Directors have an 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.

(i) Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2022 were as follows:

(Amount in ₹)

Particulars	Amortised cost*	Financial assets/ liabilities at fair value through profit or loss	Financial assets at fair value through OCI	Carrying Value/ Total fair value*
Financial assets :				
Trade receivables	3,490,784	-	-	3,490,784
Cash and cash equivalents	617,769	-	-	617,769
Other Financial Asset	430,000	-	-	430,000
Total	4,538,552	-	-	4,538,552
Financial Liabilities :				
Trade payables	5,373,378	-	-	5,373,378
Other financial liabilities	-			-
Total	5,373,378			5,373,378

*Note: Fair value of amortised assets is same as carrying value

(ii) Financial risk management :

Financial Risk Factors

The Company's principal financial liabilities comprise trade payables and Employee related payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalent and dues from holding company that derive directly from its operations

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk :

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. Since presently, the Company is not having any borrowings there is no impact of fluctuations in interest on the Company

(b) Credit Risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises majorly from cash and cash equivalents, deposits with banks, Investments as well as credit exposures to customers including outstanding receivables.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, cash and cash equivalents and other financial assets. None of the financial instruments of the Company resultin material concentration of creditrisk.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies

Credit Risk Exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 4538552.15 as at March 31,2022, being the total of the carrying amountof trade receivables, unbilled revenue (excluding contract assets) and other various financial assets.

(c) Liquidity Risk

Liquidity Risk is the risk that the company will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The company approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due. The Company generates cash flows from operations to meet its financial obligations and manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022

(Amount in ₹)

	Less than 1 year	1-3 years	More than 3 years	Total
As at March 31, 2022				
Trade payables	5,373,378	-	-	5,373,378
Other financial liabilities	-	-	-	-
	5,373,378	-	-	5,373,378

(iii) Capital management

The capital structure of the Company consists of equity, cash and cash equivalents. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

Note 24: Related Party Disclosures

A) List of Related Parties and description of their relationship are as follows:

Nature of Relationship

1. Holding Company

Tech Mahindra Limited

2. Fellow Subsidiary

YABX India Private Limited

3. Key Management Personnel:

Shresth Shrivastav- Whole time Director (w.e.f. 01.12.2021)

4. Directors:

Shresth Shrivastav

Apurva Chamaria (Resigned w.e.f.29-10-2021)

5. Additional Directors:

HARSHVENDRA SOIN (appointed w.e.f.25-10-2021)

CHETHAN PRABHUDEVA (appointed w.e.f.03-06-2021)

6. Relative of Directors:

Rachit Shrivastav

B) Total Transactions with related parties are as follows:

Particulars	Amount
(A) Nature of transactions*	**2021-22**
Tech Mahindra Limited	
Sale of Services (Including GST)	**28,109,737**
YABX India Private Limited	
Sale of Services (Including GST)	**343,616**
Shresth Shrivastav- Whole time Director (w.e.f. 01.12.2021)	
Remuneration paid	**1,094,170**
Reimbursement of Expenses	**838,018**
Rachit Shrivastav	
Professional Fee paid	**99,000**

Particulars	
(B)Balances at the end of the year*	**As at March 31, 2022**
Tech Mahindra Limited	
Trade Receivable	**915,855**
YABX India Private Limited	
Trade Receivable	**185,024**
Shresth Shrivastav- Whole time Director (w.e.f. 01.12.2021)	
Reimbursements Payable	**59,408**

*Note: Above transactions does not include Unbilled Revenue and accrued expenses.

Note 25: MSME Payments

Based on information available with the company, there are few suppliers/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by Companies Act 2013 and MSMED Act, 2006 is given as under:

Sr. No	Particulars	Trade Payables		Others	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:				
	Principal	2,822,866	NIL	NIL	NIL
	Interest	NIL	NIL	NIL	NIL
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL	NIL	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	NIL	NIL	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	NIL	NIL	NIL	NIL

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 has been made in the financial statements based on information received and available with the Company.

26 Details of employee benefits as required by the IND AS-19 – Employee Benefits are as under

a) Defined Contribution Plan:

An amount of ₹ 269918 has been recognized as an expense in respect of Company's contribution for Provident Fund deposited with the government authorities and has been shown under Employee Benefits Expenses in statement of the Profit and Loss Account.

b) Defined Benefit Plan - Gratuity

1. The Defined Benefit Plan comprises of Gratuity In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies
2. Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service
3. The defined benefit plan is not funded.
4. Actuarial gains and losses in respect of defined benefit plans are recognised in other comprehensive income

(i) Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation:

(Amount in ₹)

Particulars	**Gratuity (unfunded) 31st March 2022**
Defined benefit obligation at beginning	**-**
Current service cost	**109,001**
Interest cost	**-**
Actuarial (gain) / loss	**-**
Benefits paid	**-**
Defined benefit obligation at year end	**109,001**

(ii) Reconciliation of opening and closing balances of fair value of plan assets:

(Amount in ₹)

Particulars	**Gratuity (unfunded) 31st March 2022**
Fair value of plan assets at beginning	**-**
Fair value of plan assets at year end	**-**

(iii) Reconciliation of fair value of assets and obligations:

(Amount in ₹)

Particulars	**Gratuity (unfunded) 31st March 2022**
Fair value of plan assets at year end	**-**
Present value of obligations	**109,001**
Amount recognized in Balance Sheet	**109,001**

(iv) Expense recognized during the year:

(Amount in ₹)

Particulars	**Gratuity (unfunded) 31st March 2022**
Current service cost	**109,001**
Interest cost	**-**
Actuarial (gain) / loss	**-**
Net Cost (refer note 19)	**109,001**

(v) Actuarial Assumption:

(Amount in ₹)

Particulars	Gratuity (unfunded) 31st March 2022
Discount Rate	**7.15%**
Salary Escalation Rate	**10%**
Employee Attrition Rate	**16%**

a. **Discount rate :** It is based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the liabilities

b. **Salary Escalation Rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

c. **Employee Attrition Rate:** The attrition assumption should be Employer's best estimate of future attrition rates, reflecting both regular attrition and redundancies.

(vi) Sensitivity analysis:

(Amount in ₹)

Particulars	Gratuity (unfunded) 31st March 2022
A: Discount rate	
1. Effect on DBO due to 1% increase in discount rate	**98,849**
2. Effect on DBO due to 1% decrease in discount rate	**1,20,673**
B: Salary Escalation Rate	
1. Effect on DBO due to 1% increase in Salary escalation rate	**1,20,015**
2. Effect on DBO due to 1% decrease in Salary escalation rate	**99,198**
C: Withdrawal Rate	
1. Effect on DBO due to 1% increase in Attrition rate	**1,02,562**
2. Effect on DBO due to 1% decrease in Attrition rate	**1,15,901**

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(vii) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

(Amount in ₹)

Particulars	Gratuity (unfunded) 31st March 2022
Year1	177
Year2	**170**
Year3	**164**
Year4	**159**
Year5	**15,320**
Year6-10	**85,379**
Year11-15	**57,221**
Year15+	**92,991**

Note 27: Ratio Analysis

As required by the Schedule III amendment notification dated March 24, 2021, the Company is requied to disclose the following ratios:

Sr. No.	Particulars	Formula	FY 2021-2022			
			Numerator	Denominator	Ratio	Term
i)	Current Ratio	Current Assets / Current Liabilities	5,636,685	6,549,212	0.9	Times
ii)	Debt-Equity Ratio	Debt / Equity	-	12,406,010	-	Times
iii)	Debt Service Coverage Ratio	EBITDA / (Interest + Principal)	(22,767,506)	-	N / A	N / A
iv)	Return on Equity	Net Income / Shareholder's Equity	(17,593,990)	12,406,010	-141.82%	%
v)	Inventory Turnover Ratio	COGS / Average Inventory	N / A			
vi)	Trade Receivable Turnover Ratio	Net Credit Sales / Average Accounts Receivable	28,304,604	-	#DIV/0!	Times
vii)	Trade Payable Turnover Ratio	Net Credit Purchases / Average Accounts Payables	23,438,150	-	#DIV/0!	Times
viii)	Net Capital Turnover Ratio	Turnover / Shareholder's Equity	28,304,604	12,406,010	2.3	Times
ix)	Net Profit Ratio	Net Profit / Sales	(17,593,990)	28,304,604	-62.16%	%
x)	Return on Capital Employed	EBIT / Shareholder's Equity	(17,593,990)	12,406,010	-141.82%	%
xi)	Return on Investment	Net Income / Investment Base	(17,593,990)	12,406,010	-141.82%	%

Note: This is being the first financial statement of the Company after incorporation, statement of profit and loss is prepared from the date of incorporation (April 22, 2021) to period ended 31 March, 2022. Also, no comparative numbers are applicable for the Company for the current period's financial statements.

Note 28: Disclosures for revenue from contracts with customers

a) Disaggregation of revenue:

i. Revenue disaggregation by nature of services is as follows

(Amount in Rs)

Nature of Services	As at March 31, 2022
Sale of Services	**23,438,150**
Other operating revenues	**4,866,454**
Total	**28,304,604**

*Note: Refer Note 37 & 38

ii. Revenue disaggregation by geography is as follows

(Amount in Rs)

Geography	As at March 31, 2022
India	**28,304,604**
Rest of world	**-**
Total	**28,304,604**

Note 29: Income Tax Expense

Tax expense in the statement of profit and loss comprises

(Amount in Rs)

Particulars	As at March 31, 2022
Current tax	-
Tax expense related to current year	
Total	**-**

Note 30: Deferred Tax:

The following is the analysis of deferred tax assets presented in the balance sheet

(Amount in Rs)

Particulars	As at March 31, 2022
Deferred tax assets	**5,921,996**
Deferred tax liabilities	**38,752**
Deferred tax assets (net)	**5,883,244**

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

(Amount in Rs)

Particulars	For the year ended March 31, 2022			
	Opening balance	**Recognized in Profit and loss**	**Recognized in OCI**	**Closing balance**
Deferred tax assets	-	5,921,996	-	5,921,996
Deferred tax liabilities	-	38,752	-	38,752
Deferred tax assets (net)	**-**	**5,883,244**	**-**	**5,883,244**

31 On September 20, 2019, vide The Taxation Laws (Amendment) Ordinance, 2019, Section 115BAA was inserted in the Income Tax Act, 1961, which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective Financial Year 2019-20 subject to certain conditions. The Company has presently decided to exercise the said option. Accordingly, the Company has provided for Income Tax for the year ended March 31, 2022 as per the provisions of Income Tax Act, 1961.

32 Balance of Sundry Debtors, creditors, Loans & Advances and other liabilities are subject to confirmation and reconciliation. Consequential adjustment thereof, if any will be given effect into the books of account in the year of such adjustment. However, in view of the management, it will not have any material impact on the financial statements.

33 In the opinion of the Board, any of the assets other than property, plant & equipment and non-current investments do have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

34 As required by the Ind AS-36 “Impairment of Assets”, the Company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.

35 Company operates as single segment in accordance with Indian Accounting Standard Ind AS 108, Operating Segments as notified under the Companies (Indian Accounting Standard) Rules, 2015.

36 The Company continues to observe the Covid-19 impact on its business. This covers the monitoring of its impact on its supply-chain, and customers. Conclusions on significant accounting judgements and estimates have been drawn after exercising requisite due care. Such judgements and estimates include, inter-alia, recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available as of the date of preparing the Company’s financial statements for the year ended March 31, 2022.

Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realize the carrying amount of its assets as on March 31, 2022.

37 BeGig has developed an e-commerce platform to facilitate enterprises and tech-freelancers to connect together for provision of services. The freelancers (service providers) would provide the IT services to the customers directly via using the e-commerce platform facilitated by BeGig. The customers would be required to make payment of IT services to BeGig and BeGig will pay the remaining amount to freelancers. The role of BeGig is confined to provision of platform facilitation and the IT services would be directly supplied by the freelancer to the customer. BeGig has no role or responsibility to ensure or provide the IT services. However, initially the invoices were raised in the manner that, Freelancer raises an invoice to BeGig for the IT services provided by freelancer to customer and BeGig raises an invoice to end customer for the same amount and then BeGig raises an invoice for commission to service provider or service recipient, as the case may be. Such commission have been included under Note 17 to Financial statement under other operating revenue. Further, the GST charged by freelancer to BeGig is being availed as ITC by BeGig and is utilized towards payment of output GST liability of BeGig. The same is also being reported in GST returns. Accordingly for better disclosure, both sale & purchase of such Invoices are shown separately under the financial statement under Note 17 & Note 18 amounting to ₹ 23,438,150 each.

Parallelly from January' 22 Freelancer raises the invoice Directly to customer for the IT services provided by freelancer to customer and then BeGig raises an invoice for commission to service recipient on upfront basis. Such upfront commission have been included under Note 17 to Financial statement under other operating revenue. "

38 As discussed in Note 37 above, from January' 22 Freelancer raises the invoice Directly to customer. The customers make payment of IT services to BeGig and BeGig pay the amount to freelancers. The amount collected by BeGig on behalf of the freelancer is recognized as amount payable to freelancer (liability) in the books of accounts. However the Invoices which are raised by Freelancers directly to the customers till 31.03.2022 but payment of which are not received by BeGig till 31.03.2022 amounting to ₹ 1043760 has not been accounted in the Financial statements neither as receivable and/or payable. Those Invoices shall be recognized in the books of accounts when the payment of same will be received by BeGig from the Customers.

39 Corporate social responsibility: The Company does not meet the criteria specified in subsection (1) of section135 of the Companies Act,2013, read with Companies [Corporate Social Responsibility (CSR)] Rules, 2014. Therefore it is not required to incur any expenditure on account of CSR activities during the year.

40 Code of Social Security, 2020: The Code on Social Security, 2020 ('Code') relating to employee benefits received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on November 13,2020 and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Company will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

41 This is being the first financial statement of the Company after incorporation, statement of profit and loss is prepared from the date of incorporation (April 22, 2021) to period ended 31 March, 2022. Also, no comparative numbers are applicable for the Company for the current period's financial statements.

For and on behalf of the Board of Directors of
BeGig Private Limited

Shresth Shrivastav	**Chethan Prabhudeva**
Director	**Director**
Place: Gurugram	Place: Gurugram
Date:	Date:

DIGITALOPS TECHNOLOGY PRIVATE LIMITED

Directors:
Mr. Gautam Shirali (DIN:07452020)
Mr. Aniruddha Vinayak Gadre (DIN:07659176)
Mr. Surinder Singh Chawla (DIN:07773376)

Registered Office:
Oberoi Garden Estate,
Near Chandivali Studio, Wing-I,
Andheri (E) Mumbai City MH 400072 , India

Auditors
M/s Agrawal Dhand Motwani & Co.,
Chartered Accountants
(Firm Registration Number: 002824C)

Bankers
HSBC Bank

BOARDS' REPORT

To,

The Members,

Digitalops Technology Private Limited

Your Directors have the pleasure in submitting their 5th Annual Report on the business and operations of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2022.

1. FINANCIAL SUMMARY/ HIGHLIGHTS

Financial Performance of the Company for the financial year ended March 31, 2022 is summarized below:

Particulars	31st March 2022 (Rs.)	31st March 2021 (Rs.)
Income		
Revenue from operations	**51,39,313**	89,50,806
Other income	**54,293**	7,917
Total Revenue (I)	**51,93,606**	**89,58,723**
Expenses		
Total Expenses (II)	**49,07,392**	80,68,302
Profit/(Loss) before tax for the year	**1,97,511**	8,20,639
Current tax	**85,690**	11,710
Deferred tax expense/ (benefit)	**657**	9,688
Profit/(Loss) after tax for the year	**1,11,164**	7,99,241

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the period under review, the Company has earned revenue from operations of Rs. 51,39,313 from rendering of services representing a decrease of 42.58% over previous year.

3.MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Acquisition by Tech Mahindra Limited

During the financial year 2021-22, 100% equity of the Company was acquired by Tech Mahindra Limited (TechM). TechM is an Indian MNC listed with NSE and BSE and engaged in IT services across the globe.

3. SHARE CAPITAL, DEBENTURES, BONDS OR ANY NON-CONVERTIBLE SECURITIES

i. Authorized Share Capital

The authorized share capital of your Company as on March 31, 2022 stood at INR 1,00,000/- (Rupees One Lakh only) comprising of 10,000 (Ten Thousand) Equity Shares of INR 10/- (Rupees Ten only) each.

ii. Paid-up Equity Share Capital

The paid up share capital of your Company as on March 31, 2022 stood at INR 1,00,000/- (Rupees One Lakh only) comprising of 10,000 (Ten Thousand) Equity Shares of INR 10/- (Rupees Ten only) each.

The company has neither allotted any sweat equity shares and bonus shares nor any shares with differential voting rights or shares under Employee Stock Option Plan nor has bought back any equity shares or securities during the year under review.

iii. Debentures, bonds or any non-convertible securities

During the year under review, your Company has not issued any Debentures, Bonds or any non-convertible securities.

4. DIVIDEND

The Directors have not recommended any dividend for the financial year ended on 31st March, 2022.

5. SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company or Joint Venture. The transactions with the associate companies are enlisted in the Financial Statements.

6. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

No amount was transferred to the reserves during the Financial Year ended on 31st March, 2022 in terms of section 134 (3) (j) of the Companies Act, 2013.

7.CHANGE IN NATURE OF BUSINESS

Post acquisition by TML, the employees were transferred to TML and as of now there are no employees.

8.ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the extract of Annual Return of the Company for the Financial Year 2021-22 is available on the Company's website at (www.digitalonus.com)

9.PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under section 186 of the Companies Act 2013.

10.PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The company had certain Related Party Transactions pursuant to section 188 of the Companies Act, 2013 during the financial year. Although, all the transactions were on Arms' Length, the details of the same are provided in Form AOC-2 as Annexure.

11.STATUTORY AUDITORS

M/s Agrawal Dhand Motwani & Co., Chartered Accountants (Firm Registration Number: 002824C) have been appointed as Statutory Auditors of the Company to hold the office till the conclusion of 8th Annual general meeting to be held in 2023.

12.EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report.

13.DETAILS OF DIRECTORS & KMP(s)

During the year under review and had resigned and Mr Gautam Shirali (DIN 07452020) and Mr Aniruddha Gadre (DIN 07659176) are appointed as Directors of the company. The provisions relating to the appointment of KMPs is not applicable to this company. None of the directors were disqualified during the year under review.

14.DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the Company being unlisted, sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company;

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15.NUMBER OF BOARD MEETINGS/COMMITTEE MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

BOARD OF DIRECTORS:

During the period under review, the Board of Directors of the Company duly constituted as per provisions of Companies Act, 2013 is as under:

Sr. No.	Name	Designation	DIN
1.	Gautam Shirali	Director	07452020
2.	Aniruddha Vinayak Gadre	Director	07659176
3.	Surinder Singh Chawla	Director	07773376

The Board meets at regular intervals to discuss and decide on the Company and its business policies and strategies apart from other Board businesses. The Board met 5 times on the following dates during the year financial year under review:

Sl. No.	Date of Board Meeting	No. of Directors attended
1.	14th April 2021	2
2.	17th April 2021	2
3.	7th May 2021	2
4.	30th August 2021	2
5.	27th December 2021	2

PRESENCE/ ATTENDANCE OF DIRECTORS IN THE MEETINGS:

Sr. No.	Name of Director	Board Meetings			Committee Meeting		
		No of Meeting held	No of Meeting attended	%	No of Meeting held	No of Meeting attended	%
1.	Gautam Shirali (W.E.F-30/08/21)	2	2	100	-	-	-
2.	Aniruddha Vinayak Gadre (W.E.F-30/08/21)	2	2	100	-	-	-
3.	Surinder Singh Chawla	5	3	60	-	-	-
4.	Deena Waman Dukle (RESIGNED W.E.F-07/05/21)	3	3	100	-	-	-
5.	Krishnakumar Iyer (RESIGNED W.E.F-07/05/21)	3	3	100	-	-	-

16.STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS, AND THAT OF ITS COMMITTEES

The disclosure with respect to formal annual evaluation by the board is not applicable to your Company.

17.SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company or Joint Venture. The transactions with the associate companies are enlisted in the Financial Statements.

Holding Company has changed to Tech Mahindra Limited in consequence of acquisition of 100% equity shares.

18.CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Part A and B pertaining to the conservation of energy and the technology absorption is not applicable to the company.

C	Foreign Exchange Earnings/ Outgo:	INR
	Earnings	5428189.9
	Outgo	-

19.STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The provisions related to Risk Management Policy development and implementations are not applicable to your company.

20.SECRETARIAL STANDARDS

Your directors state and confirm that the Company has complied with the secretarial standards as notified by the Institute of Company Secretaries of India and to the extent applicable to the Company.

21.DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions relating to Section 135 of the Companies Act, 2013 are not applicable to the company.

22.PROVIDING VIGIL MECHANISM

The provisions relating to Section 177(9) read with Rule 7 of the Companies (Meetings of the Board and its Powers), Rules, 2014 is not applicable to the company.

23.ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

24.DEPOSITS

The Company has not accepted any deposits during the year under review.

25.DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

As there were no employees ,formation of Committee and Policy under POSH Act is not applicable .

26.DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

During the year under consideration, no order is passed by regulators, courts or tribunals impacting the going concern status and Company's operations in future.

27.DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The current scale of operations of the Company is not such to require any severe measures being taken towards the Internal Financial Control. Although all the necessary measures being taken by the Management to ensure adoption of proper processes, practices and procedure in conducting the affairs of the Company and preparation and presentation of Financial statements. These aspects of operations are regularly reviewed and verified by the Company's Statutory Auditor.

28.AUDITOR'S REPORT

Auditor Report on the final Accounts of the Company is attached herewith. Auditor's Report does not contain any reservation, qualification or adverse remark. The observations made by the Auditors of the Company in their report read with the Notes to Accounts, are self-explanatory and do not need any further clarification.

29.TRANSFER TO UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply to the Company as the company was not required to transfer any amount to IEPF.

30.OTHER MATTERS

The following disclosures are not applicable to this company and hence no reporting is required:

Sl. No	Particulars	Section & Rules
1.	Secretarial Audit Report	Section 204(1) of the Companies Act, 2013.
2.	Declaration Of Independent Directors	Section 134(3)(d) read with Section 149(6) of the Companies Act, 2013.
3.	Receipt Of Any Commission By MD / WTD From A Company Or For Receipt Of Commission / Remuneration From Its Holding Or Subsidiary	Section 197(14) of the Companies Act, 2013.
4.	Managerial Remuneration	Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
5.	Disclosure Of Composition Of Audit Committee	Section 177(8) read with Rule 6 of the Companies (Meetings of the Board and its Powers), Rules, 2014
6.	Nomination & Remuneration Committee Policy	Section 178(3) of the Companies Act, 2013.
7.	Statement Indicating the Manner in which Formal Annual Evaluation Has Been Made by the Board Of Its Own Performance, Its Directors, And That Of Its Committees	Section 134(p) read with Rule 8(4) of Companies (Accounts) Rules, 2014.
8.	Management Discussion and Analysis Report	Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
9.	Corporate Governance	Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
10.	Maintenance of Cost Records	Section 148(1) of the Companies Act, 2013
11.	Particulars of employees	The provisions relating to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

31.ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, employees, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of

DIGITALOPS TECHNOLOGY PRIVATE LIMITED

Aniruddha Vinayak Gadre	**Gautam Shirali**
Director	Director
DIN: 07659176	DIN: 07452020

Date: 08/06/2022

Place: MUMBAI

ANNEXURE

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms' length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: - NA

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Digital Onus Inc Holding company (It was holding company till 06th May 2021, Tech Mahindra Limited has acquired Digitalops Technology Private Limited as on 07th May 2021)
b)	Nature of contracts/ arrangements/ transaction	Sale of Services
c)	Duration of contracts/ arrangements/ transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	51,39,313
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	NA

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Digitalops Technology Private Limited

Aniruddha Vinayak Gadre

Director

DIN No.07659176

Gautam Shirali

Director

DIN No.: 07452020

Place: Mumbai

Date: 08.06.2022

INDEPENDENT AUDITORS REPORT

To The Members of

DIGITALOPS TECHNOLOGY PRIVATE LIMITED
Oberoi Garden Estate, Near Chandivali Studio,
Wing-I, Andheri (E), Mumbai – 400072

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Digitalops Technology Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 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 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 standalone financial statements.

Other Matters

The continuous spreading of COVID -19 across India has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI). As a result of the above, the entire audit was carried out based on remote access of the data as provided by the management of the Company. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management of the Company that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

Emphasis of Matter

We draw attention to the following notes of the financial statements:

a) Note 7.2 & Note 17 which describes the current capital structure and management of the company which occurred with its acquisition w.e.f. 07/05/2021.

Our opinion is not modified in respect of these matters.

Managements 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 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 the 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 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, 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 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 (i) in 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" the 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 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 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) As per the information and explanation given to us and on the basis of examination of books and records of the company, we are of the opinion that the Auditor's report on the adequacy of the internal financial controls over financial reporting and the reporting on the operating effectiveness of such controls is not required as the company neither had a turnover of rupees fifty crores or more as per the latest audited financial statements, nor did the company have any borrowings of rupees twenty five crores or more from banks or financial institutions or any other body corporate at any point of time during the period under audit.

   (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:

      a. The Company does not have any pending litigations which would impact its financial position.

      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.

For Agrawal Dhand Motwani & Co.
Chartered Accountants
FRN: 002824C

CA J. Motwani
Partner
M No. 140418
UDIN: 22140418AK1ONJ6917
Place: Pune
Date: 08.06.2022

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2022:

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

(B) This clause is not applicable to the Company as the Company does not own any intangible assets.

b) Property, Plant & Equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.

c) This clause is not applicable to company because company does not own any immovable properties as at 31st March, 2022.

d) The Company records its property, plant and equipment at amortized cost and has not revalued any property, plant and equipment during the year.

e) As confirmed by the management, there have not been any proceedings initiated against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2) a) This clause is not applicable to company because company has no inventory at the year end.

b) As informed to us, the company has not sanctioned any working capital of ₹ Five crores, in aggregate from banks or financial institutions on the basis of security of current assets during the year.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.

4) 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 Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5) As informed to us the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 (as amended) with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Goods and Service Tax with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, there are no dues of income tax, duty of customs, goods & service tax outstanding on account of any dispute.

8) According to the information and explanation given to us, there are no transactions which were surrendered or disclosed as income during the tax assessments under the Income Tax Act, 1961 (43 of 1961) which were initially not recorded in the books of account.

9) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. Company has not taken any loan either from financial institutions or from the government and has not issued any debentures. Hence sub-clause (b) to (f) of clause 3 (ix) are not applicable.

10) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Also, 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, the provisions of clause 3 (ix) (a) & (b) of the Order are not applicable to the Company and hence not commented upon.

11) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year. Hence there is no requirement to file the Form ADT – 4 as prescribed under rule 13 of the Companies (Audit & Auditors) Rules, 2014. The auditor has not received any whistle – blower complaints.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) (a) to (c) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are incompliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) The management has confirmed that the Company does not have any specific internal audit system considering the size and nature of its business. Hence the Clause 3 (xiv) (b) of the order is not applicable to the Company.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) 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 of clause 3 (xvi) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.

17) In our opinion and according to the information and explanations given to us, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

18) As per the records verified by us and informed by the management, there was no resignation by the statutory auditors during the year ended March 31, 2022.

19) 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, in our knowledge of the Board of Directors and management plans, in our opinion there is no material uncertainty 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.

20) In our opinion, the Company is not required to comply with the provisions of sub-section (5) of section 135 of the Companies Act, 2013. Hence the clause 3 (xx) (a) & (b) of the order are not applicable.

21) The provisions of Consolidated financial statements are not applicable to the Company. Therefore, the clause (xxi) of the order does not apply to the Company.

For Agrawal Dhand Motwani & Co.
Chartered Accountants
FRN: 002824C

CA J. Motwani
Partner
M No. 140418
UDIN: 22140418AK1ONJ6917
Place: Pune
Date: 08.06.2022

BALANCE SHEET AS AT MARCH 31, 2022

(Amount in ₹)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021	As on April 01, 2020
I. ASSETS :				
(1) Non current assets				
(a) Property, Plant and Equipment	2	**96,472**	185,175	**126,541**
(b) Right-of-use asset		**-**	-	**-**
(c) Capital Work in progress		**-**	-	**-**
(d) Goodwill		**-**	-	**-**
(e) Other Intangible assets		**-**	-	**-**
(f) Intangible assets under development		**-**	-	**-**
(g) Financial assets				
Investments		**-**	-	**-**
Loans		**-**	-	**-**
Other financial asset		**-**	-	**-**
(h) Income tax assets (net)		**-**	-	**-**
(i) Deferred tax assets (net)		**-**	-	**-**
(j) Other non-current assets		**-**	-	**-**
Total Non current assets		**96,472**	185,175	**126,541**
(2) Current assets				
(a) Inventories		**-**	-	**-**
(b) Financial assets				
Investments		**-**	-	**-**
Trade receivables	3	**510,818**	908,875	**569,472**
Cash and cash equivalents	4	**283,807**	794,667	**840,105**
Other bank balances		**-**	-	**-**
Loans		**-**	-	**-**
Other financial asset		**-**	-	**-**
(c) Income tax assets (net)	5(a)	**-**	123,087	**401,574**
(c) Other current assets	6	**573,634**	83,007	**285,389**
Total Current assets		**1,368,259**	1,909,635	**2,096,539**
TOTAL- ASSETS		**1,464,731**	2,094,810	**2,223,080**
II. EQUITY AND LIABILITIES :				
(1) Equity				
(a) Share capital	7	**100,000**	100,000	**100,000**
(b) Other Equity	8	**1,181,008**	1,069,844	**270,603**
Total Equity		**1,281,008**	1,169,844	**370,603**
(2) Non Current Liabilities				
(a) Financial Liabilities				
Long term Borrowings		**-**	-	**-**
Lease Liabilities		**-**	-	**-**

(Amount in ₹)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021	As on April 01, 2020
Other financial liabilities		**-**	-	**-**
(b) Long-term provisions		**-**	-	**-**
(c) Deferred tax liabilities (net)	5(c)	**18,033**	17,376	**7,688**
(d) Other non-current liabilities		**-**	-	**-**
Total Non Current Liabilities		**18,033**	17,376	**7,688**
(3) Current liabilities				
(a) Financial Liabilities				
Trade payables				
A) Due to Micro and Small Enterprises		**-**	-	**-**
B) Due to other than Micro and Small Enterprises	9	**-**	222,760	**1,155,577**
Lease Liabilities		**-**	-	**-**
Other financial liabilities		**-**	-	**-**
(b) Short-term provisions	10	**80,000**	618,291	**468,746**
(c) Other current liabilities	11	**-**	66,540	**220,465**
(d) Income tax liabilities (net)	5(b)	**85,690**	-	**-**
Total Current Liabilities		**165,690**	907,591	**1,844,788**
Total Liabilities		**183,723**	924,967	**1,852,476**
TOTAL- EQUITY AND LIABILITIES		**1,464,731**	2,094,810	**2,223,080**
See accompanying notes forming part of the financial statements	1-20			

In terms of our report attached

For Agrawal Dhand Motwani & Co.	**For Digitalops Technology Private Limited**	
Chartered Accountants		
CA J. Motwani	**Aniruddha Vinayak Gadre**	**Gautam Shirali**
Partner	**Director**	**Director**
M.No. : 140418	**DIN: 07659176**	**DIN: 07452020**
Place: Pune	**Place: Pune**	**Place: Pune**
Date: 08.06.2022	**Date: 08.06.2022**	**Date: 08.06.2022**
UDIN:22140418AK1ONJ6917		

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹ except Earnings per share)

Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
REVENUE:			
Revenue from operations			
Sale of Services	12	**5,139,313**	7,992,765
Other operating income	13	**-**	958,041
Total Revenue from Operations		**5,139,313**	8,950,806
Other income		**54,293**	7,917
Total Revenue (I)		**5,193,606**	8,958,723
EXPENSES:			
(a) Cost of materials consumed		**-**	-
(b) Purchases of stock-in-trade		**-**	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		**-**	-
(d) Legal & Professional Fees		**4,490,507**	7,041,670
(e) Other expenses	14	**416,885**	1,026,632
Total (II)		**4,907,392**	8,068,302
		231,921	882,504
Profit before interest, tax, depreciation and amortisation (I - II)		**286,214**	890,421
Finance costs		**-**	-
Depreciation and amortisation expense		**88,703**	69,783
Profit before tax		**197,511**	820,639
Tax expenses :			
(a) Current tax		**85,690**	11,710
(b) Deferred tax		**657**	9,688
Total tax expense		**86,347**	21,398
Profit for the year		**111,164**	799,241

(Amount in ₹ except Earnings per share)

Particulars	**Note No.**	**Year Ended March 31, 2022**	Year Ended March 31, 2021
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		**-**	-
Re-measurement gains / (losses) on defined benefit plans		**-**	-
Income tax relating to items that will not be reclassified to profit or loss		**-**	-
Re-measurement gains / (losses) on defined benefit plans		**-**	-
		-	-
Total Comprehensive Income for the year		**111,164**	799,241
Earnings per equity share of face value ` 10 each			
Basic (`)		**11.12**	79.92
Diluted (`)		**11.12**	79.92
See accompanying notes forming part of the financial statements	1-20		

In terms of our report attached

For Agrawal Dhand Motwani & Co.
Chartered Accountants

For Digitalops Technology Private Limited

CA J. Motwani
Partner
M.No. : 140418
Place: Pune
Date: 08.06.2022
UDIN:22140418AK1ONJ6917

Aniruddha Vinayak Gadre
Director
DIN: 07659176
Place: Pune
Date: 08.06.2022

Gautam Shirali
Director
DIN: 07452020
Place: Pune
Date: 08.06.2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	**197,511**	820,639
Adjustments for :		
Depreciation and amortisation expense	**88,703**	69,783
Finance costs	**-**	-
Interest income	**-**	-
Provision for doubtful debt / other financial assets	**-**	-
Deferred Capital Subsidy	**-**	-
Gain From Termination Of Lease Ind AS 116		
Business combinations and acquisition expense	**-**	
Share based payment expense	**-**	-
Operating profit before working capital changes	**286,214**	890,422
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	**398,057**	(339,403)
Inventories	**-**	-
Loans & Advances	**-**	25,500
Other asset	**(367,540)**	455,368
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	**(222,760)**	(932,817)
Financial Liabilities	**-**	-
Provisions	**(538,291)**	(4,381)
Income tax liabilities (net)	**85,690**	-
Other Liabilities	**(66,540)**	-
OCI	**-**	-
Cash generated from operations	**(425,170)**	94,690
Net income tax paid	**(85,690)**	(11,710)
Net cash flow from operating activities (A)	**(510,860)**	82,980
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including other intangible assets)	**-**	(128,418)
Proceeds from sale of property plant and equipment	**-**	-
Receipt of capital subsidy	**-**	-
Consideration paid towards investment in subsidiary	**-**	-
Investments in mutual funds and fixed deposit	**-**	-
Proceeds from redemption of mutual funds and Shares	**-**	-
Investments in Bonds of subsidiaries	**-**	-
Proceeds from redemption of investments in Bonds of subsidiaries	**-**	-
Loan given to Subsidiaries	**-**	-
Loan repaid by Subsidiaries	**-**	-
Loan to Others repayment received	**-**	-
Loan to Others given	**-**	-
Bank balances not considered as cash and cash equivalents-Placed	**-**	-
Dividend income	**-**	-

Particulars	**Year Ended March 31, 2022**	Year Ended March 31, 2021
Interest income	**-**	-
Net cash flow from investing activities (B)	**-**	(128,418)
C. Cash flow from financing activities		
Proceeds of borrowings		
Repayment of borrowings	**-**	-
Finance costs	**-**	-
Lease payment	**-**	-
Lease Finance cost payment	**-**	-
Buy back of shares	**-**	-
Buy back expense	**-**	-
Shares issued on exercise of employees stock options	**-**	-
Dividend and dividend distribution tax paid	**-**	-
Net cash used in financing activities (C)	**-**	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(510,860)**	(45,438)
Cash and cash equivalents at the beginning of the year		
Cash	**-**	-
Bank	**794,667**	840,105
Cash Equivalents	**-**	-
Cash and cash equivalents at end of the year	**283,807**	794,667

Significant accounting policies

Notes:

i) The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

See accompanying notes forming part of the financial statements

In terms of our report attached

For Agrawal Dhand Motwani & Co.
Chartered Accountants

For Digitalops Technology Private Limited

CA J. Motwani
Partner
M.No. : 140418
Place: Pune
Date: 08.06.2022
UDIN:22140418AK1ONJ6917

Aniruddha Vinayak Gadre
Director
DIN: 07659176
Place: Pune
Date: 08.06.2022

Gautam Shirali
Director
DIN: 07452020
Place: Pune
Date: 08.06.2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

(Amount in ₹)

Particulars	Amount
As at 1st April 2020	100,000
Changes in Equity Share Capital	-
As at March 31, 2021	100,000
Change in Equity Share Capital	-
As at March 31, 2022	**100,000**

B. Other Equity

(Amount in ₹)

Particulars	Retained Earnings	General Reserve	Security Premium	Share based payment reserve	Capital redemption reserve	Total Other Equity
As at 01-04-2020	270,603	-	-	-	-	270,603
Less: Utilised for issuing bonus shares	-	-	-	-	-	-
Add: Profit for the year	799,241	-	-	-	-	799,241
Add: Other comprehensive Income for the year	-	-	-	-	-	-
As at March 31, 2021	1,069,844	-	-	-	-	1,069,844
Add: Profit for the year	111,164	-	-	-	-	111,164
Add: Other comprehensive Income for the year	-	-	-	-	-	-
As at March 31, 2022	**1,181,008**	**-**	**-**	**-**	**-**	**1,181,008**

See accompanying notes forming part of the financial statements

In terms of our report attached

For Agrawal Dhand Motwani & Co.
Chartered Accountants

CA J. Motwani
Partner
M.No. : 140418
Place: Pune
Date: 08.06.2022
UDIN:22140418AK1ONJ6917

For Digitalops Technology Private Limited

Aniruddha Vinayak Gadre
Director
DIN: 07659176
Place: Pune
Date: 08.06.2022

Gautam Shirali
Director
DIN: 07452020
Place: Pune
Date: 08.06.2022

NOTES FORMING INTEGRAL PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1 Corporate Information:

Digitalops Technology Private Limited ('the Company') was incorporated on 16th June, 2017 as a private limited company under the Companies Act, 2013. The registered office is located in Oberoi Garden Estate, Near Chandivali Studio, Wing-I, Andheri (E), Mumbai - 400072. The Company is engaged in the business of software consultancy Software designing, development,customisation, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions, and to import, export, sell, purchase, distribute, host (in data centres or over the web) or otherwise deal in own and third party computer software packages, programs and solutions, and to provide internet / web based applications, services and solutions.

2 Significant accounting policies:

2.1 Statement of Compliance:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. These are the Company's first financial statements prepared in accordance with Ind AS and Ind AS 101 First time adoption of Indian Accounting Standards has been applied.

2.2 Basis of preparation of financial statements:

The financial statements have been prepared on an accrual basis and under the historical cost convention.

2.3 Use of Estimates:

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Critical accounting estimates:

i) Revenue Recognition

The Company applies the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended.

Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

ii) Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under Note 2.10.

iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.4.

iv) Provisions

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.12.

2.4 Property, Plant & Equipment:

Property, Plant & Equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed as under based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc

The company has used the following rates to provide depreciation on its non-current assets.

Category	Useful Life (years)	Basis
Leasehold improvements	3	As per schedule II of the Indian Companies act, 2013 - WDV
Plant and Machinery	15	
Office equipment	5	
Furniture & Fittings	10	
Computer Hardware	3	
Electrical Installation	15	
Patterns	15	
Factory Equipments	15	
Software	5 year amortization	As per Indian Accounting Standard - 36

The estimated useful lives and residual values of the Property, Plant & Equipment are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets costing upto ₹ 5,000/- are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

An item of Property, Plant & 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 arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.”

2.5 Impairment of Assets:

i) Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non-financial assets - Property, Plant & Equipment

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.

2.6 Revenue recognition:

Revenue from software services, consulting services and business process outsourcing services include revenue earned from services rendered on ‘time and material’ basis, time bound fixed price engagements and system integration projects. Revenue recognition is based on the terms and conditions as per the contracts entered into / understanding with the customers. All revenues from services, as rendered, are recognised when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the contract and applicable indirect taxes.

The Company also performs time bound fixed price engagements, under which revenue is recognised using the proportionate completion method of accounting, unless work completed cannot be reasonably estimated. Provision for estimated losses, if any on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates and can be reasonably estimated. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known. Revenue from maintenance contracts is recognised over the period of the contract in accordance with its terms. Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of the contracts and excludes applicable indirect taxes. Amounts received or billed in advance of services performed are recorded as advances from customers / unearned revenue.

2.7 Foreign currency transactions:

The functional currency of the company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit or loss.

2.8 Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and 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 measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments

a) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

b) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order 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.

c) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and 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.”

2.9 Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss.

2.10 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the Income Tax Act, 1962.

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 income taxes are recognised in other comprehensive income or directly in equity, respectively.

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

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, 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. Deferred income tax asset are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Company will pay normal income tax after the tax holiday period.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis. The Company recognises interest levied and penalties related to income tax assessments in interest expenses."

2.11 Earnings per Share:

Basic earnings / (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

2.12 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs. Contingent liabilities and Contingent assets are not recognized in the financial statements.

3 Others:

3.1 Transfer Pricing:

The Company has established a comprehensive system of maintenance of information and documents are required by the transfer pricing legislation under section 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 continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by such date as required under the law. The management is of the opinion that its 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.

As per our report on even date,

For Agrawal Dhand Motwani & Co.	**For Digitalops Technology Private Limited**	
Chartered Accountants		
CA J. Motwani	**Aniruddha Vinayak Gadre**	**Gautam Shirali**
Partner	**Director**	**Director**
M.No. : 140418	**DIN: 07659176**	**DIN: 07452020**
Place: Pune	**Place: Pune**	**Place: Pune**
Date: 08.06.2022	**Date: 08.06.2022**	**Date: 08.06.2022**
UDIN:22140418AK1ONJ6917		

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 2: Property, Plant and Equipment and Intangible Assets

(a) Property, Plant and Equipment :

(Amount in ₹)

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block	Net Block
	Cost as at April 01, 2021	Additions during the year	Deletions during the year	Balance as at March 31, 2022	As at April 01, 2021	For the year	Deductions during the year	Upto March 31, 2022	As at March 31, 2021	As at March 31, 2022
Computers	283,314	-	-	283,314	98,139	88,703	-	186,842	185,175	96,472
Total	**283,314**	**-**	**-**	**283,314**	**98,139**	**88,703**	**-**	**186,842**	**185,175**	**96,472**

(Amount in ₹)

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block	Net Block
	Cost as at April 01, 2021	Additions during the year	Deletions during the year	Balance as at March 31, 2022	As at April 01, 2021	For the year	Deductions during the year	Upto March 31, 2022	As at March 31, 2021	As at March 31, 2022
Computers	154,896	128,418	-	283,314	28,355	69,783	-	98,139	126,541	185,175
Total	**154,896**	**128,418**	**-**	**283,314**	**28,355**	**69,783**	**-**	**98,139**	**126,541**	**185,175**

Note 3: Trade receivables

(Amount in ₹)

Particulars	**As at March 31, 2022**	As at March 31, 2021	As at April 01, 2020
Undisputed - Considered Good	**510,818**	908,875	569,472
Trade Receivables which have significant increase in Credit Risk	**-**	-	-
Trade Receivables-credit impaired	**-**	-	-
	510,818	908,875	569,472
Less: Allowance for doubtful debt (expected credit loss)	**-**	-	-
Total	**510,818**	908,875	569,472

Trade Receivable Ageing Schedule

Particulars	**Outstanding for the following periods from due date of payment**					**Total**
	Less Than 6 months	**6 months - 1year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
i) Undisputed Trade Receivables - Considered Good	-	510,818	-	-	-	510,818
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-

Note 4: Cash and cash equivalents

(Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
(a) Cash and cash equivalents			
Cash on hand	**-**	-	-
Balances with banks in current accounts	**283,807**	794,667	840,105
Total	**283,807**	794,667	840,105

Note 5 : Income Taxes

(a) Income Tax Assets :

(Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Opening Balance	**123,087**	401,574	401,574
Less: Prior period adjustment	**-**	-	-
Add: Tax paid in advance, net of provisions/(Refund) during the year	**(123,087)**	(278,487)	-
Closing Balance	**-**	123,087	401,574

(b) Income Tax Liabilities :

(Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Opening Balance	**-**	-	-
Add: Current tax payable for the year	**85,690**	-	-
Less: Taxes paid			
Closing Balance	**85,690**	-	-

(c) Deferred Tax :

(Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Deferred tax assets			
Property, plant and equipments			
Minimum Alternate Tax credit entitlement			
Employee benefits			
Deferred tax liabilities			
Property, plant and equipments			
Opening Balance	**17,376**	7,688	-
Add / Less: Current Year Adjustments	**657**	9,688	7,688
Total	**18,033**	17,376	7,688

Note 6: Other Assets

(Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Current			
Prepaid expenses	**-**	-	46,547
Balances with government authorities			
GST /Cenvat credit receivable	**573,634**	83,007	213,342
Others			
Security deposits	**-**	-	25,500
Total	**573,634**	83,007	285,389

Note 7: Share capital

(Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Authorised:			
10,000 (Previous year 10,000) Equity Shares of `10 each	**100,000**	100,000	100,000
Total	**100,000**	100,000	100,000
Issued, Subscribed and Fully Paid-up :			
10,000(Previous year 10,000) Equity Shares of `10 each fully paid up	**100,000**	100,000	100,000
Share application money received in advance	**-**	-	-
Total	**100,000**	100,000	100,000

7.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	No. of equity shares	Amount in ₹
Shares outstanding at March 31, 2020	10,000	100,000
Issued during the year	-	-
Shares outstanding at March 31, 2021	10,000	100,000
Issued during the year	-	-
Shares outstanding at March 31, 2022	10,000	100,000

7.2 Details of shareholders holding more than 5 % equity shares in the company as at the end of the year

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
Digital Onus INC	**-**		9,999	99.99%
Tech Mahindra Limited	**9,999**	**99.99%**	-	-

7.3 Details of Shareholding of Promoters

Shares held by promoters at the end of the year			% Change during the year
Promoter Name	**No. of Shares**	**% of Total Shares**	
Digital Onus Inc	9,999	99.99%	-99.99%
Mrs. Deena Dukle	1	0.01%	-0.01%

Note 8: Other Equity

(Amount in ₹)

Particulars	**As at March 31, 2022**	As at March 31, 2021	As at April 01, 2020
Retained Earnings	**1,181,008**	1,069,844	270,603
General Reserve	**-**	-	-
Securities premium	**-**	-	-
Total	**1,181,008**	1,069,844	270,603

Note 9: Trade payables

(Amount in ₹)

Particulars	**As at March 31, 2022**	As at March 31, 2021	As at April 01, 2020
Due to micro and small enterprises	**-**	-	-
Due to others	**-**	222,760	1,155,577
Total	**-**	222,760	1,155,577

Note 10: Provisions

(Amount in ₹)

Particulars	**As at March 31, 2022**	As at March 31, 2021	As at April 01, 2020
Short Term			
Provision for expenses	**80,000**	618,291	468,746
Total	**80,000**	618,291	468,746

Note 11: Other liabilities

(Amount in ₹)

Particulars	**As at March 31, 2022**	As at March 31, 2021	As at April 01, 2020
Current			
Statutory liabilities	**-**	66,540	220,465
Total	**-**	66,540	220,465

Note 12: Revenue from operations

(Amount in ₹)

Particulars	**Year Ended March 31, 2022**	Year Ended March 31, 2021
Sale of Services - Export	**5,139,313**	7,992,765
Total	**5,139,313**	7,992,765

Note 13: Other Operating income

(Amount in ₹)

Particulars	**Year Ended March 31, 2022**	Year Ended March 31, 2021
Sundry Balances Written off	**-**	958,041
Total	**-**	958,041

Note 14: Other expenses

(Amount in ₹)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Travelling and conveyance	-	1,078
Office Rent	-	110,755
Rates and taxes	76,563	875
Insurance	-	46,547
Payments to auditors (Refer note below)	80,000	40,000
Office Expenses	120,515	70,266
Repairs and maintenance	-	9,500
Foreign exchange (gain)/loss	109,180	149,868
Bad Debts	-	569,472
Bank charges	30,628	28,271
Total	**416,885**	1,026,632

(Amount in ₹)

Payment to auditors (Excluding GST)	Year Ended March 31, 2022	Year Ended March 31, 2021
Statutory Audit fees	80,000	40,000
Total	**80,000**	40,000

Note 15: Earnings per share

(Amount in ₹)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Net profit after tax for the year (Amount in ₹)	111,164	799,241
Weighted average number of equity shares outstanding for basic earning per share	10,000	10,000
Add : Dilutive share -Employees stock options outstanding	-	-
Weighted average number of equity shares outstanding for diluted earning per share	10,000	10,000
Nominal value per equity share (in `)	10	10
Basic earnings per share (in `)	11.12	79.92
Diluted earnings per share (in `)	11.12	79.92

Note 16 : Impact of COVID on Business and Financial statements

The Company continues to observe the Covid-19 impact on its business. This covers the monitoring of its impact on its supply-chain, and customers. Conclusions on significant accounting judgements and estimates have been drawn after exercising requisite due care. Such judgements and estimates include, inter-alia, recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available as of the date of preparing the Company's financial statements for the year ended March 31, 2022.

Note 17 : Mergers & Acquisitions

The Company was acquired by Tech Mahindra Limited on May 07, 2021. Therefore, the Company is Wholly Owned Subsidiary w.e.f. the said date.

Note 18: Fair Value Measurement

(i) Financial assets and liabilities

The carrying value and fair value of financial instruments by category is as follows :

(Amount in ₹)

	As at March 31, 2022		As at March 31, 2021	
	Fair Value	**Carrying Value**	Fair Value	Carrying Value
Financial assets :				
Amortised cost :				
Trade receivables	**510,818**	**510,818**	908,875	908,875
Cash and cash equivalents	**-**	**-**	-	-
Other bank balances	**283,807**	**283,807**	794,667	794,667
Other Financial Asset	**573,634**	**573,634**	285,389	285,389
Total	**1,368,259**	**1,368,259**	1,988,931	1,988,931
Financial Liabilities :				
Amortised cost :				
Trade payables	**-**	**-**	222,760	222,760
Other financial liabilities	**80,000**	**80,000**	684,831	684,831
Total	**80,000**	**80,000**	907,591	907,591

(ii) Fair value hierarchy :

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Financial risk management :

The Company's activities are exposed to variety of financial risks. These risks include market risk, credit risk and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion. Market risk comprises of three type of risks namely interest rate risk, currency risk and other price risk such as equity price risk. The Company is not exposed to currency risk and other price risk whereas the exposure to interest risk is given below :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate.

(b) Credit Risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises majorly from cash and cash equivalents, deposits with banks, Investments as well as credit exposures to customers including outstanding receivables.

Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations, and arises principally from the companies receivables from customers.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. The Company manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

(c) Liquidity Risk

Liquidity Risk is the risk that the company will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The company approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due. The Company generates cash flows from operations to meet its financial obligations and manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

Contractual maturities of significant financial liabilities are mentioned below. The amounts disclosed in the table are the contractual undiscounted cash flows :

(Amount in ₹)

As at March 31, 2022	Less than 1 year	1-3 years	More than 3 years
Trade payables	-	-	-
Other financial liabilities	**80,000**	-	-
	80,000	-	-

(Amount in ₹)

As at March 31, 2021	Less than 1 year	1-3 years	More than 3 years
Trade payables	222,760	-	-
Other financial liabilities	684,831	-	-
	907,591	-	-

(Amount in ₹)

As at April 01, 2020	Less than 1 year	1-3 years	More than 3 years
Trade payables	870,000	285,577	-
Other financial liabilities	689,211	-	-
	1,559,211	285,577	-

(iv) Capital management

The capital structure of the Company consists of equity, debt, cash and cash equivalents. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

Note 19: Related Party Disclosures

A) List of Related Parties and description of their relationship are as follows:

Nature of Relationship

1. Holding Company

Digital Onus Inc*

Tech Mahindra Limited

2. Director

Surinder Singh Chawla

Aniruddha Vinayak Gadre

Gautum Shirali

B) Total Transactions with related parties are as follows:

Particulars	**Amount**	
(A) Nature of transactions	**2021-22**	2020-21
Digital Onus Inc:		
Sale of Services	**5,139,313**	7,992,765

Particulars	**As at March 31, 2022**	As at March 31, 2021
(B)Balances at the end of the year		
Digital Onus Inc:		
Trade Receivables	**510,818**	908,875

*Note: From May 07, 2021, the shares were acquired by Tech Mahindra Limited. Hence the holding company from the said date is Tech Mahindra Limited.

Digital Onus Inc was also acquired by Tech Mahindra Limited. Therefore, Digital Onus Inc and Digitalops Technology Private Limited are related party due to common holding company.

Note 20: Ratio Analysis

As required by the Schedule III amendment notification dated March 24, 2021, the Company is required to disclose the following ratios:

Sr. No.	**Particulars**	**Formula**	**FY 2021-2022**				FY 2020-2021				**Change YoY**
			Numerator	**Denominator**	**Ratio**	**Term**	Numerator	Denominator	Ratio	Term	
i)	Current Ratio	Current Assets / Current Liabilities	**1,368,259**	**165,690**	**8.3**	**Times**	1,909,635	907,591	2.1	Times	292%
ii)	Debt-Equity Ratio	Debt / Equity	**-**	**1,281,008**	**-**	**Times**	-	1,169,844	-	Times	0%
iii)	Debt Service Coverage Ratio	EBITDA / (Interest + Principal)	**286,214**	**-**	**N / A**	**N / A**	890,421	-	N / A	N / A	N / A
iv)	Return on Equity	Net Income / Shareholder's Equity	**111,164**	**1,281,008**	**8.68%**	**%**	799,241	1,169,844	68.32%	%	-87%
v)	Inventory Turnover Ratio	COGS / Average Inventory									**N / A**
vi)	Trade Receivable Turnover Ratio	Net Credit Sales / Average Accounts Receivable	**5,139,313**	**709,847**	**7.2**	Times	7,992,765	739,174	10.8	Times	-33%
vii)	Trade Payable Turnover Ratio	Net Credit Purchases / Average Accounts Payables									**N / A**
viii)	Net Capital Turnover Ratio	Turnover / Shareholder's Equity	**5,139,313**	**1,281,008**	**4.0**	Times	7,992,765	1,169,844	6.8	Times	-41%
ix)	Net Profit Ratio	Net Profit / Sales	**111,164**	**5,139,313**	**2.16%**	%	799,241	7,992,765	10.00%	%	-78%
x)	Return on Capital Employed	EBIT / Shareholder's Equity	**197,511**	**1,281,008**	**15.42%**	%	820,639	1,169,844	70.15%	%	-78%
xi)	Return on Investment	Net Income / Investment Base	**(688,077)**	**799,241**	**-86.09%**	%	(120,370)	919,610	-13.09%	%	558%

As per the explanations given by the management, below are the reasons for the increase / decrease in the ratios being more than 25%

i) Current Ratio:

All current liabilities were paid by December 2021 and less to no activity starting from November 2021.

ii) Return on Equity:

Due to acquisition on May 7th, 2021 by Tech Mahindra Ltd, Consultants of Digitalops Technology were assigned to Tech Mahindra Ltd, effective October 2021. There were only one/two consultants working for the parent entity from Digitalops till November. With less (or) no activity effective October 2021, return on equity reduced from 68% to 7.49%.

iii) Trade Receivable Turnover Ratio:

No revenue from November 2021 through March 2022 lead to the reduction in Trade Receivable turnover ratio.

iv) Net Capital Turnover Ratio:

Due to acquisition in May 7th, 2021 of the Company by Tech Mahindra Limited, there has been strategical move of business activities from the Company to Tech Mahindra Limited. No services have been performed for the second half year ending March 31, 2022 and thus reduction in the gross revenue which lead to significant change in Net capital turnover ratio.

v) Net Profit Ratio:

There was increase in the operational cost due to increased legal and professional expenses due to Acquisition of Digitalops TECHNOLOGY. In addition, Digitalops had to pay INR 65,250 towards compounding interest for late filing of FEMA filings.

vi) Return on Capital Employed:

EBIT reduced due to increased operational cost due to increased acquisition related legal expenses and penalties for late filing of FEMA.

vii) Return on Investment:

Overall reduction in net income due to less to no activity from October 2021 and due to increased operational cost.

BERIS CONSULTING GMBH

UNAUDITED FINANCIAL STATEMENTS
For the Period 1st October 2021 to 31st December 2021

Directors

Frank Hildebrandt

Fares Zaier

Registered office

Am Hasselbach 4 38440

Wolfsburg

Bankers

Volksbank BraWo

Braunschweig Gifhorn Peine Salzgitter Wolfsburg

AUDITORS

Ebner Stolz Mönning Bachem

Wirtschaftsprüfer Steuerberater Rechtsanwälte

Partnerschaft mbB

BERIS CONSULTING GMBH

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMEBER 2021

ASSETS	EUR BERIS	EUR LINEAS	EUR Konsolidierung	EUR Gesamt Gruppe
A. Fixed assets				
I. intangible assets				
1. concessions, industrial Property Rights and similar rights and licences to such rights and assets	437.00	267,896.30	-	268,333.30
2. goodwill	-	496,561.00	-	496,561.00
II. Property, Plant and Equipment				
1. technical equipment and machinery	-	42,658.63	-	42,658.63
2. other equipment, factory and office equipment	9,778.00	24,296.28	-	34,074.28
III. financial assets	2,400,000.00	-	-2,400,000.00	-
B. Current assets				
I. Inventories				
1. Unfinished goods, unfinished services work in progress	-	424,660.13	-	424,660.13
II. receivables and other assets				
1. Receivables from deliveries and services	133,746.93	1,421,171.22	-	1,554,918.15
2. Receivables from affiliated companies	68,644.35	1,277,927.55	-1,346,571.90	-
3. Other assets	277,805.93	1,553,871.14		1,831,677.07
III. cheques, cash in hand, Bundesbank and post office and postal giro balances, credit balances with credit balances at banks	179,250.01	433,154.79	-	612,404.80
C. Prepaid expenses and deferred charges	2,721.73	71,505.06	-	74,226.79
Total assets	**3,072,383.95**	**6,013,702.10**	**-3,746,571.90**	**5,339,514.15**
LIABILITIES AND EQUITY				
A. Equity				
I. Called up capital				
1. subscribed capital	200,000.00	25,000.00	-	225,000.00
II. Capital reserve	1,876,494.72	3,852,246.72	-2,400,000.00	3,328,741.44
III. Profit / loss carried forward	-479,069.91	-926,454.71	-	-1,405,524.62
IV. Net profit/loss for the year, Balance sheet profit/loss	17,506.56	217,238.01	-	234,744.57
B. Provisions				
1. Other Accruals	107,627.03	497,340.88	-	604,967.91
C. Liabilities				
1. Advance payments received on orders	-	348,000.00	-	348,000.00
2. Liabilities from deliveries and services	4,513.78	283,911.63	-	288,425.41
3. Liabilities to affiliated companies	1,277,927.55	68,644.35	-1,346,571.90	-
4. Other liabilities	67,384.22	1,617,686.38	-	1,685,070.60
D. Invoice discount Item	-	30,088.84	-	30,088.84
Total liabilities	**3,072,383.95**	**6,013,702.10**	**-3,746,571.90**	**5,339,514.15**

Frank Hildebrandt
Director

Fares Zaier
Director

Place: Wolfsburg
Date: 1st July 2022

CONSOLIDATED PROFIT AND LOSS ACCOUNT FROM 01 OCTOBER TO 31 DECEMBER 2021

			EUR	EUR	EUR	EUR
			BERIS	**LINEAS**	**Konsolidierung**	**Gesamt Gruppe**
1.	Revenues		484,820.05	2,034,759.32	-187,956.00	2,331,623.37
2.	Decrease in inventories of finished goods and work in progress		7,786.00	24,438.35	-	32,224.35
3.	Other operating income		7,499.36	25,429.25	-	32,928.61
4.	Cost of materials					
	a)	Expenses for raw materials, consumables and for purchased goods	-	70,732.83	-	70,732.83
	b)	Cost of purchased services	10,140.12	139,143.32	-124,201.00	25,082.44
5.	Personnel expenses					
	a)	Wages and salaries	326,124.27	1,333,637.65	-58,031.00	1,601,730.92
	b)	social security contributions and expenses for pensions and other benefits	64,806.57	241,112.39	-	305,918.96
6.	Other operating expenses		55,791.81	27,439.76	-5,724.00	77,507.57
7.	Other interest and similar income		3,513.00	-	-	3,513.00
8.	Interest and similar expenses		13,357.78	5,786.00	-	19,143.78
9.	Result from ordinary activities ordinary business activity		17,825.86	217,898.27	-	235,724.13
	b)	Other taxes	319.30	660.26	-	979.56
10.	Balance sheet profit / loss		**17,506.56**	**217,238.01**	**-**	**234,744.57**

Frank Hildebrandt
Director

Fares Zaier
Director

Place: Wolfsburg
Date: 1st July 2022

NTH DIMENSION LIMITED

DIRECTORS
Vikram Narayanan Nair
Vivek Agarwal
Sujit Baksi

REGISTERED OFFICE
1st Floor
Charles Schwab Building
401 Grafton Gate (E)
Milton Keynes
MK9 1AQ

REGISTERED NUMBER
09593983 (England and Wales)

BANKERS
HSBC Bank Plc

AUDITORS
Butler & Co LLP
Chartered Accountants
Third Floor
126-134 Baker Street
London W1U 6UE

DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and the audited financial statements for the year ended 31 March 2022.

The directors' report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies exemption.

PRINCIPAL ACTIVITY

The company's principal activity is to provide IT Services to the Healthcare and Government sectors in the UK.

DIVIDENDS AND TRANSFERS TO RESERVES

No dividend was paid in the year. The directors do not recommend the payment of any final dividend in respect of the current financial year.

DIRECTORS

The directors who served throughout the year and to the date of this report, unless otherwise stated, were:

Sujit Baksi

Vikram Narayanan Nair

Vivek Agarwal

GOING CONCERN

The Board of Directors reviewed the projected cash flow statement and also the letter of support received from its parent company viz., Tech Mahindra Limited. Based on these, the financial statements have been prepared on a going concern basis.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to: select suitable accounting policies and then apply them consistently; make judgements and accounting estimates that are reasonable and prudent; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board:

Sujit Baksi
Director

Vikram Nair
Director

Place: London

Date: 13th June 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NTH DIMENSION LIMITED

Opinion

We have audited the financial statements of Nth Dimension Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.
Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on previous page, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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.

Auditors' 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 a Report of the Auditors 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- Enquiries of management, concerning the company's policies and procedures relating to:

  o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance

  o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.

- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We undertook the following:

- Performed analytical procedures to identify any unusual relationships
- Tested journal entries to identify unusual transactions

We also obtained an understanding of the legal and regulatory frameworks that the company operates in and performed analytical procedures.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sanjeev Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants & Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE
Date: 13th June 2022

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2022

Particulars	Note	**Year Ended 31-Mar-2022 £**	Year Ended 31-Mar-2021 £
Turnover		**3,900**	2,521,914
Other Income		**5,880**	76,172
Cost of Sales		**(12,959)**	(1,187,233)
Gross Profit/ (Loss)		**(3,179)**	1,410,853
Administrative Expenses		**(16,706)**	(20,102)
Operating Profit/ (Loss)		**(19,885)**	1,390,751
Interest Payable		**-**	-
Profit /(Loss) on ordinary activities before tax		**(19,885)**	1,390,751
Tax on ordinary activities / deferred tax		**3,375**	(76,740)
Total comprehensive income for the year		**(23,260)**	1,314,011

The notes form part of the financial statements.

BALANCE SHEET AS AT 31 MARCH 2022

Particulars	Note	**As at Mar-2022 £**	As at Mar-2021 £
NON-CURRENT ASSETS			
Deferred tax asset	4	**-**	3,375
Debtors	5	**-**	-
		-	3,375
CURRENT ASSETS			
Debtors	5	**111,579**	123,884
Prepayments	5	**-**	-
Intercompany Loan and Interest	5	**-**	1,800,098
Cash at bank and in hand		**314,888**	300,006
		426,467	2,223,988
CREDITORS: amounts falling due within one year	6	**(33,026)**	(310,662)
NET CURRENT ASSETS		**393,441**	1,913,326
TOTAL ASSETS LESS CURRENT LIABILITIES		**393,441**	1,916,701
CREDITORS: amounts falling after one year	6	**-**	(2,499,990)
TOTAL ASSETS LESS LIABILITIES		**393,441**	583,289
CAPITAL AND RESERVES			
Called up share capital		**1,000,012**	22
Profit and loss account		**(606,571)**	(583,311)
SHAREHOLDERS' (DEFICIT) FUNDS		**(393,441)**	(583,289)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been prepared in accordance with the provisions of Section 1A of FRS 102.

The financial statements of Nth Dimension Limited, registered number 09593983, were approved by the board of directors and authorised for issue as on 13th June 2022

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Sujit Baksi
Director

Vikram Nair
Director

Place: London

The notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2022

	Called up share capital £	Profit and loss account £	Total £
At 01 Apr 2021	22	(583,311)	(583,289)
Share capital conversion	999,990	-	999,990
Loss for the period	-	(23,260)	(23,260)
At 31 March 2022	1,000,012	(606,571)	(393,441)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding period.

General information and basis of accounting

Nth Dimension Limited is a company incorporated in the United Kingdom under the Companies Act.

The company is a private company limited by shares and is registered in England and Wales under company number 09593983. The address of the registered office is given on previous page.

The average monthly number of employees (including executive directors) was 0 (2021: 5).

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102). "The Financial Reporting Standard applicable in the UK" issued by the Financial Reporting Council.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered net of discounts and value added taxes.

The Company recognises revenue when the significant risks and rewards of ownership are considered to have been transferred to the buyer, the amount of revenue can be measured reliably, and it is probable that future economic benefits will flow to the entity.

Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Revenue in respect of service fee income is recognised on an accruals basis at the rate and term specified in the agreement, considering the certainty of realisation.

All revenue is derived from continuing operations within the United Kingdom.

Interest income

Interest income is recognised using the effective interest rate method.

Going concern

The Board of Directors reviewed the projected cash flow statement and also the letter of support received from its parent company viz., Tech Mahindra Limited. Based on these, the financial statements have been prepared on a going concern basis.

The Board reviewed the latest cash flow forecast immediate 12 months and they do not foresee any cash flow issues..

Foreign currency translation

In preparing the financial statements, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. 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 that are measured in terms of historical cost in a foreign currency are not retranslated.

Financial instruments

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

i. Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an 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 instrument

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current year or prior period.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised

Financial assets

For financial assets carried at amortised cost, the amount of impairment is 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.

For financial assets carried 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.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Share Capital

Ordinary shares are classified as equity. Mandatorily redeemable Preference shares are classified as liabilities.

Borrowings

Redeemable Preference shares

Preference shares which are mandatorily reedemable on a specific date are classified as liabilities. The dividends on these shares are taken to Profit and loss acccount as finance expense.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the year in which they become payable in accordance with the rules of the scheme.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors 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 the revision affects both current and future periods.

The directors consider the critical judgement to relate to the impairment of financial assets, in particular trade receivables. The Company's management reviews periodically items classified as trade receivables to assess whether a provision for impairment should be recorded in the profit or loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty

3. (LOSS) PROFIT BEFORE TAXATION

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
(Loss) profit before taxation is stated after charging:		
Auditor's remuneration for audit related assurance services	6,750	6,750
Foreign currency profit / (losses)	(24)	216

4. DEFERRED TAX ASSET

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
At 1 April 2021	3,375	3,375
Deferred tax charged to profit and loss account for the year	3,375	-
At 31 March 2022	**-**	**3,375**

The amounts of deferred tax provided in the accounts are as follows:

	2022 £	2021 £
Temporary timing differences	-	3,375

5. DEBTORS

	2022 £	2021 £
Due within one year:		
Trade debtors	12,970	104,009
Amounts owed by group undertakings	98,609	1,800,098
Other debtors	-	19,875
	111,579	1,923,982

The financing element of the non-current trade receivables is deemed to be immaterial and consequently no discounting has been applied in determining the carrying value of the non-current trade receivables.

Amounts owed by group undertaking relates to a loan made by the company, during 2021 , of £1.8m, to one of its fellow subsidiary. This loan was unsecured and was paid during the year and bears an interest rate of LIBOR plus 100 basis onts (1.11% p.a.) per annum. The interest is payable at the end of tenure of the loan and is included in the amount disclosed above.

6. CREDITORS

Amounts falling due within one year:

	2022 £	2021 £
Trade creditors	58	2,088
Amounts owed to group undertakings	-	8,728
Corporation tax	1,880	127,794
Other taxes and social security	1,448	144,650
Accruals and deferred income	29,640	27,402
	33,026	**310,662**

Amounts due after more than one year:

	2022 £	2021 £
Amounts owed to group undertakings	-	-
Redeemable preference shares (Note 7)	-	2,499,990
	-	**2,499,990**

During the current year, the redeemable preference shares have been redeemed to the extent of £ 1,500,000 and the balance amount of £ 999,990 was converted into 99,999,000 quity shares of £ 0.01 each.

7 PREFERENCE SHARES

On 15 May 2017, the company filed with UK Companies House for allotment of 2,499,990 Preference Shares of £1 each, amounting to £ 2,499,990. The preference shares were issued to Tech Mahindra Limited, holding company. The preference shares were not paid up as on 31st March 2018. The preference shares were fully paid up on 5th July 2018.

The preference shares carry a fixed cumulative cash preferential dividend at annual rate of 3% of the issue price per preference share in issue and to be paid on 31 December. The shares may be redeemed by the Investor, upon serving of Investor Redemption notice to the company, on or after the date of the fifth anniversary of the issue.

During the current year, the redeemable preference shares have been redeemed to the extent of £ 1,500,000 and balance amount of £ 999,990 have been converted into 99,999,000 quity shares of £ 0.01 each.

8. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption granted to wholly owned subsidiaries not to disclose transactions with other wholly owned group companies under the provisions of Section 33 of FRS 102 “Related Party Disclosures”.

9. CONTINGENT LIABILITY

In March /April 2019, the dismissed employees of the company, have filed a case, of unfair dismissal against the company with the London Central Employment tribunal. They have claimed an amount to the tune of ~ £780,000 from the company towards compensation.

The directors of the company are of the view that the company had valid reasons of dismissal of the employees and as such do not acknowledge the claim as debt. The directors have decided to contest the claims as when the details of the proceedings are received.

Therefore, in the opinion of the directors, no provision is required in the accounts in respect of the amount of claim, legal costs and damages.

10. CONTROLLING PARTY

The immediate parent company and ultimate parent company is Tech Mahindra Limited, a Company incorporated in India. The registered address of Tech Mahindra Limited is Gateway Building, Apollo Bunder, Mumbai – 400 001, India.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Tech Mahindra Limited. Copies of the Tech Mahindra Limited consolidated financial statements can be obtained at www.techmahindra.com or from the Company Secretary at Rajiv Gandhi Infotech Park, Phase III, Pune, India

DYNACOMMERCE HOLDING B.V.

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1ST JANUARY 2021 TO 31ST DECEMBER 2021

Board of Directors
Mr. Sandeep Phadke

Registered office
Stationsplein 5 A 1,
6131AT Sittard

Bankers
Rabo Bank, Netherland

Auditors
Koenen En CO

ACCOUNTANT’S COMPILATION REPORT

The financial statements of Dynacommerce Holding B.V. have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2021 and the profit and loss account for the year 2021 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, “Compilation engagements”, which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Dynacommerce Holding B.V.

During this engagement we have complied with the relevant ethical requirements prescribed by the “Verordening Gedrags- en Beroepsregels Accountants” (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

FISCAL POSITION

Fiscal unity

There is a group tax treatment (fiscal unity) for Dynacommerce Holding B.V. and her Dutch subsidiary for the corporate income tax.

The corporate income tax for the subsidiary is calculated as if the subsidiary is sole entity for the corporate income tax. Any dis- and advantages concerning the group tax treatment are taken into account with Dynacommerce B.V. The corporate income tax payable by the subsidiary is registered into the current account with Dynacommerce B.V.

Taxable amount and taxation financial year 2021

The fiscal result amounts € 453.265. There is no corporate income tax payment required regarding this result, because of the outstanding losses, which have to be settled.

We trust to have been of service. We are available to provide further explanation should you have questions or comments.

Yours sincerely,

KOENEN EN CO

Accountants

DYNACOMMERCE HOLDING B.V.

BALANCE SHEET AS AT 31 DECEMBER 2021

(before appropriation of results)

		31 December 2021		31 December 2020	
		€	€	€	€
ASSETS					
FIXED ASSETS					
Tangible fixed assets	(1)				
Leasehold improvements		689.755		802.666	
Equipment		58.495		113.480	
Furniture & fixtures		16.367		29.503	
			764.617		945.649
Financial fixed assets	(2)				
Partcipation in group companies		0		0	
Deferred tax asset		1.605.610		0	
			1.605.610		0
CURRENT ASSETS					
Receivables, prepayments and accrued income	(3)				
Receivable from group companies		1.503.356		1.209.311	
Other taxes and social security		59.806		15.783	
Prepayments and accrued income		78.806		61.758	
			1.641.968		1.286.852
Cash and Bank	(4)		195.947		35.593
			4.208.142		2.268.094
EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY	(5)				
Issued share capital		12.018.000		18.000	
Share premium		1.585.222		1.585.222	
Other reserves		(9.580.872)		(11.483.513)	
			4.022.350		(9.880.291)
LONG-TERM LIABILITIES	(6)				
Loan from Tech Mahindra Engineering Services (Europe) Ltd-UK			0		11.908.544
CURRENT LIABILITIES, ACCRUALS AND DEFERRED INCOME	(7)				
Trade creditors		7.478		5.359	
Other liabilities		157.008		200.788	
Accruals and deferred income		21.306		33.694	
			185.792		239.841
			4.208.142		2.268.094

PROFIT AND LOSS ACCOUNT 2021

		2021		2020	
		€	€	€	€
Costs					
Depreciation	(8)	181.031		180.100	
Other operating expenses	(9)	293.602		314.245	
			474.633		494.345
Operating results			(474.633)		(494.345)
Interest expenses and similar charges	(10)		(59.882)		(120.508)
Result before income tax			(534.515)		(614.853)
Income taxes	(11)		1.605.610		0
			1.071.095		(614.853)
Result from participations	(12)		831.546		1.249.638
Net result			**1.902.641**		**634.785**

GENERAL NOTES TO THE FINANCIAL STATEMENTS

Activities

The activities of Dynacommerce Holding B.V. are fully focused on holding activities of Dynacommerce B.V.

Financial position

Dynacommerce Holding B.V. as such has a positive equity at the end of 2021. This is the result of the equity investment that took place during 2021 whereby Tech Mahindra Limited bought 12.000.000 of shares for an amount of € 12.000.000.

Dynacommerce B.V., which is a 100% subsidiary of Dynacommerce Holding B.V. has a negative equity as per year end 2021 of € 5.582.285. Because that on a consolidated level of Dynacommerce Holding B.V. the equity is positive, it has been decided to maintain the valuation bases on a going concern basis.

Business address

Dynacommerce Holding B.V. (registered under Chamber of Commerce number 66421470) is based at Stationsplein 5A 1 in Sittard.

Group relationships

Dynacommerce Holding B.V. settled in Sittard, The Netherlands, is the head of a group of legal persons. Dynacommerce B.V. is a 100% subsidiary of Tech Mahindra Limited, settled in Maharashtra, India, which is the head of the group and motherhood company of Dynacommerce Holding B.V.

The figures of Dynacommerce Holding B.V. are included in the financial statements of Tech Mahindra Limited.

Estimates and assumptions

Dynacommerce Holding B.V. based its assumptions and estimates on circumstances and information available when the financial statements were prepared.

If it is necessary in order to provide the transparency required under art. 2:362 paragraph 1 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Consolidation

Consolidated financial statements have not been drawn up on the grounds of the exemption pursuant to Section 2: 407 (2a) of the Dutch Civil Code.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the general determination of Chapter 9 Book 2 of the Dutch Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless mentioned otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Income and expenses are accounted on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES

Tangible fixed assets

The tangible fixed assets are presented at the cost less the accumulated depreciations and, if applicable, the special impairments. The depreciations are based on the estimated economic lifespan and are calculated on the basis of a fixed percentage of the purchase price, taking into account a residual value, if any. Depreciation is provided from the date an asset comes into use.

Financial fixed assets

Where significant influence is exercised participations in non-consolidated companies are valued under the net asset value method, but not lower than a nil value. This net asset value is based on the same accounting principles as applied by Dynacommerce Holding B.V.

When a participation has a value lower than nil, a provision is formed which is netted against the receivable from that group company or presented as a provision.

The receivables on and loans to participations and other receivables are valued at face value after deduction of any provisions.

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

The receivables on and loans to participations and other receivables are valued at face value after deduction of any provisions.

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailling at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

The receivables on and loans to participations and other receivables are valued at face value after deduction of any provisions.

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Long-term liabilities

Recorded interest-bearing loans and liabilities are valued at face value.

Current liabilities, accruals and deferred income

Upon initial recognition, the liabilities recorded are stated at fair value and then valued at amortized cost.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is determined as the difference between the realizable value of the performance and services rendered on the one hand, and the costs and other expenses for the year on the other, valued at historical cost prices.

Income from the services rendered is recognized in proportion to the services rendered, based on the costs incurred in respect of the services rendered up to the balance sheet date, in proportion to the estimated costs of the total services to be performed. The cost of these services is allocated to the same period.

Costs

Costs are determined on a historical basis and allocated to the reporting year to which they relate.

Tax

The corporate income tax is calculated at the applicable rate over the result of the financial year, taking into account any permanent differences between profit calculation in accordance with the financial statements and the fiscal result calculation.

In the financial statement of subsidiary, a tax charge is calculated based on the commercial result. The taxes owed by subsidiary is settled through the intercompany account with Dynacommerce Holding B.V.

Result from participations

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Dynacommerce Holding B.V.

In the financial statement of subsidiary, a tax charge is calculated based on the commercial result. The taxes owed by subsidiary is settled through the intercompany account with Dynacommerce Holding B.V.

DISCLOSURE ON BALANCE SHEET AS AT 31 DECEMBER 2021

1. Tangible fixed assets

	Leasehold Improvement	Equipment	Furniture & fixtures	Total
	€	€	€	€
Bookvalue 1 January 2021	802.666	113.479	29.503	945.648
Depreciation	(112.911)	(54.984)	(13.136)	(181.031)
Bookvalue 31 December 2021	689.755	58.495	16.367	764.617

Depreciation percentages	%
Leasehold improvements	10
Equipment	20
Furniture & fixtures	20

2. Financial fixed assets

	31-12-2021	31-12-2020
	€	€
Participations in group companies		
Dynacommerce B.V. te Sittard (100%)	**0**	**0**

	31-12-2021	31-12-2020
	€	€
Dynacommerce B.V.		
Balance as at 1 January	0	0
Results	831.546	1.438.695
	831.546	1.438.695
Provision	(831.546)	(1.438.695)
Balance as at 31 December	**0**	**0**

The 100% participation in Dynacommerce B.V. has been valued at nil as the subsidiary has a negative equity value. The negative equity has been set off against the intercompany receivable, so there is no longer a provision.

	31-12-2021	31-12-2020
	€	€
Deferred tax asset		
Deferred tax assets	1.605.610	0

As at balance sheet date a loss for set-off remains of € 10.704.066. According to the changed ruling tax law, these losses can be set-off against possible future fiscal profits. Based on the loss set-off there is a deferred tax asset of € 1.605.610 (15% of € 10.704.066).

3. Receivables, prepayments and accrued income

	31-12-2021	31-12-2020
	€	€
Receivable from group companies		
Dynacommerce B.V.	1.503.356	1.209.311

Over the receivables from group companies no interest has been charged. No payment obligation has been set down. No security has been provided.

The face value of the receivable from Dynacommerce B.V. per December 31, 2021 is € 7.085.641 (December 31, 2020 € 7.623.142). This amount is decreased with the value of the provision for the negative value of Dynacommerce B.V. The net amount is presented as the receivable.

	31-12-2021	31-12-2020
	€	€
Other taxes and social security		
VAT	**59.806**	**15.783**
Prepayments and accrued income		
Deposits	57.860	57.860
Other prepaid expenses	0	3.898
Prepaid rent building	20.946	0
	78.806	**61.758**

	31-12-2021	31-12-2020
	€	€
4. Cash and Bank		
Rabobank, business account	**195.947**	**35.593**
5. Shareholders' equity		
Issued share capital		
12.018.000 ordinary shares of € 1,00	**12.018.000**	**18.000**

During 2021 share capital of Dynacommerce Holding B.V. increased with 12.000.000 shares wich have been bought by Tech Mahindra Limited for a nominal amount of € 1 per share. The shares paid up in cash,

	2021	2020
	€	€
Share premium		
Balance as at 1 January	1.585.222	1.585.222
Mutation	0	0
Balance as at 31 December	**1.585.222**	**1.585.222**
Other reserves		
Balance as at 1 January	(11.483.513)	(12.118.298)
Net profit	1.902.641	634.785
Balance as at 31 December	(9.580.872)	(11.483.513)

The general meeting of shareholders has approved the annual report 2020. In line with the proposal of the board of directors, the results of 2021 have been added to the other reserves.

6. Long-term liabilities

	31-12-2021	31-12-2020
	€	€
Finance debts		
Loan from Tech Mahindra Engineering Services (Europe) Ltd-UK	**0**	**11.908.544**

The outstanding loan payable to Tech Mahindra Egineering Services was fully repaid in 2021 from the capital injection financed by Tech Mahindra Limited. In return, Dynacommerce Holding B.V. issued 12.000.000 shares to Tech mahindra Limited.

7. Current liabilities, accruals and deferred income

	31-12-2021	31-12-2020
	€	€
Other liabilities		
Interest payable to group companies	0	19.872
Other payables	157.008	180.916
	157.008	200.788
Accruals and deferred income		
Insurances to be paid	948	13.336
Invoices to be received	20.358	20.358
	21.306	33.694

Rights and liabilities not included in the balance sheet

Contingent liabilities

Group tax treatment

Dynacommerce Holding B.V. is the head of the fiscal unity which consist the entity Dynacommerce B.V. and Dynacommerce Holding B.V.

Multi -year financial obligations

Rent agreement

The company has rented an office space in a building located at the Stationsplein 5a, Sittard. The total rent amounts € 20.395 (included VAT) a month. The contract has a duration of initially 10 years and will be ending on December 31, 2027.

DISCLOSURE ON PROFIT AND LOSS ACCOUNT 2021

Employees

At the end of 2021 the company employed 0 full time equivalents (2020: 0).

	2021	2020
	€	€
8. Depreciation		
Tangible fixed assets	181.031	180.795
Booking result of the sold tangible fixed assets	0	(695)
	181.031	**180.100**
Depreciation tangible fixed assets		
Leasehold improvements	112.911	113.378
Equipment	54.984	54.281
Furniture & fixtures	13.136	13.136
Booking result of the sold tangible fixed assets	0	(695)
	181.031	**180.100**
9. Other operating expenses		
Housing expenses	193.329	186.345
Office expenses	0	63
Selling expenses	0	1.232
Other operating expenses	100.273	126.605
	293.602	**314.245**
Housing expenses		
Hiring and rental charges	178.360	176.160
Energy expenses	185	185
Maintenance buildings	1.793	204
Guard expenses	12.991	9.796
	193.329	**186.345**

	2021	2020
	€	€
Office expenses		
Other office expenses	**0**	**63**
Selling expenses		
Travel expenses	**0**	**1.232**
Other operating expenses		
Professional Fees	72.551	41.128
Consulting fees	4.310	0
Insurances	19.072	84.959
Other operating expenses	4.340	518
	100.273	**126.605**

Financial income and expense

10. Interest expenses and similar charges

Bank charges	1.285	1.096
Interest intercompany loan	58.401	119.412
Non-tax-deductible fines	196	0
	59.882	**120.508**

11. Income taxes

Deferred income taxes	(1.605.610)	0

12. Result from participations

	2021	**2020**
	€	€
Net result of Dynacommerce B.V.	831.546	1.438.695
Net result of Dynalean B.V.(included the merger)	0	(189.057)
	831.546	**1.249.638**

Signature Board of directors

The financial statements are thus prepared by the board of DYNACOMMERCE HOLDING B.V.

Sittard,

On their behalf

S. Phadke

DYNACOMMERCE B.V.

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1ST JANUARY 2021 TO 31ST DECEMBER 2021

Board of Directors
Mr. Sandeep Phadke on behalf of
Dynacommerce Holding B.V.

Registered office
Stationsplein 5 A 1, 6131AT Sittard

Bankers
Rabo Bank, Netherland

Auditors
Koenen En CO

ACCOUNTANT'S COMPILATION REPORT

The financial statements of Dynacommerce B.V. have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2021 and the profit and loss account for the year 2021 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, "Compilation engagements", which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Dynacommerce B.V.

During this engagement we have complied with the relevant ethical requirements prescribed by the "Verordening Gedrags- en Beroepsregels Accountants" (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

FISCAL POSITION

Fiscal unity

There is a group tax treatment (fiscal unity) for Dynacommerce Holding B.V. and her Dutch subsidiary for the corporate income tax.

The corporate income tax for the subsidiary is calculated as if the subsidiary is sole entity for the corporate income tax. Any dis- and advantages concerning the group tax treatment are taken into account with Dynacommerce Holding B.V. The corporate income tax payable by the subsidiary is registered into the current account with Dynacommerce Holding B.V.

We trust to have been of service. We are available to provide further explanation should you have questions or comments.

Yours sincerely,

KOENEN EN CO
Accountants

DYNACOMMERCE B.V.

BALANCE SHEET AS AT 31 DECEMBER 2021

(before appropriation of results)

		31 December 2021		31 December 2020	
		€	€	€	€
ASSETS					
FIXED ASSETS					
Intangible fixed assets	(1)				
Omnius product development			2.876		225.098
Tangible fixed assets	(2)				
Equipment			34.529		0
CURRENT ASSETS					
Receivables, prepayments and accrued income	(3)				
Trade debtors		372.035		436.944	
Receivable from group companies		411.079		107.721	
Other taxes and social security		69.315		30.699	
Prepayments and accrued income		21.850		31.935	
			874.279		607.299
Cash and Bank	(4)		1.009.536		1.118.326
			1.921.220		1.950.723
EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY	(5)				
Issued share capital		18.000		18.000	
Other reserves		(5.600.285)		(6.431.831)	
			(5.582.285)		(6.413.831)
PROVISIONS	(6)				
Deferred tax liabilities			720		56.275
CURRENT LIABILITIES, ACCRUALS AND DEFERRED INCOME	(7)				
Trade creditors		102.911		242.814	
Current account group companies		7.085.641		7.623.142	
Other taxes and social security		0		27.394	
Other liabilities		95.297		133.681	
Accruals and deferred income		218.936		281.248	
			7.502.785		8.308.279
			1.921.220		1.950.723

PROFIT AND LOSS ACCOUNT 2021

		2021		2020	
		€	€	€	€
Net turnover	(8)		5.116.219		7.768.839
Costs					
Costs of sales	(9)	987.562		1.886.755	
Wages, salaries and social security costs	(10)	2.365.115		3.108.763	
Depreciation	(11)	222.223		732.204	
Other operating expenses	(12)	760.283		752.766	
			4.335.183		6.480.488
Operating results			781.036		1.288.351
Interest expenses and similar charges	(13)		(5.045)		(4.639)
Result before corporation tax			775.991		1.283.712
Income taxes	(14)		55.555		154.983
Net result			**831.546**		**1.438.695**

GENERAL NOTES TO THE FINANCIAL STATEMENTS

Activities

The activities of Dynacommerce B.V. are fully focused on end to end Omnius omnichannel solutions.

Financial position

Dynacommerce B.V., which is a 100% subsidiary of Dynacommerce Holding B.V. has a negative equity as per year end 2021 of € 5.582.285. Because that on a consolidated level of Dynacommerce Holding B.V. the equity is positive, it has been decided to maintain the valuation bases on a going concern basis.

Business address

Dynacommerce B.V. (registered under Chamber of Commerce number 60727853) having its legal seat at Stationsplein 5A 1 in Sittard.

Group relationships

Dynacommerce B.V. is a 100% subsidiary of Dynacommerce Holding B.V., settled in Sittard, The Netherlands. The financial statements of Dynacommerce B.V. are included in the consolidated financial statements of Tech Mahindra Limited, settled in Maharashtra, India.

Estimates and assumptions

Dynacommerce B.V. based its assumptions and estimates on circumstances and information available when the financial statements were prepared.

If it is necessary in order to provide the transparency required under art. 2:362 paragraph 1 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the general determination of Chapter 9 Book 2 of the Dutch Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless mentioned otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Income and expenses are accounted on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Translation of foreign currency

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortization and, if applicable, less impairments. Amortization is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortization method are reassessed at the end of each financial year. Depreciation in 3 years based on the portfolio of customers taken over.

Internal development costs for technology and software are recognized as an intangible asset if, and only if, all of the following have been demonstrated:

- The technical feasibility to complete the project;
- 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
- The cost of developing the asset can be measured reliably.

The amount initially recognized 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. All expenditures on research activities and development activities for which the recognition criteria listed above are not met are expensed in the income statement as incurred.

Tangible fixed assets

The tangible fixed assets are presented at the cost less the accumulated depreciations and, if applicable, the special impairments. The depreciations are based on the estimated economic lifespan and are calculated on the basis of a fixed percentage of the purchase price, taking into account a residual value, if any. Depreciation is provided from the date an asset comes into use.

Receivables, prepayments and accrued income

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Provisions

General

Provisions are recognized for legally enforceable or constructive obligations that exist at the balance sheet date, and for which it is probable that an outflow of resources will be required and a reliable estimate can be made. Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date.

Deferred tax liabilities

Deferred tax liabilities are recognized for temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the book values applied in these financial statements on the other. The computation of the deferred tax liabilities is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law. Deferred tax balances are valued at face value.

Current liabilities, accruals and deferred income

Upon initial recognition, the liabilities recorded are stated at fair value and then valued at amortized cost.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

Revenue recognition

Services

Net turnover comprises the income from the supply of services less discounts and rebates and taxes levied on turnover.

Costs

Costs are determined on a historical basis and allocated to the reporting year to which they relate.

Tax

The corporate income tax is calculated at the applicable rate over the result of the financial year, taking into account any permanent differences between profit calculation in accordance with the financial statements and the fiscal result calculation.

The other company forming part of the fiscal unity for corporate income tax is charged as if they were separately liable for tax.

DISCLOSURE ON BALANCE SHEET AS AT 31 DECEMBER 2021

1. Intangible fixed assets

	Omnius product development
	€
Bookvalue 1 January 2021	225.099
Depreciation	(222.223)
Book value 31 December 2021	2.876
Depreciation percentages	%
Omnius product development	33

2. Tangible fixed assets

	Equipment
Bookvalue 1 January 2021	0
Investments	39.372
Deprecation	(4.843)
Bookvalue 31 December 2021	34.529
Depreciation percentages	%
Equipment	20

3. Receivables, prepayments and accrued income

	31-12-2021	31-12-2020
	€	€
Receivable from group companies		
Unbilled revenue intercompany	**411.079**	**107.721**
Other taxes and social security		
Wage tax	56.235	0
Pensions	13.080	30.699
	69.315	**30.699**
Prepayments and accrued income		
Provision bonus	0	7.816
Other prepaid expenses	21.850	24.119
	21.850	**31.935**

4. Cash and Bank

	31-12-2021	31-12-2020
Rabobank, business account	**1.009.536**	**1.118.326**

5. Shareholders' equity

	31-12-2021	31-12-2020
	€	€
Issued share capital		
18 ordinary shares of € 1.000,00	**18.000**	**18.000**

	2021	2020
	€	€
Other reserves		
Balance as at 1 January	(6.431.831)	(6.318.181)
Net result	831.546	1.438.695
Merger Dynalean B.V.	0	(1.552.345)
Balance as at 31 December	**(5.600.285)**	**(6.431.831)**

The general meeting of shareholders has approved the annual report 2020. In line with the proposal of the board of directors, the results of 2021 have been added to the other reserves.

6. Provisions

Deferred tax liabilities

	31-12-2021	31-12-2020
	€	€
Deferred tax Liabilities	720	56.275

The deferred tax position results out of the temporary differences between the fiscal and commercial value of assets and liabilities. The provision is calculated against a tax rate of 25,80%. This deferred tax liability will be depreciated by the beginning of 2022.

7. Current liabilities, accruals and deferred income

	31-12-2021	31-12-2020
Trade creditors		
Trade creditors	**102.911**	**242.814**
Current account group companies		
Dynacommerce Holding B.V.	**7.085.641**	**7.623.142**

Over the current accounts no interest has been charged. No payment obligation has been set down. No security has been provided.

Other taxes and social security		
Wage tax	0	27.394
Other liabilities		
Other payables	95.297	133.681
Accruals and deferred income		
Holiday obligation	62.313	82.665
Provision leave days payable	121.160	123.583
Preceived amounts debtors	33.657	0
Severance pay	0	75.000
Net wages	1.806	0
	218.936	**281.248**

RIGHTS AND LIABILITIES NOT INCLUDED IN THE BALANCE SHEET

Contingent liabilities

Group tax treatment

Dynacommerce B.V. is part of a fiscal unity. The head of this fiscal unity is Dynacommerce Holding B.V.

Multi -year financial obligations

Operational lease

The company has operational lease-contracts for cars with total monthly payments of about € 2.074. Duration of the contracts is variable.

DISCLOSURE ON PROFIT AND LOSS ACCOUNT 2020

	2021	2020
	€	€
8. Net turnover		
Net turnover	447.789	2.546.325
Net turnover intercompany	4.668.430	5.222.514
	5.116.219	**7.768.839**
9. Costs of sales		
Costs of sales	**987.562**	**1.886.755**
10. Wages, salaries and social security costs		
Wages and salaries	1.793.309	2.034.578
Social security charges	184.298	322.376
Pension contributions	102.455	133.773
Other personnel costs	285.053	618.036
	2.365.115	**3.108.763**
Wages and salaries		
Wages and salaries	1.777.110	1.990.045
Mutation holiday pay and holiday obligations	16.199	44.533
	1.793.309	**2.034.578**
Social security charges		
Social security charges	**184.298**	**322.376**
Pension contributions		
Pension contributions	**102.455**	**133.773**

	2021	2020
	€	€
Other personnel costs		
Hired labour costs	0	149.774
Payrol service provider costs	15.482	33.601
Expense renumeration	146.887	218.485
Canteen costs	2.164	3.431
Training costs	0	6.690
Wage subsidies	(7.262)	(25.853)
Other personell costs	127.782	231.908
	285.053	**618.036**

Employees

At the end of 2021 the company employed 31 members of staff (2020:46).

11. Depreciation

	2021	2020
	€	€
Depreciation intangible fixed assets		
Omnius product development	**222.223**	**732.204**

12. Other operating expenses

	2021	2020
	€	€
Housing expenses	75.144	51.879
Office expenses	606.941	480.411
Car expenses	21.910	59.254
Selling expenses	6.848	40.069
Other operating expenses	49.440	121.153
	760.283	**752.766**
Housing expenses		
Hiring and rental charges	0	(27.364)
Energy expenses	21.328	30.909
Maintenance buildings	52.006	46.123
Other housing expenses	1.810	2.211
	75.144	**51.879**

	2021	2020
	€	€
Office expenses		
Printing	3.962	4.018
Automation expenses	568.779	427.677
Telephone	32.310	44.316
Other office expenses	1.890	4.400
	606.941	**480.411**
Car expenses		
Lease costs	14.082	57.935
Other car expenses	7.828	1.319
	21.910	**59.254**
Selling expenses		
Representation	63	162
Travel expenses	6.785	39.907
	6.848	**40.069**
Other operating expenses		
Professional Fees	21.364	17.237
Consulting fees	100	9.837
Legal advice	(873)	66.029
Insurances	1.792	15.472
Small purchases	4.134	2.832
Subsciptions	22.923	12.598
Other operating expenses	0	(2.852)
	49.440	**121.153**

Financial income and expense

	2021	2020
	€	€
13. Interest expenses and similar charges		
Bank charges	5.045	701
Tax fines	0	596
Interest Intercompany loan	0	3.342
	5.045	**4.639**
14. Income taxes		
Mutation deferred tax liabilities	**(55.555)**	**(154.983)**

Signature Board of Directors

DynaCommerce Holding B.V.

On their behalf,

S. Phadke

COM TEC CO IT LIMITED

UNAUDITED FINANCIAL STATEMENTS
For the Period ended 31st March 2022

Board of Directors
Avraham Shaked
Vivek Agarwal
Manish Choudhary

Registered Office

73, Metochiou Street
2407, Nicosia, Cyprus

Bankers

Bank of Cyprus Public Company Ltd
Eurobank Cyprus Ltd
Revolut Bank UAB
UBS Switzerland AG
Barclays Bank PLC
Interactive Brokers LLC
TrustPay, a.s.
Ecopayz

Auditors

K. Treppides & Co Limited
Certified Public Accountants and Registered Auditors
Treppides Tower
9, Kafkasou Street, Aglantzia
2112, Nicosia, Cyprus

COM TEC CO IT LIMITED

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Period ended 31 March 2022

	Note	31-Mar-22 EUR
Revenue from IT related services		17,671,980
Cost of IT related services	7	(12,468,017)
Gross profit		**5,203,964**
Selling and marketing expenses	8	(3,426)
Management and administration expenses	9	(1,060,947)
Other expenses	10	-
Operating profit		**4,139,591**
Net finance income / (costs)	12	(61,214)
Other income		1,027
Profit before tax		**4,079,403**
Tax	13	(280,236)
Net profit for the year		**3,799,167**
Other comprehensive income		
Other comprehensive income for the year		-
Total comprehensive income for the year		**3,799,167**
Net profit for the year attributable to:		
Equity holders of the parent		3,799,167
Non-controlling interests		-
Net profit for the year		**3,799,167**
Total comprehensive income for the year attributable to:		
Equity holders of the parent		3,799,167
Non-controlling interests		-
Total comprehensive income for the year		**3,799,167**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Period ended 31 March 2022

	Note	31-Mar-22 EUR
ASSETS		
Non-current assets		
Intangible assets (CTRM)	17	59,531,494
Equipment and other fixed assets	15	1,107,823
Right-of-use assets	16	51,968
Total non-current assets		**60,691,285**
Current assets		
Trade and other receivables	18	24,353,385
Financial assets at fair value through profit or loss	19	-
Refundable taxes	24	14,654
Other equipment		232,704
Cash and cash equivalents	20	23,327,077
Total current assets		**47,927,820**
Total assets		**108,619,105**
EQUITY AND LIABILITIES		
Non-current liabilities		
Lease liabilities	22	-
Total non-current liabilities		**-**
Current liabilities		
Trade and other payables	23	22,160,915
Short term credit	21	1,810
Lease liabilities - more than one year	22	53,472
Current tax liabilities	24	226,975
Payable dividends	25	-
Total current liabilities		**22,443,172**
Equity		
Share capital	26	101,000
Share premium		68,999,000
Other reserves		2,664
Translation reserve		(98,236)
Retained earnings		17,171,505
		86,175,933
Non-controlling interests		-
Total equity		**86,175,933**
Total equity and liabilities		**108,619,105**

Avraham Shaked	**Vivek Satish Agarwal**	**Manish Choudhary**
Director	Director	Director

Date: June 27, 2022

Place: Cyprus

COM TEC CO IT LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 31 March 2022

	Note	Share Capital	Share Premium	Other reserves	Retained earnings	Non-controlling interests	Total
		EUR	EUR	EUR	EUR	EUR	EUR
At 1 January 2021		**101,000**	**68,999,000**	**3,057**	**12,629,945**	**0**	**81,733,002**
Total comprehensive income for the year		-	-	-	742,435	-	742,435
Issue of share capital	26	-	-	-	-	-	-
Dividends	14	-	-	-	-	-	-
Currency exchange		-	-	(30)	383	-	353
Derecognition of a Subsidiary/Associate		-	-	-	-	-	-
At 16 January 2022		**101,000**	**68,999,000**	**3,027**	**13,372,763**	**0**	**82,475,791**
Total comprehensive income for the year		-	-	-	3,799,166	-	3,799,166
Issue of share capital	26	-	-	-	-	-	-
Dividends	14	-	-	-	-	-	-
Currency exchange		-	-	(363)	(98,662)	-	(99,025)
Derecognition of a Subsidiary/Associate		-	-	-	-	-	-
At 31 March 2022		**101,000**	**68,999,000**	**2,664**	**17,073,268**	**0**	**86,175,933**

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME AND EBITDA

Period ended 31 March 2022

	Note	31-Mar-22 EUR
Total comprehensive income for the year (from Statement of consolidated comprehensive income)		3,799,167
Adjustments for EBITDA		
Additions:		
Amortisation of computer software	17	1,794,566
Depreciation charge on leases	16	-
Depreciation charge	15	130,112
Finance cost	12	61,214
Tax	13	280,236
Total Additions		**2,266,129**
Reductions:		
Dividends from financial assets		-
Finance income	12	-
Total Reductions		**-**
EBITDA		**6,065,296**

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 March 2022

7. Cost of IT related services

	31-Mar-22
	EUR
Salaries - production staff	7,187,655
Amortisation of computer software	1,794,566
Social insurance - production staff	1,559,154
Rent - abroad	379,819
Cost of software development	451,159
Depreciation On - F & F	6,069
Depreciation On - Vehicles	619
Depreciation On - Computers	123,424
Computer maintenance costs	126,940
Accrued vacation liabilities change	740,395
Telecommunications expenses	21,009
Travel expenses - production staff	1,235
Low value Inventory purchases	11,803
Other development costs	31,203
Rent of equipment	32,402
Business risk fee	564
	12,468,017

8. Selling and marketing expenses

	31-Mar-22
	EUR
Advertising expenses	255
Business travelling	582
Marketing expenses	2,589
	3,426

9. Management and administration expenses

	31-Mar-22
	EUR
Staff costs	644,444
Insurance costs	81,942
Board & Other Meeting Expenses	7
Subscriptions and Licencing	66,120
Printing & Stationary	8,991
Certification and legalisation expenses	15,398
Telephone Exps - Office	116
Utilities - Office	36,152
Office expenses	37,775
Rent-Office Premises	5,339
Rent - Leased Flats	8,084
Professional fees	54,169
Travel Abroad - Airfare	2,392
Travel Inland - Other Exps.	1,020
Non charitable donations	50,000
Repairs and maintenance	4,678
Fines	8
Health & Safety	568
	1,060,947

10. Other expenses

	31-Mar-22
	EUR
Other expenses	-
Expected credit loss	-
	-

11. Staff costs

	31-Mar-22
	EUR
Salaries	536,717
Provident fund	5,928
Social security costs	101,798
	644,444

12. Net finance income / (costs)

	31-Mar-22
	EUR
Interest income	-
Net foreign exchange gains	-
Finance income	**-**
Interest expense	-
Bank charges	(39,328)
AR Realised Exchange Gain/Loss	(3,842)
Unrealised RevaluationGainloss	(17,119)
Other finance expenses	(926)
Finance costs	**(61,214)**
Net finance income / (costs)	**(61,214)**

13. Tax

	31-Mar-22
	EUR
Corporate tax	255,248
Overseas tax	80
High Tech Park tax	24,909
Charge for the year	**280,236**

14. Dividends

	31-Mar-22
	EUR
Interim dividends paid	-

Statement of Financial Position As at 31 March 2022	**Acc. #**	**Note #**	**Solo Statements**			**Adjustments**	**Total Consolidated**
			Com Tec Co IT Ltd	**CTCo SIA**	**CTDev**		
			2022	**2022**	**2022**	**2022**	**2022**
			2022	100.00%	100.00%	2022	2022
			3/31/2022	3/31/2022	3/31/2022	3/31/2022	3/31/2022
ASSETS							
Non-current assets							
Equipment and other fixed assets	301	15	43,165	883,322	181,336	-	1,107,823
Right-of-use assets	302	16	51,968	-	-	-	51,968
Intangible assets	303	17	59,510,118	20,610	765	-	59,531,494
Investments in subsidiaries	304		37,082	-	-	(37,082)	-
			59,642,333	**903,933**	**182,101**	**(37,082)**	**60,691,285**

18. Trade and other receivables

	31-Mar-22 EUR
Trade receivables	207,432
Receivables from related parties	-
Deposit - Others	12,530
Prepaid Exps - ST	588,441
Accounts Receivable - Unbilled	20,168,223
Unbilled - Intercompany	1,432,074
Other receivables	1,944,685
Directors' / shareholders current account - debit / (credit) balance	-
Dividend receivable	-
	24,353,385

19. Financial assets at fair value through profit or loss

	31-Mar-22 EUR
At 1 January	-
Additions	-
Change in fair value (Note 10)	-
At 31 March	**-**

20. Cash and cash equivalents

	31-Mar-22 EUR
Cash in hand	11,605
Cash in bank	23,315,472
	23,327,077

For the purpose of the statements of cash flows:

	31-Mar-22 EUR
Cash in hand	11,605
Cash in bank	23,315,472
Bank overdrafts	(1,810)
	23,325,267

Cash and cash equivalents by currency:

	31-Mar-22 EUR
United States Dollars	11,078
Euro	20,869,532
Great British Pounds	19,522
Swiss Franc	2,409,007
Belarussian Ruble	4,525
	23,313,663

21. Short term credit

	31-Mar-22
	EUR
Bank overdrafts (Note 20)	1,810

22. Lease liabilities

	2022
	EUR
Not later than 1 year	53,472
Later than one year and not later than 5 years	-
	53,472
Future finance charges	-
Present value of lease liabilities	**53,472**

23. Trade and other payables

	31-Mar-22
	EUR
Trade payables - suppliers and contractors	443,111
Income in advance - clients	15,603,047
Social insurance and other taxes	1,546,712
Payments for wages	2,146,952
Accruals	100,935
Other payables	(5,820)
Payable to related parties	-
VAT payable	39,411
Deferred income	7,146
Liabilities for unused leave	2,279,420
	22,160,915

24. (Refundable) taxes / current tax liabilities

	31-Mar-22
	EUR
Corp Tax (Adv&Wht) Cyprus	241,901
Corp Tax (Adv&Wht) Latvia	(15,156)
Business risk	230
Tax receivable	(14,654)
	212,321

25. Payable dividends

	31-Mar-22
	EUR
At 1 January	-
Dividends for the year	-
Payments	-
At 31 March / 16 January	**-**

26. Share Capital

	31-Mar-22 Number of shares	31-Mar-22 EUR
Authorised		
Ordinary shares of EUR 1 each	**101,000**	**101,000**
Issued and fully paid		
At 1 January	101,000	101,000
Issue of shares	-	-
At 31 March	**101,000**	**101,000**

27. Related party transactions

27.1 Directors' remuneration

	31-Mar-22 EUR
Directors' remuneration	28,760

27.2 Revenue from IT services from related companies

	31-Mar-22 EUR
Surance Limited	44,049
	44,049

27.3 Receivables from related parties

	31-Mar-22 EUR
Surance Limited	186,670
SWFT Technologies Ltd	1,245,404
	1,432,074

27.4 Directors' / shareholders current account - debit / (credit) balance

	31-Mar-22 EUR
Director's current account	(41)
Shareholder's current account	-
	(41)

PERIGORD ASSET HOLDINGS LIMITED

UNAUDITED FINANCIAL STATEMENTS
For the year ended 31st March 2022

Board of Directors
Mr. Vipin Gudwani
Mr. Vikram Narayanan Nair
Mr. Alan Leamy

Registered Office
Unit 1, Lyncon Court,
IDA Business and Technology Park,
Snugborough Road, Blanchardstown,
Dublin 15

Bankers
Ulster Bank

BALANCE SHEET AS AT MARCH 31, 2022

	Notes	2022 €	2021 €
Fixed Assets			
Investments	9	31,443,485	31,443,485
Current Assets			
Debtors	10	2,678,171	3,195,340
Cash and cash equivalents		198,167	548,627
		2,876,338	**3,743,967**
Creditors: amounts falling due within one year	11	-239,067	-399,141
Net Current Assets		2,637,271	3,344,826
Total Assets less Current Liabilities		**34,080,756**	**34,788,311**
Creditors:			
amounts falling due after more than one year	12	-3,207,139	-3,207,139
Net Assets		**30,873,617**	**31,581,172**
Capital and Reserves			
Called up share capital presented as equity		4,426	4,390
Share premium account	14	2,955,295	2,930,849
Retained earnings	14	27,913,896	28,645,933
Equity attributable to owners of the company		**30,873,617**	**31,581,172**

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard.

Alan Leamy
Director
Date:01st July,2022

PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note No.	2022 €	2021 €
Turnover		-	478,825
Gross profit		**-**	**478,825**
Administrative expenses		(612,037)	(7,088,225)
Operating profit	4	**(612,037)**	**(6,609,400)**
Investment income	5	-	693,102
Other gains and losses	6	-	23,748,044
Interest payable and similar expenses	7	(120,000)	(150,000)
Loss before taxation		**(732,037)**	**17,681,746**
Tax on (loss)/profit		-	-
(Loss)/profit for the financial year	14	(732,037)	17,681,746
Total comprehensive income		**(732,037)**	**17,681,746**

Alan Leamy
Director
Date:01st July,2022

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2022

	Called up share capital	Share premium account	Retained earnings	Total
	€	€	€	€
At 1 January 2020	4,000	2,667,948	6,422,678	9,094,626
Profit for the financial period	-	-	17,681,746	17,681,746
Net proceeds of equity ordinary share issue	390	262,901	-	263,291
Other movements in equity attributable to owners	-	-	4,541,509	4,541,509
At 31 March 2021	4,390	2,930,849	28,645,933	31,581,172
Loss for the financial year	-	-	-732,037	-732,037
Net proceeds of equity ordinary share issue	36	24,446	-	24,482
At 31 March 2022	**4,426**	**2,955,295**	**27,913,896**	**30,873,617**

	Notes	2022	2021
		€	€
Cash flows from operating activities			
(Loss)/profit for the financial year		-732,037	17,681,746
Adjustments for:			
Investment income		-	(693,102)
Fair value gains and losses		-	(19,061,697)
Interest payable and similar expenses		120,000	150,000
		(612,037)	**(1,923,053)**
Movements in working capital:			
Movement in debtors		(3,171)	1,000
Movement in creditors		(160,074)	341,740
Cash used in operations		(775,282)	(1,580,313)
Interest paid		(120,000)	(150,000)
Net cash used in operating activities		**(895,282)**	**(1,730,313)**
Cash flows from investing activities			
Dividends received		-	693,102
Payments on acquisition of group interests		-	(445,441)
Net cash generated from investment activities		**-**	**247,661**
Cash flows from financing activities			
Issue of equity share capital		24,482	263,291
Movement in funding to subsidiaries/group companies		520,340	1,713,153
Net cash generated from financing activities		**544,822**	**1,976,444**
Net decrease in cash and cash equivalents		**(350,460)**	**493,792**
Cash and cash equivalents at beginning of financial year		**548,627**	**54,835**
Cash and cash equivalents at end of financial year	**20**	**198,167**	**548,627**

1. General Information

Perigord Asset Holdings Limited is a company limited by shares incorporated in the Republic of Ireland. Unit 1, Lyncon Court, IDA Business and Technology Park,, Snugborough Road, Blanchardstown is the registered office, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. Summary of Significant Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 31 March 2022 have been prepared in accordance with the provisions of FRS 102 Section 1A (Small Entities) and the Companies Act 2014.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” Section 1A, issued by the Financial Reporting Council.

The company qualifies as a small company as defined by section 280B of the Companies Act 2014 in respect of the financial year, and has applied the rules of the ‘Small Companies Regime’ in accordance with section 280C of the Companies Act 2014 and Section 1A of FRS 102.

Consolidated accounts

The company is entitled to the exemption provided for in section 300 of the Companies Act 2014 from the obligation to prepare group accounts.

Turnover

Turnover comprises the invoice value of goods supplied by the company, exclusive of trade discounts and value added tax.

Financial Liabilities and Equity Instruments

In accordance with FRS 102, financial instruments issued by the company are treated as equity (i.e. forming part of the shareholders' funds) only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account excludes amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges.

Issued preference share capital that is deemed to represent a contractual obligation to deliver cash or another asset to another entity, is treated as financial liability and, accordingly, is included in either current or long term liabilities in the balance sheet. Unpaid dividends in respect of these instruments are included as creditors due after more than one year until they are paid. Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contracted arrangement.

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction cost.

Investments

The company holds investments in unlisted non-puttable equity shares of a number of entities. It is considered by the directors that the fair value of these shares cannot always be measured reliably. These investments are measured at cost less impairment where the fair value cannot be obtained.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Borrowing costs

Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Share-based payments

The company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the company’s estimate of the shares that will eventually vest.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately. However, if a new transaction is substituted for the cancelled transaction, and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

Taxation and deferred taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the financial year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company’s taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Profit and Loss Account.

Ordinary share capital

The ordinary share capital of the company is presented as equity.

The preference share capital of the company is presented as interest bearing debt.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 16TH MARCH 2021 TO 31ST MARCH 2021

3. Period of financial statements

The comparative figures relate to the 15 month period ended 31 March 2021.

4. Operating loss

	2022	2021
	€	€
Operating loss is stated after charging/(crediting):		
Profit on foreign currencies	(30)	-

5. Income from investments

	2022	2021
	€	€
Dividends from subsidiary companies	-	693,102

6. Other Gains and Losses

Fair value gains and losses are as follows:

	2022	2021
	€	€
Investments in shares	-	23,748,044

In the year to March 2021 there was a fair value adjustment to the Company's investments to reflect their market value.

7. Interest payable and similar expenses

	2022	2021
	€	€
Finance charges on shares classified as financial liabilities	120,000	150,000

8. Employees

The average monthly number of employees, including directors, during the financial year was 2, (2021 - 2).

	2022	2021
	Number	Number
Management	2	2

9. Investments

	Subsidiary undertakings shares	Total
	€	€
Investments		
Cost		
At 31 March 2022	31,443,485	31,443,485
Net book value		
At 31 March 2022	**31,443,485**	**31,443,485**
At 31 March 2021	**31,443,485**	**31,443,485**

9.1. Holdings in related undertakings

The company holds 20% or more of the share capital of the following companies:

Name	Registered office / Principal place of business and address of Registered Office	Nature of business	Details of investment	Proportion held by company
Subsidiary undertaking				
Perigord Premedia Limited	Ireland	Artwork & Outsource Services	Ordinary Shares	100%
Perigord Data Solutions Limited	Ireland	Software Development	Ordinary Shares	100%
Perigord Premedia USA, Inc	USA	Artwork & Outsource Services	Ordinary Shares	100%
August Faller Artwork Solutions Gmbh		Artwork & Outsource Services	Ordinary	100%

10. Debtors

	2022 Number	2021 Number
Amounts owed by group undertakings	2,678,171	3,195,340

11. Creditors

Amounts falling due within one year

	2022 Number	2021 Number
Trade creditors	21,853	44,104
Taxation	21,050	14,036
Other creditors	3	-
Accruals	196,161	341,001
	239,067	**399,141**

12. Creditors

Amounts falling due after more than one year

	2022 Number	2021 Number
Shares classified as financial liabilities	3,207,139	3,207,139

In accordance with Financial Reporting Standard 102 - Financial Instruments: Presentation, the substance of the Cumulative Convertible Redeemable Preference shares are those of financial liabilities. Accordingly, the Cumulative Convertible Redeemable Preference shares have been classified within Creditors as shares classified as financial liabilities. The associated dividend on these shares (where applicable) has been classified as a finance charge within Note 7 - Interest payable and similar charges.

On the 15th March 2021, Mahindra Engineering Services (Europe) Limited acquired a majority stake in Perigord Asset Holding Ltd. As part of this deal structure Mahindra Engineering Services (Europe) Limited also acquired the 4% Cumulative Preference shares held by the Development Capital Fund.

13. Share-based payments

Equity-settled share-based payments

The 57,140 in share options were granted on 8th November 2018 at an exercise price of €6.75 per share. The nature of the scheme meant that the options effectively vested upon their granting. There had been no fair value accounting for the options until March 2021's financial statements as there was no indication of a stock price high enough to derive a material Profit & Loss expense. A valuation of €4,541,509 was obtained in respect to the fair value cost to the Company of the employee equity based payments for the March 2021 financial statements.

14. Reserves

	Share premium account	Profit and loss account	Total
	€	€	€
At 1 April 2021	2,930,849	28,645,933	31,576,782
Premium on issue of shares	24,446	-	24,446
(Loss)/profit for the financial year	-	(732,037)	(732,037)
At 31 March 2022	**2,955,295**	**27,913,896**	**30,869,191**

Share Premium Reserve

The share premium reserve of €2,930,849 consists of €251,948 which is the premium that arose on the reconstruction of the group of companies. The premium of €2,416,000, which arose from the issue of ordinary share capital to the Development Capital Fund. In 2021 & 2022 there was a further share premium in respect to share options exercised by the employees.

15. Capital commitments

The company had no material capital commitments at the financial year-ended 31 March 2022.

16. Directors' remuneration

	2022	2021
	Number	Number
Remuneration	165,000	206,250
Pension contributions	30,631	492,788
	195,631	**699,038**

17. Related party transactions

The company has availed of the exemption under FRS 102 in relation to the disclosure of transactions with group undertakings.

18. Parent and ultimate parent company

The company regards Mahindra Engineering Services (Europe) Limited as its parent company.

The company's ultimate parent undertaking is Tech Mahindra Limited.

The address of Tech Mahindra Limited is India.

Tech Mahindra Limited is regarded as both the controlling party and the ultimate controlling party.

The parent of the largest group in which the results are consolidated is Tech Mahindra Limited.

Tech Mahindra Limited is registered in India.

19. Post-Balance Sheet Events

There have been no significant events affecting the company since the year-end.

20. Cash and cash equivalents

	2022	2021
	€	€
Cash and bank balances	198,167	548,627

PERIGORD DATA SOLUTIONS LIMITED

UNAUDITED FINANCIAL STATEMENTS
For the year ended 31st March 2022

Directors
Mr Alan Leamy
Mr. Paul Leamy

Registered Office
Unit 1, Lyncon Court,
IDA Business and Technology Park,
Snugborough Road,
Blanchardstown, Dublin 15

Bankers
Ulster Bank

BALANCE SHEET AS AT 31 MARCH , 2022

	Notes	2022 €	2021 €
Fixed Assets			
Tangible assets	9	486,313	131,645
Current Assets			
Stocks	10	-	37,980
Debtors	11	2,208,116	2,409,045
Cash and cash equivalents		2,133,604	687,154
		4,341,720	**3,134,179**
Creditors: amounts falling due within one year	12	(6,854,233)	(6,589,392)
Net Current Liabilities		(2,512,513)	(3,455,213)
Total Assets less Current Liabilities		**(2,026,200)**	**(3,323,568)**
Creditors:			
amounts falling due after more than one year	13	(164,515)	(149,760)
Net Liabilities		(2,190,715)	(3,473,328)
Capital and Reserves			
Called up share capital presented as equity		1,070,102	1,070,102
Other reserves	14	18,541	18,541
Retained earnings	14	(3,279,358)	(4,561,971)
Equity attributable to owners of the company		**(2,190,715)**	**(3,473,328)**

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard.

Mr Alan Leamy
Director
Date:01st July,2022

PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Notes	2022	2021
		€	€
Turnover		8,173,546	7,876,463
Cost of sales		(1,719,067)	(2,877,273)
Gross profit		**6,454,479**	**4,999,190**
Administrative expenses		(4,997,286)	(7,238,819)
Other operating income		-	49,321
Operating profit/(loss)	5	**1,457,193**	**(2,190,308)**
Investment income	6	-	993,523
Interest payable and similar expenses	7	(4,022)	(24,141)
Profit/(loss) before taxation		**1,453,171**	**(1,220,926)**
Tax on profit/(loss)		(170,558)	(57,786)
Profit/(loss) for the financial year	14	**1,282,613**	**(1,278,712)**
Total comprehensive income		**1,282,613**	**(1,278,712)**

Mr Alan Leamy
Director
Date:01st July,2022

STATEMENT OF CHANGES IN EQUITYAS AT 31 MARCH 2022

	Called up share capital	Retained earnings	Capital contribution reserve	Total
	€	€	€	€
At 1 January 2020	720,102	(3,283,259)	18,541	(2,544,616)
Loss for the financial period	-	(1,278,712)	-	(1,278,712)
Net proceeds of equity ordinary share issue	350,000	-	-	350,000
At 31 March 2021	**1,070,102**	**(4,561,971)**	**18,541**	**(3,473,328)**
Profit for the financial year	-	1,282,613	-	1,282,613
At 31 March 2022	**1,070,102**	**(3,279,358)**	**18,541**	**(2,190,715)**

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Notes	2022	2021
		€	€
Cash flows from operating activities			
Profit/(loss) for the financial year		1,282,613	(1,278,712)
Adjustments for:			
Investment income		-	(993,523)
Interest payable and similar expenses		4,022	24,141
Tax on profit/(loss) on ordinary activities		170,558	57,786
Depreciation		138,716	818,734
		1,595,909	**(1,371,574)**
Movements in working capital:			
Movement in stocks		37,980	(29,284)
Movement in debtors		30,371	(974,339)
Movement in creditors		717,453	774,226
Cash generated from/(used in) operations		2,381,713	(1,600,971)
Interest paid		(1,383)	(17,902)
Net cash generated from/(used in) operating activities		**2,380,330**	**(1,618,873)**
Cash flows from investing activities			
Interest element of finance lease rental payments		(2,639)	(4,068)
Payments to acquire tangible assets		(478,629)	(77,570)
Receipts from sales of intangible assets		-	1,070,404
Receipts on disposal of group interests		-	993,523
Net cash (used in)/generated from investment activities		**(481,268)**	**1,982,289**
Cash flows from financing activities			
Capital element of finance lease and hire purchase contracts		16,542	14,543
Movement in funding from subsidiaries/group companies		(462,930)	49,638
Net cash (used in)/generated from financing activities		**(446,388)**	**61,747**
Net increase in cash and cash equivalents		**1,452,674**	**425,163**
Cash and cash equivalents at beginning of financial year		**679,298**	**254,135**
Cash and cash equivalents at end of financial year	20	**2,131,972**	**679,298**

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

1. General Information

Perigord Data Solutions Limited is a company limited by shares incorporated in the Republic of Ireland

2. Business Review

The company has prepared detailed projections which demonstrate that it will be profitable in future years. Given recent project wins and sales pipelines for the next 12 months, the directors are satisfied that the company has sufficient cash reserves to meet all obligations as they fall due and the financial statements have been prepared on a going concern basis.

3. Summary of Significant Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 31 March 2022 have been prepared in accordance with the provisions of FRS 102 Section 1A (Small Entities) and the Companies Act 2014.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, issued by the Financial Reporting Council.

The company qualifies as a small company as defined by section 280A of the Companies Act 2014 in respect of the financial year, and has applied the rules of the 'Small Companies Regime' in accordance with section 280C of the Companies Act 2014 and Section 1A of FRS 102.

Turnover

Turnover comprises the invoice value of goods supplied by the company, exclusive of trade discounts and value added tax.

Financial Liabilities and Equity Instruments

Following the adoption of FRS 102, financial instruments issued by the company are treated as equity (i.e. forming part of the shareholders' funds) only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account excludes amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges.

Issued preference share capital that is deemed to represent a contractual obligation to deliver cash or another asset to another entity, is treated as financial liability and, accordingly, is included in either current or long term liabilities in the balance sheet. Unpaid dividends in respect of these instruments are included as creditors due after more than one year until they are paid. Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contracted arrangement.

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction cost.

Government Grants

Grants are recognised using the accruals model when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants towards capital expenditure are credited to deferred income and are released to the profit and loss account over the expected useful life of the related assets, by equal annual instalments. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Research and Development

Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit.

Tangible assets and depreciation

Tangible assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible assets, less their estimated residual value, over their expected useful lives as follows:

Software	- 15% Straight line
Fixtures, and fittings	- 33% Straight line
Motor vehicles	- 25% Straight line
Computer equipment	- 33% Straight line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Leasing and hire purchases

Tangible assets held under leasing and Hire Purchases arrangements which transfer substantially all the risks and rewards of ownership to the company are capitalised and included in the Balance Sheet at their cost or valuation, less depreciation. The corresponding commitments are recorded as liabilities. Payments in respect of these obligations are treated as consisting of capital and interest elements, with interest charged to the Profit and Loss Account.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Stocks are determined on a first in first out basis. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Full provision is made for obsolete and slow moving items.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Borrowing costs

Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Employee benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. For defined contribution plans, the company pays contributions to privately administered pension plans on a contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Taxation and deferred taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the financial year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

The company's functional currency is the Euro.Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Profit and Loss Account.

Development expenditure is written off in the same financial year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit.

Ordinary share capital

The ordinary share capital of the company is presented as equity.

The preference share capital of the company is presented as interest bearing debt.

4. Period of financial statements

The comparative figures relate to the 15 month period ended 31 March 2021.

5. Operating profit/(loss)

	2022	2021
	€	€
Operating profit/(loss) is stated after charging/(crediting):		
Amortisation of intangible assets	-	735,463
Depreciation of tangible assets	138,716	83,271
(Profit)/loss on foreign currencies	(41,758)	8,613

6. Income from investments

	2022	2021
	€	€
Profit on disposal of investments	-	993,523

In the year to March 2021 the Company sold Perigord Data Solutions (India) Private Limited, a 100% subsidiary, to Tech Mahindra Limited.

7. Interest payable and similar expenses

	2022	2021
	€	€
Finance charges on shares classified as financial liabilities	-	12,673
Interest	4,022	11,468
	4,022	**24,141**
Total interest expense using effective rate of return	**-**	**2,171**

8. Employees

The average monthly number of employees, including directors, during the financial year was 32, (2021 - 29).

	2022	2021
	Number	Number
Research & Development	4	1
Support	19	19
Sales	4	4
Admin	5	5
	32	**29**

9. Tangible assets

	Software	Fixtures, and fittings	Motor vehicles	Computer equipment	Total
	€	€	€	€	€
Cost					
At 1 April 2021	22,310	5,116	-	268,135	295,561
Additions	-	-	55,562	437,822	493,384
At 31 March 2022	**22,310**	**5,116**	**55,562**	**705,957**	**788,945**
Depreciation					
At 1 April 2021	19,069	4,860	-	139,987	163,916
Charge for the financial year	2,160	255	7,408	128,893	138,716
At 31 March 2022	**21,229**	**5,115**	**7,408**	**268,880**	**302,632**
Net book value					
At 31 March 2022	**1,081**	**1**	**48,154**	**437,077**	**486,313**
At 31 March 2021	3,241	256	-	128,148	131,645

9.1. Tangible assets continued

Included above are assets held under finance leases or hire purchase contracts as follows:

	2022		2021	
	Net book value	Depreciation charge	Net book value	Depreciation charge
	€	€	€	€
Motor vehicles	48,154	7,408	-	-
Computer equipment	48,296	24,485	72,781	24,485
	96,450	**31,893**	**72,781**	**24,485**

10. Stocks

	2022	2021
	€	€
Work in progress	-	37,980

The replacement cost of stock did not differ significantly from the figures shown.

11. Debtors

	2022	2021
	€	€
Trade debtors	1,314,570	1,707,393
Other debtors	5,500	-
Deferred tax asset	100,415	270,973
Taxation	183,056	163,013
Prepayments	265,602	267,666
Accrued income	338,973	-
	2,208,116	**2,409,045**

Amounts falling due after more than one year and included in debtors are:

	2022	2021
	€	€
Deferred tax asset	100,415	270,973

12. Creditors

Amounts falling due within one year

	2022	2021
	€	€
Amounts owed to credit institutions	1,632	7,856
Net obligations under finance leases and hire purchase contracts	31,085	14,543
Trade creditors	276,974	92,956
Amounts owed to group undertakings	3,670,917	3,845,269
Taxation	72,763	92,640
Accruals	201,927	260,933
Deferred Income	2,598,935	2,275,195
	6,854,233	**6,589,392**

Intercompany balances that do not arise in the ordinary course of the business are loans repayable on demand.

13. Creditors

Amounts falling due after more than one year

	2022	2021
	€	€
Finance leases and hire purchase contracts	69,075	54,320
Accrued dividends	95,440	95,440
	164,515	**149,760**

Net obligations under finance leases and hire purchase contracts		
Repayable within one year	31,085	14,543
Repayable between one and five years	69,075	54,320
	100,160	**68,863**

In accordance with Financial Reporting Standard 102 - Financial Instruments: Presentation, the substance of the Cumulative Redeemable Convertible Preference shares are those of financial liabilities as Enterprise Ireland have waived their conversion rights. Accordingly, these shares in issue have been classified within Creditors.

In the year to March 2021, Perigord Asset Holding Limited acquired the 3% Cumulative Preference shares held by Enterprise Ireland and converted them to ordinary share capital.

14. Reserves

	Profit and loss account	Capital contribution reserve	Total
	€	€	
At 1 April 2021	(4,561,971)	18,541	(4,543,430)
Profit/(loss) for the financial year	1,282,613	-	1,282,613
Capital contribution	-	-	-
At 31 March 2022	**(3,279,358)**	**18,541**	**(3,260,817)**

15. Capital commitments

The company had no material capital commitments at the financial year-ended 31 March 2022.

16. Directors' remuneration

	2022	2021
	€	€
Remuneration	120,000	168,062
Pension contributions	23,703	455,468
	143,703	**623,530**

17. Related party transactions

The company has availed of the exemption under FRS 102 in relation to the disclosure of transactions with group undertakings.

18. Parent and ultimate parent company

The company regards Perigord Asset Holdings Limited as its parent company.

The company's ultimate parent undertaking is Tech Mahindra Limited. Tech Mahindra Limited is located in India.

The parent in which the results are consolidated is Tech Mahindra Limited.

Tech Mahindra Limited is registered in India.

19. Post-Balance Sheet Events

There have been no significant events affecting the company since the financial year-end.

20. Cash and cash equivalents

	2022	2021
	€	€
Cash and bank balances	2,133,604	687,154
Bank overdrafts	(1,632)	(7,856)
	2,131,972	**679,298**

21 Reconciliation of Net Cash Flow to Movement in Net Debt

	Opening balance	Cash flows	Other changes	Closing balance
	€	€	€	€
Finance lease and hire purchase	(68,863)	(16,542)	(14,755)	(100,160)
Total liabilities from financing activities	**(68,863)**	**(16,542)**	**(14,755)**	**(100,160)**
Total Cash and cash equivalents (Note 20)				**2,131,972**
Total net cash				**2,031,812**

PERIGORD PREMEDIA LIMITED

UNAUDITED FINANCIAL STATEMENTS
For the year ended 31st March 2022

Board of Directors
Mr. Alan Leamy
Mr.Paul Leamy

Registered Office
Unit 1, Lyncon Court,
IDA Business and Technology Park,
Snugborough Road,
Blanchardstown, Dublin 15

Bankers
Ulster Bank

PERIGORD PREMEDIA LIMITED

BALANCE SHEET AS AT 31 MARCH 2022

	Notes	2022 €	2021 €
Fixed Assets			
Tangible assets	12	283,138	366,057
Investments	13	1,717,923	1,717,923
		2,001,061	**2,083,980**
Current Assets			
Stocks	14	-	55,050
Debtors	15	3,846,785	2,861,719
Cash and cash equivalents		1,326,328	728,039
		5,173,113	**3,644,808**
Creditors: amounts falling due within one year	**16**	**(2,022,022)**	**(1,765,046)**
Net Current Assets		**3,151,091**	**1,879,762**
Total Assets less Current Liabilities		**5,152,152**	**3,963,742**
Creditors:			
amounts falling due after more than one year	17	(27,202)	(51,322)
Net Assets		**5,124,950**	**3,912,420**
Capital and Reserves			
Called up share capital presented as equity	19	253,948	253,948
Other reserves	20	125,121	125,121
Retained earnings	20	4,745,881	3,533,351
Shareholders' Funds		**5,124,950**	**3,912,420**

Mr Alan Leamy
Director
Date:01st July,2022

PROFIT AND LOSS ACCOUNTFOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Notes	2022 €	2021 €
Turnover	**4**	**11,755,647**	**11,477,331**
Cost of sales		(7,770,960)	(6,132,564)
Gross profit		**3,984,687**	**5,344,767**
Administrative expenses		(3,138,894)	(5,212,482)
Other operating income		435,500	69,307
Operating profit	**5**	**1,281,293**	**201,592**
Investment income	6	-	1,076,910
Interest receivable and similar income	7	3,435	3,930
Interest payable and similar expenses	8	(8,882)	(119,267)
Profit before taxation		**1,275,846**	**1,163,165**
Tax on profit	10	(63,316)	(70,107)
Profit for the financial year	**20**	**1,212,530**	**1,093,058**
Total comprehensive income		**1,212,530**	**1,093,058**

Mr Alan Leamy
Director
Date:01st July,2022

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2022

	Called up share capital	Retained earnings	Capital contribution reserve	Total
	€	€	€	€
At 1 January 2020	253,948	3,133,395	125,121	3,512,464
Profit for the financial period	**-**	**1,093,058**	**-**	**1,093,058**
Payment of dividends	-	(693,102)	-	(693,102)
At 31 March 2021	**253,948**	**3,533,351**	**125,121**	**3,912,420**
Profit for the financial year	-	1,212,530	-	1,212,530
At 31 March 2022	**253,948**	**4,745,881**	**125,121**	**5,124,950**

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Notes	2022 €	2021 €
Cash flows from operating activities			
Profit for the financial year		1,212,530	1,093,058
Adjustments for:			
Investment income		-	(1,076,910)
Interest receivable and similar income		(3,435)	(3,930)
Interest payable and similar expenses		8,882	119,267
Tax on profit on ordinary activities		63,316	70,107
Depreciation		219,992	427,502
		1,501,285	**629,094**
Movements in working capital:			
Movement in stocks		55,050	(21,457)
Movement in debtors		(994,923)	1,191,340
Movement in creditors		394,060	762,654
Cash generated from operations		955,472	2,561,631
Interest paid		(304)	(90,031)
Tax paid		(92,138)	(12,497)
Tax repaid		-	68,827
Net cash generated from operating activities		**863,030**	**2,527,930**
Cash flows from investing activities			
Interest received		3,435	3,930
Interest element of finance lease rental payments		(8,578)	(17,029)
Payments to acquire tangible assets		(137,072)	(237,231)
Receipts on disposal of group interests		-	1,391,860
Payments on acquisition of group interests		-	(717,773)
Net cash (used in)/generated from investment activities		**(142,215)**	**423,757**
Cash flows from financing activities			
New long term loan		-	(1,097,302)
Repayment of short term loan		-	(247,804)
Capital element of finance lease contracts		(82,196)	(13,519)
Movement in funding from subsidiaries/group companies		(43,056)	(2,387,934)
Dividends paid		-	(693,102)
Net cash used in financing activities		**(125,252)**	**(4,439,661)**
Net increase/(decrease) in cash and cash equivalents		595,563	(1,484,974)
Cash and cash equivalents at beginning of financial year		696,186	2,184,160
Cash and cash equivalents at end of financial year	**26**	**1,291,749**	**696,186**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2022

1. General Information

Perigord Premedia Limited is a company limited by shares incorporated in the Republic of Ireland

2. Summary of Significant Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 31 March 2022 have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Companies Act 2014 and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

Consolidated accounts

The company is entitled to the exemption provided for in section 300 of the Companies Act 2014 from the obligation to prepare group accounts.

Turnover

Turnover comprises the invoice value of goods supplied by the company, exclusive of trade discounts and value added tax.

Financial Liabilities and Equity Instruments

Following the adoption of FRS 102, financial instruments issued by the company are treated as equity (i.e. forming part of the shareholders' funds) only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account excludes amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges.

Issued preference share capital that is deemed to represent a contractual obligation to deliver cash or another asset to another entity, is treated as financial liability and, accordingly, is included in either current or long term liabilities in the balance sheet. Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contracted arrangement.

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction cost.

Tangible assets and depreciation

Tangible assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible assets, less their estimated residual value, over their expected useful lives as follows:

Computer equipment	- 33% Straight line
Fixtures, and fittings	- 33% Straight line
Leasehold Improvements	- 25% Straight line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Leasing and hire purchases

Tangible assets held under leasing and Hire Purchases arrangements which transfer substantially all the risks and rewards of ownership to the company are capitalised and included in the Balance Sheet at their cost or valuation, less depreciation. The corresponding commitments are recorded as liabilities. Payments in respect of these obligations are treated as consisting of capital and interest elements, with interest charged to the Profit and Loss Account.

Investments

The company holds investments in unlisted non-puttable equity shares of a number of entities. These investments are measured at cost less impairment

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Stocks are determined on a first in first out basis. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Full provision is made for obsolete and slow moving items.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Borrowing costs

Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Employee benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. For defined contribution plans, the company pays contributions to privately administered pension plans on a contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Taxation and deferred taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the financial year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Government grants

Grants are recognised using the accruals model when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants towards capital expenditure are credited to deferred income and are released to the profit and loss account over the expected useful life of the related assets, by equal annual instalments. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Foreign currencies

The company's functional currency is the Euro. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Profit and Loss Account.

Ordinary share capital

The ordinary share capital of the company is presented as equity.

The preference share capital of the company is presented as interest bearing debt.

3. Period of financial statements

The comparative figures relate to the 15 month period ended 31 March 2021.

4. Turnover

The turnover for the financial year is analysed as follows:

	2022	2021
	€	€
Republic of Ireland	2,743,527	2,298,090
Europe	7,861,176	8,270,882
Rest of the World	1,150,944	908,359
	11,755,647	**11,477,331**

Turnover attributable to geographical markets outside the Republic of Ireland amounted to 77% for the financial year.

5. Operating profit

	2022	2021
	€	€
Operating profit is stated after charging:		
Depreciation of tangible assets	219,992	427,502
Loss on foreign currencies	1,480	80,218
Government grants received	**-**	**26,843**

6. Income from investments

	2022	2021
	€	€
Profit on disposal of investments	-	1,076,910

In March 2021 Perigord Premedia (India) Private Limited, a 100% subsidiary, was sold to Tech Mahindra Limited.

7. Interest receivable and similar income

	2022	2021
	€	€
Bank interest	3,435	3,930

8. Interest payable and similar expenses

	2022	2021
	€	€
On bank loans and overdrafts	304	84,032
Interest expense on financial liabilities using effective rate of return	-	12,207
Finance charges on shares classified as financial liabilities (Note 11)	-	5,999
Finance lease charges	8,578	17,029
	8,882	**119,267**
Total interest expense using effective rate of return	**-**	**12,207**

During the year to March 2021, the remaining 160,000 3% cumulative redeemable preference shares held by Enterprise Ireland were redeemed by the Company and subsequently cancelled. Therefore there is no interest charge in the year to March 2022 in respect to the 3% cumulative redeemable preference shares.

9. Employees and remuneration

Number of employees

The average number of persons employed (including executive directors) during the financial year was as follows:

	2022	2021
	€	€
Production	72	80
Admin	11	10
Sales	8	4
	91	**94**

The staff costs comprise:

	2022	2021
	€	€
Wages and salaries	4,368,081	5,252,590
Social welfare costs	494,329	570,714
Pension costs	46,384	350,225
	4,908,794	**6,173,529**

10. Tax on profit

(a) Analysis of charge in the financial year

	2022	2021
	€	€
Current tax:		
Corporation tax at 12.50% (2021 - 12.50%)	58,193	82,383
Under/over provision in prior year	5,398	-
Total current tax	**63,591**	**82,383**
Deferred tax:		
Origination and reversal of timing differences	(275)	(12,276)
Total deferred tax (Note 15)	**(275)**	**(12,276)**
Tax on profit (Note 10 (b))	**63,316**	**70,107**

(b) Factors affecting tax charge for the financial year

The tax assessed for the financial year differs from the standard rate of corporation tax in the Republic of Ireland 12.50% (2021 - 12.50%). The differences are explained below:

	2022	2021
	€	€
Profit taxable at 12.50%	1,275,846	1,163,165
Profit before tax		
multiplied by the standard rate of corporation tax		
in the Republic of Ireland at 12.50% (2021 - 12.50%)	159,481	145,396
Effects of:		
Expenses not deductible for tax purposes	1,666	54,876
Depreciation in excess of capital allowances for period	7,445	35,432
Deferred tax	(275)	(12,276)
Deductible expenses	(7,949)	(153,321)
Group losses	(97,052)	-
Total tax charge for the financial year (Note 10 (a))	**63,316**	**70,107**

11. Dividends

	2022	2021
	€	€
Dividends on equity shares:		
Ordinary - Final paid	-	693,102
Dividends on shares classified as financial liabilities	-	5,999
Total dividend	**-**	**699,101**

12. Tangible assets

	Computer equipment	Fixtures, and fittings	Leasehold Improvements	Total
	€	€	€	€
Cost				
At 1 April 2021	2,275,805	682,004	424,146	3,381,955
Additions	131,087	-	5,985	137,072
At 31 March 2022	**2,406,892**	**682,004**	**430,131**	**3,519,027**
Depreciation				
At 1 April 2021	1,952,405	679,914	383,579	3,015,898
Charge for the financial year	197,218	2,090	20,683	219,991
At 31 March 2022	**2,149,623**	**682,004**	**404,262**	**3,235,889**
Net book value				
At 31 March 2022	**257,269**	**-**	**25,869**	**283,138**
At 31 March 2021	323,400	2,090	40,567	366,057

12.1. Tangible assets continued

Included above are assets held under finance leases or hire purchase contracts as follows:

	2022		2021	
	Net book value	Depreciation charge	Net book value	Depreciation charge
	€	€	€	€
Computer equipment	68,504	51,377	119,881	184,840
Fixtures, and fittings	-	-	-	409
	68,504	**51,377**	**119,881**	**185,249**

13. Investments

	Subsidiary undertakings shares	Total
	€	€
Investments		
Cost		
At 31 March 2022	**1,717,923**	**1,717,923**
Net book value		
At 31 March 2022	**1,717,923**	**1,717,923**
At 31 March 2021	1,717,923	1,717,923

13.1. Holdings in related undertakings

The company holds 20% or more of the share capital of the following companies:

Name	Registered office / Principal place of business and address of Registered Office	Nature of business	Details of investment	Proportion held by company
Subsidiary undertaking				
August Faller Artwork Solutions GmbH	Germany	Artwork & Outsource Services	Ordinary	100%
Perigord Premedia USA, Inc	United States of America	Artwork & Outsource Services	Ordinary	100%

14. Stocks

	2022	2021
	€	€
Work in progress	-	55,050

The replacement cost of stock did not differ significantly from the figures shown.

15. Debtors

	2022	2021
	€	€
Trade debtors	1,912,154	1,579,249
Amounts owed by group undertakings	585,481	486,053
Other debtors	7,176	5,575
Deferred tax asset	42,619	42,344
Taxation and social welfare (Note 18)	28,547	43,599
Prepayments	167,058	216,650
Accrued income	1,103,750	488,249
	3,846,785	**2,861,719**

Intercompany balances are repayable on demand.

Amounts falling due after more than one year and included in debtors are:

	2022	2021
	€	€
Deferred tax asset	42,619	42,344

16. Creditors

Amounts falling due within one year

	2022	2021
	€	€
Amounts owed to credit institutions	34,579	32,057
Net obligations under finance leases and hire purchase contracts	93,958	176,154
Trade creditors	199,255	49,589
Amounts owed to group undertakings	1,128,849	895,475
Taxation and social welfare (Note 18)	199,489	156,286
Other creditors	-	933
Accruals	365,892	454,552
	2,022,022	**1,765,046**

Intercompany balances are repayable on demand.

17. Creditors

Amounts falling due after more than one year

	2022	2021
	€	€
Finance leases and hire purchase contracts	27,202	51,322
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	93,958	176,154
Repayable between one and five years	27,202	51,322
	121,160	**227,476**

18. Taxation and social welfare

	2022	2021
	€	€
Debtors:		
VAT	-	3,485
Corporation tax	28,547	40,114
	28,547	**43,599**
Creditors:		
VAT	13,034	-
PAYE	125,821	103,050
PRSI	60,634	53,236
	199,489	**156,286**

19. Share capital

Description	**Number of shares**	**Value of units**	**2022**	**2021**
			€	€
Allotted, called up and fully paid				
Ordinary	200,000	€1.2697380 each	253,948	253,948
3% Cumulative Redeemable Preference Shares	-	€1.00 each	-	-

The 3% Cumulative Preference Shares, which only carry voting rights in relation to approval and payment of dividends and redemption of shares, were issued on 5th October 2010 at €1 per share.

In accordance with Financial Reporting Standard 102 - Financial Instruments: Presentation, the substance of the Cumulative Redeemable Preference shares are those of financial liabilities. Accordingly, these shares in issue were classified within Creditors as shares classified as financial liabilities.

During the year to March 2021, the remaining 160,000 3% cumulative redeemable preference shares held by Enterprise Ireland were redeemed by the Company and subsequently cancelled.

20. Reserves

	Profit and loss account	Capital contribution reserve	Total
	€	€	€
At 1 April 2021	3,533,351	125,121	3,658,472
Profit for the financial year	1,212,530	-	1,212,530
Capital contribution	-	-	-
At 31 March 2022	**4,745,881**	**125,121**	**4,871,002**

21. Capital commitments

Perigord Premedia Limited has a lease with an unrelated party in respect to the premises at 1 Lyncon Court to 2025.

22. Related party transactions

The company has availed of the exemption under FRS 102 in relation to the disclosure of transactions with group undertakings.

23. Security

In January 2016, the company entered into a facility with Ulster Bank Commercial Services Limited. This facility is secured on an assignment over the receivables and a fixed and floating debenture over the assets of Perigord Premedia Limited.

24. Parent and ultimate parent company

The company regards Perigord Asset Holdings Limited as its parent company.

The company's ultimate parent undertaking is Tech Mahindra Limited.

Tech Mahindra Limited is located in India.

Tech Mahindra Limited is regarded as both the controlling party and the ultimate controlling party.

The parent in which the results are consolidated is Tech Mahindra Limited.

Tech Mahindra Limited is registered in India.

25. Post-Balance Sheet Events

There have been no significant events affecting the company since the financial year-end.

26. Cash and cash equivalents

	2022	**2021**
	€	**€**
Cash and bank balances	1,326,328	728,039
Bank overdrafts	(34,579)	(31,853)
	1,291,749	**696,186**

27 Reconciliation of Net Cash Flow to Movement in Net Debt

	Opening balance	**Cash flows**	**Closing balance**
	€	**€**	**€**
Finance lease and hire purchase	(203,356)	82,196	(121,160)
Total liabilities from financing activities	**(203,356)**	**82,196**	**(121,160)**
Total Cash and cash equivalents (Note 26)			**1,291,749**
Total net cash			**1,170,589**

PERIGORD PREMEDIA USA INC.

Board of Directors
Mr. Michael Fleming
Mr. Anthony O'Brien
Mr. Alan Leamy
Mr.Paul Leamy

Registered office
4 Pin Oak Drive,
Branford, CT, 06405

Bankers
Bank of America

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors Perigord Premedia USA, Inc Branford, Connecticut

We have reviewed the accompanying financial statements, of Perigord Premedia USA, Inc. (a Connecticut corporation) which comprise the balance sheet as of March 31, 2022, and the related statements of income, and accumulated earnings and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

We are required to be independent of Perigord Premedia USA, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

PERIGORD PREMEDIA USA, INC.

BALANCE SHEET MARCH 31, 2022

ASSETS	
CURRENT ASSETS	
Cash	$1,204,552
Accounts receivable, net of allowance	515,015
Accounts receivable - affiliates	188,320
Advances to affiliate	550,000
Prepaid expenses	16,792
TOTAL CURRENT ASSETS	**2,474,739**
PROPERTY AND EQUIPMENT	
net of accumulated depreciation of $466,300	80,182
OTHER ASSETS	
Goodwill, net of accumulated amortization of $357.880	113,087
Deposits	11,592
TOTAL OTHER ASSETS	**124,679**
TOTAL ASSETS	**$2,679,600**
LIABILITIES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES	
Advances from affiliate	76,616
Accounts payable	87,548
Accrued expenses	516,672
Current portion of capital lease obligation	3,304
TOTAL CURRENT LIABILITIES	**684,140**
LONGTERM CAPITAL LEASE OBLIGATION	
net of current portion of $3,304	
STOCKHOLDERS' EQUITY	
Common stock, no par value, 5000 shares authorized	
IOOO shares issued of which 400 are in treasury	1,000
Additional paid-in capital	486,347
Treasury stock (at cost)	(199,105)
Accumulated earnings	1,707,218
TOTAL STOCKHOLDERS' EQUITY	**1,995,460**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$2,679,600**

See independent accountants' review report and notes to the financial statements.

Mr Alan Leamy
Director
Date:01st July,2022

STATEMENTS OF INCOME AND ACCUMULATED EARNINGS FOR THE YEAR ENDED MARCH 31, 2022

NET SALES	$3,451,008
COST OF SALES	1,653,165
GROSS MARGIN	1,797,843
OPERATING EXPENSES	
Selling and administrative expenses	941,681
Interest expenses	418
TOTAL OPERATING EXPENSES	**942,099**
NET OPERATING INCOME	855,744
OTHER INCOME	535
INCOME BEFORE PROVISION FOR INCOME TAXES	856,279
PROVISION FOR INCOME TAXES	(270,418)
NET INCOME	585,863
ACCUMULATED EARNINGS - BEGINNING OF YEAR	1, 121,355
ACCUMULATED EARNINGS - END OF YEAR	$1,707,218

See independent accountants' review report and notes to the financial statements.

Mr Alan Leamy
Director
Date:01st July,2022

PERIGORD PREMEDIA USA, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

CASH FLOW FROM OPERATING ACTIVITIES	
Net Income	$585,863
Adjustments to Reconcile Net Income to	
Net Cash provided by Operating Activities	
Amortization and depreciation	72,023
(Increase) Decrease in	
Accounts receivable	134,608
Other receivables	30,787
Inventories	17,295
Other assets	3,568
Prepaid expenses	(334)
Increase (Decrease) in	
Accounts payable	(9,474)
Accrued expenses	216,891
Total adjustment	**465,364**
NET CASH PROVIDED JFROM OPERATING ACTIVITIES	**1,051,227**
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of property and equipment, net of retirements	(91,788)
NET CASH (USED) FOR INVESTING ACTIVITIES	**(91,788)**
CASH FLOW FROM FINANCING ACTIVITIES	
Payments on capital lease obligations	(3,331)
Advances from affiliate	60,161
NET CASH PROVIDED FROM BY FINANCING ACTIVITIES	**56,830**
NET CASH INCREASE	**1,016,269**
CASH - BEGINNING OF YEAR	**188,283**
CASH - END OF YEAR	**$1,204,552**
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION	
Interest paid	$0
Income tax paid	$50,347

See independent accountants’ review report and notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE I -NATURE OF OPERATION

Perigord Premedia USA, Inc. (the Company) is a Connecticut Corporation formed in 1979 and operates from its headquarters in Branford, Connecticut and Syracuse, New York. The Company closed its facility in Syracuse, New York in October 2020. The Company is a wholly owned subsidiary of Perigord Premedia Limited and part of the Perigord Asset Holdings Limited group. The Company provides artwork creation and premedia services in support of commercial and life science industries.

On March 15, 2021 Perigord Asset Holdings Limited and all its affiliated companies, entered into a purchase agreement with Tech Mahindra to sell 70% of the outstanding shares of Perigord Asset Holding Limited. Perigord Premedia USA Inc., a wholly owned subsidery of the group was included in the acquisition. The financial position or results of operations of the Company have not been affected by this transaction. These financial statements do not reflect any adjusted as a result of the acquisition.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company used the accrual method of accounting in connection with these financial statements.

Impairment of Long-Lived Assets

The company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows of the operation to which the assets relate to the carrying amount. If the operation is determined to be unable to recover the carrying amount of its assets, then assets are written down first, followed by other long-lived assets of the operation to fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. There were no impairment losses recognized for long-lived assets as of March 31, 2022.

Revenue Recognition - Revenue recognition is realized usually at the point of sale or as services have been performed and are billable. In general, revenue is recognized when the earnings process is completed. Revenues are recognized when control of these services is transferred to its customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. The Company does not have any significant financing components as payment is received at or shortly after the point of sale.

Accounts Receivable - Accounts receivable are recorded at the amount management expects to collect and are stated net of allowance for doubtful accounts. Management provides for uncollectible amounts through a charge to earnings and a credit to the valuation allowance. At March 31, 2022, the allowance for doubtful account was $18,680.

Inventories - Inventories are stated at the lower of cost, determined on a first-in, first-out (FIFO) basis, or market, and consist primarily of work-in-process and supplies for production. At March 31, 2022 there is no inventory that has not been invoiced to the customer.

Property and Equipment - The cost of property and equipment is depreciated on the straight-line method over the estimated useful lives of the related assets. Upon sale or retirement, the cost and accumulated depreciation are removed and the realized gain or loss is included in the results of operation. Expenditures for repairs and maintenance are charged to operations as incurred.

Income Tax - The Company provides deferred income taxes for temporary differences ansmg principally from the use of different methods of reporting various items for financial accounting and tax purposes.

Recent Accounting Polices

There has been no change to the Corporation accounting policies as of March 31, 2022 or for the year then ended.

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 certain reported amounts and disclosures of assets and liabilities at the financial statement date and the reported amounts of revenue and expense during the report period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - The Company considers cash and cash equivalents to be all highly liquid securities with maturities of less than three months.

Subseguent Events - Subsequent events have been evaluated through May 3, 2022 which is the date the financial statements were available to be issued.

Cost of Goods Sold - Cost of goods sold consists of merchandise costs, including freight costs, labor costs, compensation and benefit expense, allocated overhead and operating expenses

Selling and Administrative Expenses - Selling and administrative expenses consist of compensation and benefit expenses. Selling and administrative expenses also include advertising costs, supplies for the office, communication costs, travel and entertainment. and services purchased.

Advertising - Advertising costs are charged to operations when incurred.

Fair Values - The carrying amounts reflected in the balance sheet for cash, cash equivalents, loans and notes payable approximate the fair values due to the short maturities of those instruments.

NQTE 3 - CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the company to a concentration of credit risk principally consist of cash and trade accounts receivable.

The Company maintains its cash in bank deposit accounts which, at times, may exceed Federally insured limits.

The majority of the company's accounts receivable at March 31, 2022 is with customers located in the Northeast. However, management does not believe a significant credit risk exists at March 31, 2022. Generally, the Company does not require collateral to support its accounts receivable.

NOTE 4 - LEASING ARRANGEMENTS

The company leases its operating facilities in Branford, Connecticut from unrelated parties under operating lease agreements expiring through August 3l, 2025. Rent expense under this lease was

$75,788 for the year ended March 31, 2022.

Future minimum lease payments under non-cancelable operating leases are as follows

Year ended March 31

2023	$70,229
2024	70,229
2025	70,229
2026	29 262
	$239,949

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment with a useful life of more than one year are carried at cost and depreciated using straight-line methods over their estimated useful lives. The assets, estimated useful lives, cost, current year depreciation and accumulated depreciation are as follows:

Assets and Estimated Useful Lives	Cost	Current Year Depreciation	Accumulated Depreciation
Machinery and Equipment 3-7 yrs	$433,265	$37,946	$355,387
Leasehold Improvements 10 yrs	50,129	748	48,072
Office Equipment 5-7 yrs	37,903	329	37,626
Capital Lease Equipment 3-5 yrs	25,185	0	25.185
	$546,482	**$39.023**	**$466.300**

NOTE 6 - RELATED PARTY TRANSACTIONS

At March 31, 2022, the company had trade receivables and trade payables owed to the foreign entities listed below. The company has advanced to Perigord Premedia Limited $550,000, which are non interest bearing and are due on demand. The company will at various times need to raise capital in order to fund its operations. The Company Shareholder and or affiliated entity has committed to provide sufficient working capital to operate over the next twelve-month period.

Accounts receivable	
Perigord Premedia Limited	$148,620
Perigord Data Solutions Limited	$ 39,700
Accounts Payable	
Perigord Premedia Limited	$ 75,594
Perigord Data Solutions Limited	$ 1,022
Sales	
Perigord Premedia Limited	$441,370
Perigord Data Solutions Limited	$514,143
Purchases	
Perigord Premedia Limited	$159,309
Perigord Data Solutions Limited	$ 2,383

NOTE 7 - PENSION PLANS

The company maintains a 40 I K plan which is open to substantially all employees. Under the provisions of the plan employees are allowed to contribute between 2% to 10% of their compensation. Matching contributions can be made by the company at the discretion of the board of directors. No employer matching contribution was made for the year ended March 31, 2022.

NOTE 8 - CAPITAL LEASE OBLIGATION

During 2018 the company entered into a capital lease agreement for the purchase of equipment. The lease requires 60 equal monthly payments of $302. The amounts at March 31, 2022, are as follows

The minimum lease payments required by the lease are as follows: Total minimum lease payment	$ 3,436
Less; Amount representing interest	132
Minimum lease payment	3,304
Less current maturities	$ 3,304
	$ 0

NOTE 9 - INCOME TAX

The Company follows FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, which provides guidance on accounting for uncertainty in income taxes recognized in the Company's financial statements. The guidance prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of March 31, 2022, the Company had no uncertain tax positions that required either recognition or disclosure in the Company's financial statements. Generally, the tax years before 2018 are no longer subject to examination by Federal or state authorities.

Federal and state income taxes are accrued at year ended in accordance with applicable income tax laws. The income tax provision of the Company consists of the following:

Current tax provision	
Federal	$200,418
State	70,000
Total	**$270,4l8**

Deferred income taxes result from significant temporary differences between income for financial reporting purposes and taxable income. These differences arose principally from the use of accelerated tax depreciation, uniform capitalization rules for inventory for tax purposes and restrictions on the deductibility of related party and other accruals for tax purposes. At March 31, 2022, the company had insignificant differences resulting from differences in book and tax depreciation. No deferred tax asset or deferred tax benefit has been recorded in the financial statement.

At March 31, 2022, the company had available unused Connecticut state operating loss carryforwards of approximately $242,308 which may be applied against future taxable income through 2037. The Company has utilized all of its federal loss carryforwards as of March 31, 2021.

NOTE 10 - GOODWILL

Goodwill originally amounted to $270,966 acquired on previous asset acquisitions and was being amortized over 40 years until December 31, 2003. In accordance with Statement of Financial Accounting Standards No. 142 amortization was discontinued for all future years up through and including 2014. For years beginning after December 31, 2014 the remaining balance is being amortized over IO years at $13,000 as required by ASU 2014-02 dated January 2014. The amortization for the year ended March 31, 2022 is $13,000.

Effective November 2016 the company purchased the assets of Pharma International Inc. for $200,000. The intangible assets are being amortized over 10 years as required by ASU 2014-02 dated January 2014. Amortization of the purchased assets amounted to $20,000 for the year ended March 31, 2022.

INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors:

Perigord Premedia USA, Inc. Branford, Connecticut

Our report on our review of the basic financial statements of Perigord Premedia USA1 Inc. for the year ended March 31, 2022 appears on page 1. The objective of that review was to perform procedures to obtain limited assurance as a basis for reporting whether we were aware of any material modification that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. The supplementary information included in the schedules of cost of sales and selling and administrative expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

SCHEDULE OF COST OF SALES FOR THE YEAR ENDED MARCH 31, 2022

MATERIAL PURCHASE	$10,059
DIRECT LABOR	1,056,318
OVERHEAD EXPENSES	
Depreciation	37,946
Freight	1,178
Insurance	19,344
Health insurance	126,699
License Fees	73,614
Miscellaneous expenses	12,906
Rent	60,630
Repairs and maintenance	17,510
Subcontracting	115,153
Supplies	284
Taxes - payroll	91,758
Taxes - property	2,049
Utilities	10,422
TOTAL OVERHEAD EXPENSES	**569,493**
DECREASE IN	17,295
WORK-IN PROGRESS INVENTORIES	
COST OF SALES	$ 1,653,165

See accountants’ report on supplementary information.

PERIGORD PREMEDIA USA, INC.

SCHEDULE OF SELLING AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED MARCH 31, 2022

Amortization	33,000
Administration wages	45,126
Bank charges	15,107
Computer costs	34,406
Deprecation	1,077
Dues and subscriptions	7,471
General insurance	4,836
Health insurance	69,294
Indirect labor	558,555
Misc expenses	3,226
Office expenses and postage	9,277
Professional fees	53,557
Rent	15,158
Repairs and maintenance	4,378
Taxes - payroll	40,121
Taxes - property	512
Telephone	12,899
Travel	31,075
Utilities	2,606
	$ 941,681

See accountants' report on supplementary information.

AUGUST FALLER ARTWORK SOLUTIONS GMBH

UNAUDITED FINANCIAL STATEMENTS
For the year ended 31st March 2022

Board of Directors

Mr.Michael Fleming

Registered office

Fabrik Sonntag 4b 79183

Waldkirch,Germany

Bankers

Volksbank Breisgau Nord EG

AUGUST FALLER ARTWORK SOLUTIONS GMBH

BALANCE SHEET AS OF MARCH 31, 2022

ASSETS

			3/31/2022 EUR	3/31/2021 EUR
A.	**Fixed Assets**			
	II.	Property, plant and equipment		
	1.	Other equipment, operational and office equipment	**52,953.12**	**29,301.75**
B.	**Current Assets**			
	I.	**Inventories**		
	1.	Work in progress	125,287.72	151,448.25
	II.	**Receivables and other assets**		
	1.	Trade receivables	272,113.05	267,339.92
	2.	Receivables due from affiliated companies	84,850.25	120,440.00
	3.	Other assets	63,635.46	64,801.84
			420,598.76	**452,581.76**
	III.	**Cash on hand and cash in banks**	87,618.23	162,355.77
			633,504.71	**766,385.78**
C.	**Prepaid expenses**		30,353.60	37,292.84
			716,811.43	**832,980.37**

		3/31/2022	3/31/2021
	EQUITY AND LIABILITIES	EUR	EUR
A.	**Equity**		
I.	**Subscribed capital**	200,000.00	200,000.00
II.	**Retained Earnings**	366,537.82	315,182.03
III.	**Net profit for the year**	2,005.56	51,355.79
		568,543.38	**566,537.82**
B.	**Accruals**		
1.	Other accrued liabilities	68,466.73	80,522.06
C.	**Liabilities**		
1.	Trade payables	7,869.71	15,340.91
2.	Payables due to affiliated companies	63,180.05	154,111.25
3.	Other liabilities	8,751.56	16,468.33
		79,801.32	**185,920.49**
		716,811.43	**832,980.37**

For August Faller Artwork Solutions GmbH

Michael Flemming
Director

Date:01st July,2022

AUGUST FALLER ARTWORK SOLUTIONS GMBH

INCOME STATEMENT APRIL 1, 2021 TO MARCH 31, 2022

			2021 (01-03)
		EUR	**EUR**
1.	Sales	2,314,065.98	636,404.76
2.	Change in work in progress	-26,160.53	1,804.13
3.	Other operating income	71,763.99	6,584.35
4.	Personnel expenses		
	a) Wages and salaries	-1,654,640.48	-409,256.86
	b) Social security	-308,316.16	-73,984.12
		-1,962,956.64	**-483,240.98**
5.	Depreciation		
	on intangible assets and property, plant and equipment	-20,309.26	-5,412.19
6.	Other operating expenses	-370,160.57	-83,689.83
7.	Other interest and similar expenses	-3,434.72	0.00
8.	Taxes on income	-802.69	-21,094.45
9.	Net profit for the year/ Result after taxes	**2,005.56**	**51,355.79**

For August Faller Artwork Solutions GmbH

Michael Flemming
Director

Date:01st July,2022

NOTES TO STATUTORY FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2022

A. General information on the annual financial statements

The Company is registered in the Commercial Register at the Local Court of Freiburg, No. HRB 701134, under the name August Faller Artwork Solutions GmbH. The registered office of the Company is in Waldkirch.

The annual financial statements of August Faller Artwork Solutions GmbH have been prepared on the basis of the accounting provisions of the German Commercial Code (HGB) and the supplementary provisions of the German Limited Liability Companies Act (GmbHG).

The Company is still a small corporation within the meaning of Section 267 (1) HGB.

As resolved at the shareholders' meeting on March 25, 2021, the Company has changed its fiscal year. In accordance with the entry date in the Commercial Register on April 12, 2021, a short fiscal year was inserted for the period January 1 to March 31, 2022. The prior-year figures shown relate to the full fiscal year from January 1, 2021 to December 31, 2021. For this reason, a comparison with the previous year is only possible to a limited extent in these financial statements as of March 31, 2021. The upcoming reporting period will be April 1 to March 31 following year.

B. Information on accounting and valuation methods

The annual financial statements of August Faller Artwork Solutions GmbH have been prepared in accordance with the accounting and valuation regulations of the German Commercial Code.

The accounting and valuation methods have been retained unchanged from the previous year.

The following accounting and valuation methods were applied to the balance sheet items:

Property, plant and equipment are stated at cost and, where their useful lives are finite, depreciated on a straight-line basis. The useful lives of the assets have been set at 3 to 15 years.

Independently usable fixed assets with a value of between EUR 150.00 and EUR 1,000.00 were placed in a collective item until the 2017 financial year and depreciated over a useful life of 5 years. As of fiscal year 2018, independently usable assets with a value between EUR 250.00 and EUR 800.00 were fully depreciated in the year of acquisition.

Work in progress has been valued at production cost in accordance with its degree of completion. They are valued retroactively on the basis of the selling price.

Receivables and other assets are stated at nominal value. Identifiable individual risks are accounted for by specific valuation allowances. A general allowance for doubtful accounts has been established to cover the general credit risk associated with trade accounts receivable.

Cash in hand and bank balances are stated at nominal value.

Other accruals are valued at the amount required to settle the obligation according to prudent business judgment.

Liabilities are stated at their settlement amount.

C. Notes to balance sheet

Receivables from shareholders only comprise trade accounts receivable (as in previous year).

Liabilities include interest-bearing liabilities to shareholders from other liabilities amounting to EUR 60,000.00 (previous year: EUR 90,000.00).

All liabilities have a remaining term of less than one year.

Trade payables are secured by customary retention of title.

D. Other disclosures

The average number of employees during the short fiscal year was as follows

Full-time employees	34
Part-time employees	6
Total number	40

In the stub fiscal year, Mr. Michael Fleming, Dublin / Ireland was the full-time and sole managing director of August Faller Artwork Solutions GmbH. Sole power of attorney is granted to Ms. Stefanie Glocker, Ebringen and Ms. Simone Herold, Ebringen.

The annual financial statements of August Faller Artwork Solutions GmbH are included in the consolidated financial statements of Tech Mahindra Ltd, Pune/India - as the ultimate parent company. For the smallest group of companies, Perigord Asset Holdings Ltd, Dublin/Ireland, prepares consolidated financial statements as of the balance sheet date March 31 of each year.

For August Faller Artwork Solutions GmbH

Michael Flemming

Director

Date:01st July,2022

PERIGORD PREMEDIA (INDIA) PRIVATE LIMITED

UNAUDITED FINANCIAL STATEMENTS
For the year ended 31st March 2022

Board of Directors
Mr. Alan Leamy
Mr. Paul Leamy
Mr. Manohar Alaparthi

Registered Office
Unit 10 A,B,C,D 10th Floor,
Vaishnavi Cynosure, 2-48/5/6,
Plot No.19, Sy 18, Gachibowli,
Hyderabad, Telangana - 500032

Bankers
Axis bank

PERIGORD PREMEDIA (INDIA) PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2022

(All amounts in Indian Rupees, except for share data or as otherwise stated)

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
	1	2	3	4
I	**Assets**			
	Non-Current Assets			
	(a) Property,Plant and Equipment	3	14,194,359	5,863,558
	(b) Intangible assets	4	1,203,266	1,979,297
	(c) Deferred tax Assets(net)	5	921,872	1,249,586
	Total Non-Current Assets		**16,319,497**	**9,092,441**
	Current Assets			
	(a) Inventories	6	-	840,500
	(b) Financial Assets			
	(i) Trade Receivables	7		
	- Billed		59,267,064	27,146,150
	- Unbilled		312,800	
	(ii) Cash and cash equivalents	8	20,681,019	29,163,277
	(c) Other current assets	9	8,504,082	12,495,044
	Total Current Assets		**88,764,965**	**69,644,971**
	Total Assets		**105,084,462**	**78,737,412**
II	**Equity and Liabilities**			
	Equity			
	(a) Share Capital	10	11,578,800	11,578,800
	(b) Other Equity	11	65,730,409	50,503,860
	Total Equity		**77,309,209**	**62,082,660**
	Liabilities			
	Non - current liabilities:			
	(a) Provisions	12	4,194,130	2,300,974
	Total Non-Current Liabilities		**4,194,130**	**2,300,974**
	Current liabilities			
	(a) Financial Liabilities			
	(i) Trade payables	13		
	- Total outstanding dues of micro and small enterprises		42,222	191,131
	- Total outstanding dues of creditors other than micro and small enterprises		14,319,998	1,514,338
	(b) Other Current Liabilities	14	6,615,669	9,971,401
	(c) Provisions	15	593,176	103,504
	(d) Income tax liabilities (net)		2,010,058	2,573,404
	Total Current liabilities		**23,581,123**	**14,353,778**
	Total Equity and Liabilities		**105,084,462**	**78,737,412**
	See accompanying notes forming part of the financial Statements	1 to 27		

For Perigord Premedia (India) Private Limited

Manohar Alaparthi
Director
DIN : 07185517

Place: Hyderabad
Date: 01st July,2022

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees, except for share data or as otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I.	Revenue from operations		199,426,489	130,461,177
II.	Other income	16	694,831	242,750
III.	**Total Revenue (I + II)**		**200,121,320**	**130,703,927**
IV.	**Expenses:**			
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	(840,500)
	Employee benefits expense	17	111,615,692	95,289,984
	Finance costs	18	86,276	146,579
	Depreciation and amortization expense	19	8,524,623	4,412,020
	Other expenses	20	58,707,200	14,797,940
			178,933,790	**113,806,024**
V.	**Profit before tax (III-IV)**		**21,187,530**	**16,897,903**
VI	**Tax expense:**			
	(1) Current tax - (Current period)		7,502,310	6,444,913
	- (Previous period)		(867,940)	-
	(2) Deferred tax	5	327,714	38,343
VII	**Profit (Loss) for the period**		**14,225,446**	**10,414,648**
	Other Comprehensive income:			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	Re-measurement loss / (gain) on defined benefit obligations (net)		(1,386,954)	(190,238)
	Tax on Re-measurement of defined benefit plans		(385,851)	(52,924)
VIII	**Other Comprehensive income:**		**1,001,103**	**137,314**
IX	**Total comprehensive income for the year, net of tax (VII + VIII)**		**15,226,549**	**10,551,961**
X	**Earnings per equity share:**	**21**		
	(1) Basic		12.29	8.99
	(2) Diluted		12.29	8.99
	See accompanying notes forming part of the financial Statements	1 to 27		

For Perigord Premedia (India) Private Limited

Manohar Alaparthi
Director
DIN : 07185517

Place: Hyderabad
Date: 01st July,2022

PERIGORD PREMEDIA (INDIA) PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2022

(All amounts in Indian Rupees, except for share data or as otherwise stated)

A. Equity Share Capital

Particulars	Amount
Balance at 1 April 2020	**11,578,800**
Changes in equity share capital during the year	
Increase / (Decrease) in share capital	-
Balance at 31 March 2021	**11,578,800**
Changes in equity share capital during the year	
Increase / (Decrease) in share capital	-
Balance at 31 March 2022	**11,578,800**

B. Other Equity

Particulars	Reserves and Surplus		TOTAL
	Securities Premium	Retained Earnings	
Balance at 1 April 2020	**11,478,800**	**28,473,099**	**39,951,899**
Profit for the Year	-	10,414,648	10,414,648
Other Comprehensive income		137,314	137,314
Balance at 31 March 2021	**11,478,800**	**39,025,060**	**50,503,860**
Profit for the Year	-	14,225,446	14,225,446
Other Comprehensive income	-	1,001,103	1,001,103
Balance at 31 March 2022	**11,478,800**	**54,251,609**	**65,730,409**

For Perigord Premedia (India) Private Limited

Manohar Alaparthi
Director
DIN : 07185517

Place: Hyderabad
Date: 01st July,2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(All amounts in Indian Rupees, except for share data or as otherwise stated)

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	22,574,484	16,897,903
Adjusted for :		
Provision for Gratuity	242,639	2,932,697
Provision for Leave encashment	2,423,564	-
Depreciation	8,524,623	4,412,020
Finance Cost	86,276	146,579
Misc balance written off		(16)
Operating profits before working capital changes	**33,851,586**	**24,389,183**
Changes in current assets and liabilities		
Inventories	840,500	(840,500)
Trade Receivables	(32,433,714)	(15,381,536)
Trade Payables	12,656,752	1,705,469
Other current liabilities	(3,355,732)	6,025,155
Other Current Assets	3,990,962	5,502,566
Cash generated from operations	15,550,353	21,400,338
Income tax paid	(7,583,569)	(3,924,433)
Net cash generated from operating activities	**7,966,784**	**17,475,905**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets and change in capital wip	(16,079,392)	(5,614,330)
Gratuity paid	(283,375)	(1,050,156)
Net cash used in investing activities	**(16,362,767)**	**(6,664,486)**
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(86,276)	(146,579)
Net cash generated in financing activities	**(86,276)**	**(146,579)**
D. Net increase / (decrease) in cash and cash equivalents	**(8,482,259)**	**10,664,840**
E. Cash and cash equivalents at the beginning of the year	**29,163,277**	**18,498,438**
F. Cash and cash equivalents at the end of the year	**20,681,019**	**29,163,277**

For Perigord Premedia (India) Private Limited

Manohar Alaparthi
Director
DIN : 07185517

Place: Hyderabad
Date: 01st July,2022

COMPANY OVERVIEW AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Company information

Perigord Premedia (India) Private Limited (the company) is a private limited company incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of Data Processing. The address of the registered office is Unit10A,B,C,D, 10th Floor, Vaishnavi Cynosure, 2-48/5/6, PlotNo19, SYNo18, Telecom Nagar Extension, Gachibowli, Hyderabad, Telangana, 500 032, India. As per the proviso to section 2(71) of the Companies Act, 2013, the Company is deemed to be public company.

2. Significant accounting policies:

2.1 Statement of Compliance:

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

2.2 Basis for preparation of financial statements

These financial statements are presented in Indian rupees ("INR") which is also the Company's functional currency. All amounts have been reported in Indian Rupees, except for share and earnings per share data, unless otherwise stated. These financial statements have been prepared on the historical cost basis and on an accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share-based Payments, leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as 'value in use', in Ind AS 36 Impairment of assets.

2.3 Use of Estimates:

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical accounting estimates

i) Revenue recognition

Revenue from contracts with customers is recognised when services are rendered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The specific recognition criteria described below must also be met before revenue is recognised:

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period. Revenues are recognized immediately when the performance obligations are satisfied. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. The company collects the taxes on behalf of the government and therefore, these are not economic benefits flowing to the company. Hence they are excluded from revenue.

ii) Income taxes and deferred taxes

The major tax jurisdiction for the Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, 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, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred 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. The policy for the same has been explained under Note 2.10.

iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.4.

iv) Provisions

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.12.

v) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2.9.

vi) Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. The policy for the same has been explained under Note 2.8.

2.4 Property, Plant & Equipment and Intangible assets:

Property, Plant & Equipment and intangible assets are stated at cost less accumulated depreciation/amortisation and net of impairment. 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 costs of bringing the item 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. Subsequent expenditure 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.

The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work in progress.

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on Property, Plant & Equipment (including assets taken on lease), other than freehold land, is charged based on the straight line method on the estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the certain categories of assets, where the life of the assets has been assessed based on internal technical estimate, considering the nature of the asset and estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes.

The estimated useful lives of assets are as follows:

Particulars	**Life (Years)**
Office Equipment	5
Furniture & Fixtures	10
Computer Systems – other than servers	3
Computer Systems –servers	6
Plant & Machinery	5 to 10

The estimated useful life of intangible assets (software) is 1 to 10 years and these are amortised on a straight line basis. Project specific intangible assets are amortised over their estimated useful life on a straight line basis or over the period of the license/project period, whichever is lower.

The estimated useful life and residual values of Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period.

Assets acquired under leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term.

An item of Property, Plant & Equipment and intangible asset 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 arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

When the use of a property changes from owner occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

2.5 Leases:

At inception of the contract, the Company determines whether the contract is a lease or contains a lease arrangement. 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.

Company as a lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. 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 Revenue from Customer Contracts to allocate the consideration in the contract.

2.6 Revenue recognition:

Revenue is recognised or performance obligation is satisfied upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services. Revenue from operations includes revenue earned from services rendered on cost plus basis, fixed price maintenance costs and fixed price development contracts.

Revenue from fixed price contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

If invoicing is not consistent with value delivered, revenue is recognized as the services are performed. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the manner in which services are performed.

Revenue on fixed price development contracts is recognised using the 'percentage of completion' method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognised only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

The solutions offered by the Company may include supply of third party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises gross amount of consideration as revenue when it is acting as a principal and net amount of consideration as revenue when it is acting as an agent.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

In arrangements for hardware and software implementation and integration, related services and maintenance services, the Company has applied the guidance in Ind AS 115 by applying the revenue recognition criteria for each distinct performance obligation. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative selling price. The price that is regularly charged for an item when sold separately is the best evidence of its selling price. In cases where the Company is unable to determine the selling price, the Company uses the expected cost plus margin approach in estimating the selling price. Fixed price development contracts and related services, the performance obligation is satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a 'right to use' the licenses is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a 'right to access' is recognised over the access period. The Company has applied the principles of Ind AS 115 to account for revenues for these performance obligations.

The Company recognises revenue for a sales-based or usage-based royalty promised in exchange for a license of intellectual property only when (or as) the subsequent sale or usage occurs.

The Company accounts for volume discount and pricing incentives to customers as a reduction based on ratable allocation of the discounts/incentives amount to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning the discount/incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are upfront costs incurred for the contract and are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract 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 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.

The Company disaggregates revenue from contracts with customers by nature of services, geography and industry verticals.

Dividend income is recognised when the Company's right to receive dividend is established. Interest income is recognised using effective interest rate method.

Rental income from the investment property is recognised in statement of profit and loss on a straight-line basis over the term of lease except where the rentals are structured to increase in line with expected general inflation.

2.7 Foreign currency transactions:

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss.

2.8 Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and 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 measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in statement of profit and loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method less impairment losses, if these financial assets are held within a business model whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial assets not measured at amortised cost are carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in ‘other comprehensive income’, for investment in equity instruments which are not held for trading.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in ‘other comprehensive income’, subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL, are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment as per Ind AS 27 Consolidated and Separate Financial Statements.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at FVTPL. For financial liabilities carried at amortised cost, the carrying amounts approximate fair values due to the short term maturities of these instruments. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in statement of profit and loss.

ii) Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities and forecasted cash flows denominated in foreign currency. The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these forward contracts / options as hedge instruments and accounts for them as cash flow hedges applying the recognition and measurement principles set out in Ind AS 109.

The use of foreign currency forward contracts / options is governed by the Company’s risk management policy approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company’s risk management strategy. The counter party to the Company’s foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under ‘effective portion of cash flow hedges’ (net of taxes), and the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the statement of profit and loss in the same period in which gains/losses on the item hedged are recognised in the statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified as effective portion of cash flow hedges is classified to statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in effective portion of cash flow hedges is transferred to the statement of profit and loss for the period.

iii) Derecognition of financial instruments

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 retains substantially all the risk and rewards of transferred financial assets, the Company continues to recognise the financial asset and also recognises the borrowing for the proceeds received.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

2.9. Retirement and other employee benefits

(a) Defined Benefit Plan

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. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's last drawn salary and the tenure of the employment.

(b) Defined Contribution Plans

(i) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which are charged to the statement of profit and loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company. The Company has no further obligations for future provident fund.

(ii) ESIC:

Contributions to employees' state insurance scheme (ESI), which is defined contribution schemes, are charged to the statement of profit and loss on an accrual basis.

(c) Compensated absences:

The Company provides for compensated absences and long term service awards subject to Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date and the awards are accrued based on number of years of service of an employee.

The valuation results for the Gratuity Benefit plan as at 31-03-2022 & 31-03-2021 are produced in the tables below:

INR in Thousands

Particulars	For the period ending	
	31-Mar-22 (Ind AS-19)	**31-Mar-21 (Ind AS-19)**
A)Present Value of Benefit Obligations		
Present Value of Obligation as on 01st April 2021	**5,606,094**	**3,992,869**
Current Service Cost	1,475,724	1,602,423
Interest Cost	381,214	271,515
Re-measurement (or Actuarial (gain) / loss) arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(61,946)	-
- experience variance (Actual v/s assumptions)	(1,342,934)	(260,713)
Benefits Paid	(116,605)	-
Present Value of Obligation as on the 31st March 2022	**5,941,547**	**5,606,094**
B) Assets and Liability (Balance Sheet Position)		
Present Value of Benefit Obligation as on 31-03-2022	(5,941,547)	(5,606,094)

INR in Thousands

Particulars	For the period ending 31-Mar-22 (Ind AS-19)	31-Mar-21 (Ind AS-19)
Fair Value of Plan Assets as on 31-03-2022	3,694,410	3,201,616
Net Asset / (Liability)	**(2,247,137)**	**(2,404,478)**
C) Bifurcation of Net Liability:		
Current Liability (Short term)	593,176	(103,504)
Non-Current Liability (Long term)	1,653,961	(2,300,974)
Total Liability	**2,247,137**	**(2,404,478)**
D) Expenses Recognised in the Income Statement		
Current Service Cost	1,475,724	1,602,423
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	153,870	96,612
Expenses Recognised in the Income Statement	**1,629,594**	**1,699,035**
E) Other Comprehensive Income		
Actuarial (gains) / loss on Liability	(1,404,880)	(260,713)
Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	17,926	70,475
Total	**(1,386,954)**	**(190,238)**
F) Changes In fair value of Plan Assets		
Fair Value of Plan Assets as on 01st April 2021	**3,201,616**	**2,047,032**
Expected return on Plan Assets	227,345	174,903
Company Contribution	399,980	1,050,156
Benefits Paid	(116,605)	-
Actuarial (gains) / losses of obligation of plan assets	(17,926)	(70,475)
Fair Value of Plan Assets as on 31st March 2022	**3,694,410**	**3,201,616**
Discount rate (per annum)	6.80%	6.80%
Salary growth rate (per annum)	6.00%	6.00%
Mortality Rate	(% of IALM 12-14)	(% of IALM 12-14)
Attrition rate	15.00%	5% to 1%
G) Summary of Membership Status		
Number of employees	193	152
Total monthly salary (Rs.)	3,576,025	3,347,783
Average salary	18,529	22,025
Average past service (years)	2.61	2.68
Average age (years)	31.91	31.91
Retirement age (years)	60	60

2.10 Taxation:

Tax expense comprises of current tax and deferred tax. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemptions in accordance with the local tax laws existing in the respective countries.

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

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income. Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The proportionate credit for the taxes paid outside India are generally available for set off against the Indian income tax liability of the Company's worldwide income.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit has a legally enforceable right and intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The Company recognises interest levied and penalties related to income tax assessments in interest expenses.

2.11 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period.

For calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects 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).

2.12 Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

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 the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.13. Recent 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 March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that 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.

The Company does not expect the other amendments to have any impact on the financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian rupees, except for share data or as otherwise stated)

Note-3: Property Plant and Equipment

	Office Equipment	Furniture & Fixtures	Computers	Plant and Machinery	Total tangible assets
Gross block					
As at 1st April 2020	776,321	257,071	25,941,823	764,777	27,739,992
Additions	26,550	-	5,207,348	-	5,233,898
As at 31st March 2021	802,871	257,071	31,149,171	764,777	32,973,890
Additions	16,999	-	16,057,893	-	16,074,892
As at 31st March 2022	**819,870**	**257,071**	**47,207,064**	**764,777**	**49,048,782**
Accumulated depreciation					
As at 1st April 2020	581,879	89,989	22,652,625	490,831	23,815,324
Charge for the year	93,319	43,257	3,078,668	79,765	3,295,008
As at 31st March 2021	675,198	133,246	25,731,293	570,596	27,110,332
Charge for the year	59,192	32,058	7,596,991	55,851	7,744,092
As at 31st March 2022	**734,390**	**165,304**	**33,328,283**	**626,447**	**34,854,424**
Net block					
As at 31st March 2021	127,674	123,825	5,417,879	194,181	5,863,558
As at 31st March 2022	**85,481**	**91,767**	**13,878,781**	**138,330**	**14,194,359**

Note-4: Intagible assets

	Intangible Assets	Total Intangible Assets
Gross block		
As at 1st April 2020	3,363,396	3,363,396
Additions	380,432	380,432
As at 31st March 2021	3,743,828	3,743,828
Additions	4,500	4,500
As at 31st March 2022	**3,748,328**	**3,748,328**
Accumulated depreciation		
As at 1st April 2020	647,519	647,519
Charge for the year	1,117,012	1,117,012
As at 31st March 2021	1,764,531	1,764,531
Charge for the year	780,531	780,531
As at 31st March 2022	**2,545,062**	**2,545,062**
Net block		
As at 31st March 2021	1,979,297	1,979,297
As at 31st March 2022	**1,203,266**	**1,203,266**

Note-5: Deferred Tax

Particulars	**As at**

	March 31, 2022	March 31, 2021
Differences in WDV as per tax books and financial books	3,703,004	3,635,283
Impact of expenditure debited to the statement of profit & loss in the current year but allowed for tax purpose in the next years	(157,341)	1,170,816
Total	**921,872**	**1,249,586**

Note-6: Inventories

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Work-in-progress	-	840,500
Total	**-**	**840,500**

Note-7: Trade Receivables

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Trade Receivables - Billed		
Trade receivables - Billed (unsecured) consist of the following:		
Trade receivables - Billed	59,267,064	27,146,150
Less: Allowance for doubtful trade receivables - Billed	-	-
Considered good	**59,267,064**	**27,146,150**
Trade receivables - Billed	-	-
Less: Allowance for doubtful trade receivables - Billed	-	-
Credit impaired	**-**	**-**
Trade Receivables - Unbilled		
Undisputed dues- Unbilled	312,800	-
Considered good	**312,800**	**-**
Total	**59,579,864**	**27,146,150**

Note-8: Cash and Cash Equivalents

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Cash In Hand	6,560	16,842
Balances with banks		
In Current Account	20,674,459	29,146,435
Total	**20,681,019**	**29,163,277**

Note-9: Other Current Assets

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Balances with government authorities	3,525,774	7,529,126
Security deposits (Unsecured, considered good)	3,523,745	3,523,745
Other loans and advances (unsecured)	712,535	897,352
Prepaid insurance	418,156	225,489
Prepaid expenses	323,872	319,333
Total	**8,504,082**	**12,495,044**

Note-10: Share Capital

Particulars	**As at 31 March 2022**	**As at 31 March 2021**

	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised				
Equity Shares of Rs.10/- each	2,000,000	20,000,000	2,000,000	20,000,000
Issued				
Equity Shares of Rs.10/- each fully paid	1,157,880	11,578,800	1,157,880	11,578,800
Subscribed & Paid up				
Equity Shares of Rs.10/- each fully paid	1,157,880	11,578,800	1,157,880	11,578,800
Total	**1,157,880**	**11,578,800**	**1,157,880**	**11,578,800**

Reconciliation of number of shares outstanding for the period

Particulars	**As at 31 March 2022**		**As at 31 March 2021**	
	Number	**INR**	**Number**	**INR**
Equity Shares				
Shares outstanding at the beginning of the year	1,157,880	11,578,800	1,157,880	11,578,800
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**1,157,880**	**11,578,800**	**1,157,880**	**11,578,800**

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share and all the equity shares carry equal voting rights.

In the event of liquidation of the Company, the equity shareholders 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.

Details of promoters holding more than 5% equity shares in the Company

Particulars	**As at**				**% Change during the year**
	March 31,2022		**March 31,2021**		
	Number	**% Share holding**	**Number**	**% Share holding**	
Tech Mahindra Ltd	1,157,879	99.9999	1,157,879	99.9999	-
Perigord Premedia Ltd	1	0.0001	1	0.0001	-
(shares held by Mr. Manohar Alaparthi as nominee of Perigord Premedia Ltd)	1,157,880	100.00	1,157,880	100.00	-

Note-11: Other Equity

Particulars	**As at**

	March 31,2022	March 31,2021
Reserves and Surplus		
Securities premium account		
Opening balance	11,478,800	11,478,800
Add: Premium on shares issued during the year	-	-
Closing balance	11,478,800	11,478,800
General Reserve		
Balance as per last financial statements	39,025,060	28,473,099
Profit/(loss) for the period	14,225,446	10,414,648
Other Comprehensive Income	1,001,103	137,314
Closing balance	54,251,609	39,025,060
Total	**65,730,409**	**50,503,860**

Note-12: Provisions

Particulars	**As at**	
	March 31,2022	**March 31,2021**
Provision for employee benefits	1,770,566	2,300,974
Provision for Leave encashment	2,423,564	-
Total	**4,194,130**	**2,300,974**

Note-13: Trade Payables

Particulars	**As at**	
	March 31,2022	**March 31,2021**
Total outstanding dues of micro and small enterprises	42,222	191,131
Total outstanding dues of creditors other than micro and small enterprises	14,319,998	1,514,338
Total	**14,362,220**	**1,705,469**

Details of dues to micro and small enterprises (suppliers) as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) as per the information provided by the company, are as follows;")

Particulars	**As at**	
	March 31,2022	**March 31,2021**
The principal amount and the interest due thereon remaining unpaid to any suppliers at the end of the accounting year	-	-
(i) Principal amount due to suppliers	42,222	191,131
(ii) Interest due on above	-	-
	42,222	**191,131**
Interest on payments beyond the appointed day paid to the suppliers during the year	-	-
Interest due and payable for the delay in making payment to suppliers during the year	-	-
Amount of interest accrued and remaining unpaid to suppliers at the end of the year	-	-
Amount of further interest remaining due and payable to suppliers in succeeding years	-	-

Note-14: Other Current Liabilities

Particulars	**As at**

	March 31,2022	March 31,2021
Audit Fees payable	200,000	138,750
Bonus payable	2,855,843	6,427,410
Other Current Liabilities	1,461,851	1,380,599
Statutory Liabilitites	2,097,974	2,024,642
Total	**6,615,669**	**9,971,401**

Note-15: Provisions

Particulars	**As at**	
	March 31,2022	**March 31,2021**
Provision for employee benefits	593,176	103,504
Total	**593,176**	**103,504**

Note-16: Other Income

Particulars	**For the year ended**	
	March 31, 2022	**March 31, 2021**
Interest on Income Tax Refund	119,995	242,750
Sundry Creditors written off	10,620	-
Other income	34,980	-
Foreign Exchange Gain	429,210	
Reversal of Gratuity fund charges	100,026	
Total	**694,831**	**242,750**

Note-17: Employee Benefit Expenses

Particulars	**For the year ended**	
	March 31, 2022	**March 31, 2021**
Salaries and Wages	95,638,887	80,312,133
Bonus	5,184,908	4,161,049
Contribution to provident and other funds	7,722,975	6,445,601
Contribution to Gratuity fund	1,629,593	2,932,697
Staff welfare expenses	1,439,329	1,438,504
Total	**111,615,692**	**95,289,984**

Note-18: Finance Costs

Particulars	**For the year ended**	
	March 31, 2022	**March 31, 2021**
Gratuity fund charges	-	100,026
Bank Charges	86,276	46,553
Total	**86,276**	**146,579**

Note-19: Depreciation and amortization expense

Particulars	**For the year ended**	
	March 31, 2022	**March 31, 2021**
Depreciation of Property, plant and equipment	7,744,092	3,295,008
Amortization of Intangible assets	780,531	1,117,012
Total	**8,524,623**	**4,412,020**

Note-20: Other expenses

Particulars	**For the year ended**	
	March 31, 2022	**March 31, 2021**
Internet Charges	2,256,168	1,950,630
Rent	7,441,851	7,087,473
Electricity and Fuel	1,081,533	915,559
Repairs and maintenance		
Office	847,219	978,527
Computer	237,627	270,757
Others	346,108	548,908
Insurance on Computers	47,271	254,699
Group and General Insurance	722,713	176,589
Professional and Consultancy charges	325,470	872,029
Travelling and conveyance	46,670	14,045
Telephone Charges	86,898	90,166
Printing and stationery	235,523	268,317
Security charges	258,200	345,800
Software services	40,933,851	-
Payment to auditor (Refer details below)	250,000	150,000
GST and other statutory Filing Fees	70,652	52,843
Interest and Penalties	202,901	2,142
Rates and other taxes	86,110	5,000
Water charges	-	25,219
Postage and Courier	73,300	32,830
Training Expenses	1,333,388	548,646
Payroll Processing Fee	916,944	78,603
Administrative and other miscellaneous expenses	322,445	19,226
Sundry Creditors Written off	-	10,713
Foreign Exchange Loss	-	56,815
Non claimable GST	584,357	42,405
Total	**58,707,200**	**14,797,940**

Payment to auditor		
Statutory Audit fee	200,000	100,000
Transfer Pricing Audit Fee	50,000	50,000
	250,000	**150,000**

Note-21: Earning Per Share

Particulars	**For the year ended**	
	INR	**INR**
Profit after tax	14,225,446	10,414,648
Weighted average number of equity shares in calculating basic and diluted EPS	1,157,880	1,157,880
Face value per share	10	10
Earnings per share (EPS) - Basic & Diluted (Rs.)	12.29	8.99

Note-22: Segment information

Business segment:

The Company is engaged in the business of providing services connected to Data processing. As the Company is engaged in only one business segment, the balance sheet as at March 31, 2022 and statement of profit and loss for the year ended then pertain to only one business segment.

Geographical segment:

During the year ended March 31, 2022 under report, the company has engaged in its business only with the companies in Ireland and India,not in any other country.Country wise revenue is disclosed as under;

Particulars	For the year ended March 31,2022		For the year ended March 31,2021	
	India	Ireland	India	Ireland
Services during the year	4,143,100	195,283,389	5,784,142	124,677,035

Note-23: Financial risk management

Financial risk factors:

The Company's activities expose it to a variety of financial risks . 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 primary market risk to the Company is foreign currency risk. 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.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk.

A) Interest rate risk

Interest rate risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The results of the Company's operations are not exposed to Interest rate risk

B) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the rendering of services in Ireland. The exchange rate between the Indian rupee and euro has changed in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are not adversely affected as the receipts from foreign debtors are in regular.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Since the receipts from the counterparty are in regular hence the he results of the Company's operations are not exposed to credit risk.

Liquidity risk

The Company monitors its risk of shortage of funds using cash flow forecasting models. The Company's objective is to provide financial resources to meet its business objective in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 are as follows;

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Trade payables	14,362,220	-	-	14,362,220
Borrowings	-	-	-	-
Other Financial Liabilities	-	-	-	-

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 are as follows;

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Trade payables	1,705,469	-	-	1,705,469
Borrowings	-	-	-	-
Other Financial Liabilities	-	-	-	-

Note -24: Capital Management

The Company's objective when managing capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to its shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long term operating plans.

The funding requirements are met through a mixture of equity and internal fund generation. The Company's policy is to use equity and receivables to meet anticipated funding requirements.

Note-25: Fair value measurement

The carrying value of financial instruments by categories as on March 31st, 2022

Particulars	Amortised cost	Fair value through OCI	Fair value through Profit or Loss	Total
Financial Assets				
Trade Receivables	59,579,864			59,579,864
Cash and Cash Equivalents	20,681,019	-	-	20,681,019
Total	**80,260,883**	**-**	**-**	**80,260,883**
Financial Liabilities				
Trade payables	14,362,220	-	-	14,362,220
Total	**14,362,220**	**-**	**-**	**14,362,220**

The carrying value of financial instruments by categories as on March 31st, 2021

Particulars	Amortised cost	Fair value through OCI	Fair value through Profit or Loss	Total
Financial Assets				
Trade Receivables	27,146,150			27,146,150
Cash and Cash Equivalents	29,163,277	-	-	29,163,277
Total	**56,309,426**	**-**	**-**	**56,309,426**
Financial Liabilities				
Trade payables	1,705,469	-	-	1,705,469
Total	**1,705,469**	**-**	**-**	**1,705,469**

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)

Note-26: Related party disclosures

a. Names of the related parties and description of relationship:

Nature of relationship	Name of the related party
i. Holding Company	Tech Mahindra Ltd
ii.Enterprises where the company exercises significant influence	Perigord Premedia Ltd
iii.key managerial personnel	1. Manohar Alaparthi
	2. Alan Martin Leamy
	3. Paul Thomas Leamy

b. Summary of transactions with aforesaid parties

	March 31,2022	March 31,2021
ii.Enterprises where the company exercises significant influence		
Perigord Premedia Ltd		
Income from services	195,283,389	124,677,035
Software expenses	40,933,851	-

c. Amount outstanding as at the balance sheet date:

	March 31,2022	March 31,2021
ii. Enterprises where the company exercises significant influence		
Perigord Premedia Ltd		
- Trade receivables	58,280,163	26,208,557
- Trade Payables	99,21,410	-

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(Amount in Rupees)

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years	Total
MSME*	42,222	-	-	-	-	42,222
Others	129,690	4,268,898	-	-	-	4,398,589
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Disputed dues- Unbilled	-	-	-	-	-	-
Undisputed dues- Unbilled	-	-	-	-	-	-
Intercompany- Unbilled	-	-	-	-	-	-
Intercompany Trade Payables	3,473,187	6,448,223	-	-	-	9,921,410
Total	**3,645,099**	**10,717,121**	**-**	**-**	**-**	**14,362,220**
Accrued expenses						**1,661,851**
						16,024,072

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

(Amount in Rupees)

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years	Total
MSME*	191,131	-	-	-	-	191,131
Others	1,514,338	-	-	-	-	1,514,338
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Disputed dues- Unbilled	-	-	-	-	-	-
Undisputed dues- Unbilled	-	-	-	-	-	-
Intercompany- Unbilled	-	-	-	-	-	-
Intercompany Trade Payables	-	-	-	-	-	-
Total	**1,705,469**	**-**	**-**	**-**	**-**	**1,705,469**
Accrued expenses						**1,519,349**
						3,224,818

*MSME as per Micro, Small and, Medium and Enterprises Development Act, 2006.

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

(Amount in Rupees)

Particulars	Outstanding for following periods from due date of payments						
	Not Due	Less than 6 months	6 months - 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
Undisputed trade receivables- considered good	23,850,551	35,416,513	-	-	-	-	59,267,064
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed dues- Unbilled	-	-	-	-	-	-	-
Undisputed dues- Unbilled	312,800	-	-	-	-	-	312,800
Intercompany- Unbilled	-	-	-	-	-	-	-
Intercompany Trade Receivables	-	-	-	-	-	-	-
Total	**24,163,351**	**35,416,513**	**-**	**-**	**-**	**-**	**59,579,864**

Ageing for trade receivables outstanding as at March 31, 2021 is as follows:

(Amount in Rupees)

Particulars	Outstanding for following periods from due date of payments						
	Not Due	Less than 6 months	6 months - 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
Undisputed trade receivables- considered good	16,382,380	10,763,770	-	-	-	-	27,146,150
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed dues- Unbilled	-	-	-	-	-	-	-
Undisputed dues- Unbilled	-	-	-	-	-	-	-
Intercompany- Unbilled	-	-	-	-	-	-	-
Intercompany Trade Receivables	-	-	-	-	-	-	-

Total	**16,382,380**	**10,763,770**	**-**	**-**	**-**	**- 27,146,150**

Note-27: Additional regulatory information

i. Financial Ratios

Ratio	**Numerator (1)**	**Denominator (2)**	**March'22 (3) = (1)/(2)**	**March'21 (3) = (1)/(2)**	**% Variance**
Current Ratio	Current Assets	Current Liabilities	3.76	4.85	(1.09)
Return on Equity (ROE)	Net Profit after taxes- Pref Div (If any)	Average Shareholders Equity	22%	19%	3%
Trade receivable turnover ratio (In times)	Net Credit Sales	Avg. Account Receivables	4.60	6.71	(2.11)
Trade payable turnover ratio (In times)	Net Credit Purchases	Avg. Trade Payables	11	62.30	(51.26)
Net capital turnover ratio	Net Sales	Working Capital (1)	3.06	2.36	0.70
Net profit ratio	Net Profit	Net Sales	7.6%	8.1%	0%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed	29.3%	27.8%	2%

(1) Current Assets- Current Liabilities

For Perigord Premedia (India) Private Limited

Manohar Alaparthi
Director
DIN : 07185517

Place: Hyderabad
Date: 01st July,2022

PERIGORD DATA SOLUTIONS INDIA PRIVATE LIMITED

UNAUDITED FINANCIAL STATEMENTS
For the year ended 31st March 2022

Board of Directors
Mr. Alan Leamy
Mr. Paul Leamy
Mr. Manohar Alaparthi

Registered Office
Unit 10A, B, C, D
Vaishnavi Cynosure, 2-48/5/6,
Plot No.19, Sy 18, Gachibowli,
Hyderabad, Telangana - 500032

Bankers
HDFC Bank

PERIGORD DATA SOLUTIONS INDIA PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2022

(All amounts in Indian Rupees, except for share data or as otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
1	2	3	4
I Assets			
Non-Current Assets			
(a) Property,Plant and Equipment	3	3,128,329	2,577,755
(b) Intangible assets			
(c) Deferred tax Assets(net)	4	1,131,591	990,530
(d) Other non -current assets	5	-	54,000
Total Non-Current Assets		**4,259,920**	**3,622,285**
Current Assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Trade Receivables	6		
- Billed		40,197,379	12,312,816
- Unbilled		-	
(ii) Cash and cash equivalents	7	6,275,240	11,708,584
(c) Other current assets	8	2,497,900	3,420,050
Total Current Assets		**48,970,519**	**27,441,450**
Total Assets		**53,230,439**	**31,063,734**
II Equity and Liabilities			
Equity			
(a) Share Capital	9	2,081,880	2,081,880
(b) Other Equity	10	36,453,347	23,401,718
Total Equity		**38,535,227**	**25,483,598**
Liabilities			
Non - current liabilities:			
(a) Provisions	11	6,590,691	1,934,042
Total Non-Current Liabilities		**6,590,691**	**1,934,042**
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	12		
- Total outstanding dues of micro and small enterprises		130,551	92,220
- Total outstanding dues of creditors other than micro and small enterprises		2,400,314	259,066
(b) Other Current Liabilities	13	2,635,973	2,744,340
(c) Provisions	14	854,510	84,461
(d) Income tax liabilities (net)		2,083,173	466,007
Total Current liabilities		**8,104,521**	**3,646,094**
Total Equity and Liabilities		**53,230,439**	**31,063,734**
See accompanying notes forming part of the Financial Statements	1 to 26		

For Perigord Data Solutions India Private Limited

Manohar Alaparthi
Director
DIN : 07185517

Place: Hyderabad
Date: 01st July,2022

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees, except for share data or as otherwise stated)

	Particulars	**Note No.**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
I.	Revenue from operations		160,486,713	111,790,223
II.	Other income	15	100,013	-
III.	**Total Revenue (I + II)**		**160,586,726**	**111,790,223**
IV.	**Expenses:**			
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
	Employee benefits expense	16	120,905,733	87,676,358
	Finance costs	17	186,177	101,635
	Depreciation and amortization expense	18	2,983,777	2,292,400
	Other expenses	19	15,664,590	8,216,558
			139,740,277	**98,286,951**
V.	**Profit before tax (III-IV)**		**20,846,449**	**13,503,272**
VI	**Tax expense:**			
	(1) Current tax - (Current period)		7,776,686	4,048,479
	- (Previous period)		(342,881)	-
	(2) Deferred tax	4	(141,061)	(169,727)
VII	**Profit (Loss) for the period**		**13,553,705**	**9,624,521**
	Other Comprehensive income:			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	Re-measurement loss / (gain) on defined benefit obligations (net)		695,589	(152,666)
	Tax on Re-measurement of defined benefit plans		193,513	(42,472)
VIII	**Other Comprehensive income:**		**(502,076)**	**195,138**
IX	**Total comprehensive income for the year, net of tax (VII + VIII)**		**13,051,629**	**9,819,658**
X	**Earnings per equity share:**	20		
	(1) Basic		65.10	46.23
	(2) Diluted		65.10	46.23
	See accompanying notes forming part of the Financial Statements	1 to 26		

For Perigord Data Solutions India Private Limited

Manohar Alaparthi
Director
DIN : 07185517

Place: Hyderabad
Date: 01st July,2022

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2022

(All amounts in Indian Rupees, except for share data or as otherwise stated)

A. Equity Share Capital

Particulars	Amount
Balance at 1 April 2020	**2,081,880**
Changes in equity share capital during the year	
Increase / (Decrease) in share capital	-
Balance at 31 March 2021	**2,081,880**
Changes in equity share capital during the year	
Increase / (Decrease) in share capital	-
Balance at 31 March 2022	**2,081,880**

B. Other Equity

Particulars	Reserves and Surplus		TOTAL
	Securities Premium	Retained Earnings	
Balance at 1 April 2020	**1,981,880**	**11,600,180**	**13,582,060**
Profit for the Year	-	9,624,520	9,624,520
Other Comprehensive income		195,138	195,138
Balance at 31 March 2021	**1,981,880**	**21,419,838**	**23,401,718**
Profit for the Year	-	13,553,705	13,553,705
Other Comprehensive income	-	(502,076)	(502,076)
Balance at 31 March 2022	**1,981,880**	**34,471,467**	**36,453,347**

For Perigord Data Solutions India Private Limited

Manohar Alaparthi
Director
DIN : 07185517

Place: Hyderabad
Date: 01st July,2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(All amounts in Indian Rupees, except for share data or as otherwise stated)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Net profit before taxation, and extraordinary items	20,150,860	13,503,272
	Adjusted for :		
	Provision for Gratuity	2,714,369	908,071
	Provision for Leave encashment	3,112,329	-
	Depreciation	2,983,777	2,292,400
	Finance Cost	186,177	101,635
	Misc balance written off		
	Operating profits before working capital changes	29,147,512	16,805,378
	Changes in current assets and liabilities		
	Trade Receivables	(27,884,564)	(4,631,293)
	Trade Payables	2,179,579	351,285
	Other current liabilities	(108,367)	(33,928)
	Other Current Assets	922,152	(905,545)
	Short Term Provisions		458,181
	Cash generated from operations	4,256,312	12,044,079
	Income tax paid	(5,623,127)	(3,540,000)
	Net cash generated from operating activities	**(1,366,815)**	**8,504,079**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Purchase of fixed assets and change in capital wip	(3,534,351)	(3,579,109)
	Gratuity paid	(400,000)	(556,214)
	Net cash used in investing activities	**(3,934,351)**	**(4,135,323)**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES:**		
	Decrease in other non current assets	54,000	54,000
	Interest paid	(186,177)	(101,635)
	Net cash generated in financing activities	**(132,177)**	**(47,635)**
D.	**Net increase / (decrease) in cash and cash equivalents**	(5,433,343)	4,321,121
E.	**Cash and cash equivalents at the beginning of the year**	11,708,584	7,387,462
F.	**Cash and cash equivalents at the end of the year**	**6,275,241**	**11,708,584**

For Perigord Data Solutions India Private Limited

Manohar Alaparthi
Director
DIN : 07185517

Place: Hyderabad
Date: 01st July,2022

COMPANY OVERVIEW AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Company information

Perigord Premedia (India) Private Limited (the company) is a private limited company incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of Data Processing. The address of the registered office is Unit10A,B,C,D, 10th Floor, Vaishnavi Cynosure, 2-48/5/6, PlotNo19, SYNo18, Telecom Nagar Extension, Gachibowli, Hyderabad, Telangana, 500 032, India. As per the proviso to section 2(71) of the Companies Act, 2013, the Company is deemed to be public company.

2. Significant accounting policies:

2.1 Statement of Compliance:

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

2.2 Basis for preparation of financial statements

These financial statements are presented in Indian rupees ("INR") which is also the Company's functional currency. All amounts have been reported in Indian Rupees, except for share and earnings per share data, unless otherwise stated. These financial statements have been prepared on the historical cost basis and on an accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share-based Payments, leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as 'value in use', in Ind AS 36 Impairment of assets.

2.3 Use of Estimates:

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical accounting estimates

i) Revenue recognition

Revenue from contracts with customers is recognised when services are rendered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The specific recognition criteria described below must also be met before revenue is recognised:

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period. Revenues are recognized immediately when the performance obligations are satisfied. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. The company collects the taxes on behalf of the government and therefore, these are not economic benefits flowing to the company. Hence they are excluded from revenue.

ii) Income taxes and deferred taxes

The major tax jurisdiction for the Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, 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, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred 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. The policy for the same has been explained under Note 2.10.

iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.4.

iv) Provisions

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.12.

v) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2.9.

vi) Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. The policy for the same has been explained under Note 2.8.

2.4 Property, Plant & Equipment and Intangible assets:

Property, Plant & Equipment and intangible assets are stated at cost less accumulated depreciation/amortisation and net of impairment. 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 costs of bringing the item 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. Subsequent expenditure 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.

The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work in progress.

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on Property, Plant & Equipment (including assets taken on lease), other than freehold land, is charged based on the straight line method on the estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the certain categories of assets, where the life of the assets has been assessed based on internal technical estimate, considering the nature of the asset and estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes.

The estimated useful lives of assets are as follows:

Particulars	Life (Years)
Office Equipment	5
Furniture & Fixtures	10
Computer Systems – other than servers	3
Computer Systems –servers	6
Plant & Machinery	5 to 10

The estimated useful life of intangible assets (software) is 1 to 10 years and these are amortised on a straight line basis. Project specific intangible assets are amortised over their estimated useful life on a straight line basis or over the period of the license/project period, whichever is lower.

The estimated useful life and residual values of Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period.

Assets acquired under leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term.

An item of Property, Plant & Equipment and intangible asset 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 arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

When the use of a property changes from owner occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

2.5 Leases:

At inception of the contract, the Company determines whether the contract is a lease or contains a lease arrangement. 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.

Company as a lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease. 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 Revenue from Customer Contracts to allocate the consideration in the contract.

2.6 Revenue recognition:

Revenue is recognised or performance obligation is satisfied upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services. Revenue from operations includes revenue earned from services rendered on cost plus basis.

Revenue on fixed price development contracts is recognised using the ‘percentage of completion’ method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognised only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

The solutions offered by the Company may include supply of third party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises gross amount of consideration as revenue when it is acting as a principal and net amount of consideration as revenue when it is acting as an agent.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability (“Unearned revenue”) arises when there are billing in excess of revenue.

In arrangements for hardware and software implementation and integration, related services and maintenance services, the Company has applied the guidance in Ind AS 115 by applying the revenue recognition criteria for each distinct performance obligation. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative selling price. The price that is regularly charged for an item when sold separately is the best evidence of its selling price. In cases where the Company is unable to determine the selling price, the Company uses the expected cost plus margin approach in estimating the selling price. Fixed price development contracts and related services, the performance obligation is satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a ‘right to use’ the licenses is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a ‘right to access’ is recognised over the access period. The Company has applied the principles of Ind AS 115 to account for revenues for these performance obligations.

The Company recognises revenue for a sales-based or usage-based royalty promised in exchange for a license of intellectual property only when (or as) the subsequent sale or usage occurs.

The Company accounts for volume discount and pricing incentives to customers as a reduction based on ratable allocation of the discounts/incentives amount to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning the discount/incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are upfront costs incurred for the contract and are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract 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 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.

The Company disaggregates revenue from contracts with customers by nature of services, geography and industry verticals.

Dividend income is recognised when the Company’s right to receive dividend is established. Interest income is recognised using effective interest rate method.

Rental income from the investment property is recognised in statement of profit and loss on a straight-line basis over the term of lease except where the rentals are structured to increase in line with expected general inflation.

2.7 Foreign currency transactions:

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss.

2.8 Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and 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 measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in statement of profit and loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method less impairment losses, if these financial assets are held within a business model whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial assets not measured at amortised cost are carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in 'other comprehensive income', for investment in equity instruments which are not held for trading.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in 'other comprehensive income', subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL, are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment as per Ind AS 27 Consolidated and Separate Financial Statements.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at FVTPL. For financial liabilities carried at amortised cost, the carrying amounts approximate fair values due to the short term maturities of these instruments. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in statement of profit and loss.

ii) Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities and forecasted cash flows denominated in foreign currency. The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these forward contracts / options as hedge instruments and accounts for them as cash flow hedges applying the recognition and measurement principles set out in Ind AS 109.

The use of foreign currency forward contracts / options is governed by the Company's risk management policy approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under 'effective portion of cash flow hedges' (net of taxes), and the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the statement of profit and loss in the same period in which gains/losses on the item hedged are recognised in the statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified as effective portion of cash flow hedges is classified to statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in effective portion of cash flow hedges is transferred to the statement of profit and loss for the period.

iii) Derecognition of financial instruments

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 retains substantially all the risk and rewards of transferred financial assets, the Company continues to recognise the financial asset and also recognises the borrowing for the proceeds received.

2.9. Retirement and other employee benefits

(a) Defined Benefit Plan

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. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's last drawn salary and the tenure of the employment.

(b) Defined Contribution Plans

(i) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which are charged to the statement of profit and loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company. The Company has no further obligations for future provident fund.

(ii) ESIC:

Contributions to employees' state insurance scheme (ESI), which is defined contribution schemes, are charged to the statement of profit and loss on an accrual basis.

(c) Compensated absences:

The Company provides for compensated absences and long term service awards subject to Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date and the awards are accrued based on number of years of service of an employee.

The valuation results for the Gratuity Benefit plan as at 31-03-2022 & 31-03-2021 are produced in the tables below:

INR in Thousands

Particulars	**For the period ending**	
	31-Mar-22 (Ind AS-19)	**31-Mar-21 (Ind AS-19)**
A)Present Value of Benefit Obligations		
Present Value of Obligation as on 01st April 2021	4,574,674	3,112,614
Current Service Cost	1,883,629	1,454,200
Interest Cost	311,078	211,658
Re-measurement (or Actuarial (gain) / loss) arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(344,551)	-
- experience variance (Actual v/s assumptions)	1,034,815	(203,798)
Benefits Paid	(338,032)	-
Present Value of Obligation as on the 31st March 2022	**7,121,613**	**4,574,674**
B) Assets and Liability (Balance Sheet Position)	**31-Mar-22**	**31-Mar-21**
Present Value of Benefit Obligation as on 31-03-2022	(7,121,613)	(4,574,674)
Fair Value of Plan Assets as on 31-03-2022	2,788,741	2,556,171
Net Asset / (Liability)	**(4,332,872)**	**(2,018,503)**
C) Bifurcation of Net Liability:		
Current Liability (Short term)	(854,510)	(84,461)
Non-Current Liability (Long term)	(3,478,362)	(1,934,042)
Total Liability	**(4,332,872)**	**(2,018,503)**

D) Expenses Recognised in the Income Statement		
Current Service Cost	1,883,629	1,454,200
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	135,151	63,357
Expenses Recognised in the Income Statement	**2,018,780**	**1,517,557**
E) Other Comprehensive Income		
Actuarial (gains) / loss on Liability	690,264	(203,798)
Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	5,325	51,132
Total	**695,589**	**(152,666)**
F) Changes In fair value of Plan Assets		
Fair Value of Plan Assets as on 01st April 2021	**2,556,171**	**1,902,788**
Expected return on Plan Assets	175,927	148,301
Company Contribution	400,000	556,214
Benefits Paid	338,032	-
Actuarial (gains) / losses of obligation of plan assets	(5,325)	(51,132)
Fair Value of Plan Assets as on 31st March 2022	**2,788,741**	**2,556,171**
Discount rate (per annum)	6.8%	0
Salary growth rate (per annum)	6.0%	0
Mortality Rate	(% of IALM 12-14)	(% of IALM 12-14)
Attrition rate	19%	5% to 1%
G) Summary of Membership Status		
Number of employees	129	84
Total monthly salary (Rs.)	4,868,707	3,095,249
Average salary	37,742	36,848
Average past service (years)	2.03	2.49
Average age (years)	30.84	32.15
Retirement age (years)	60	60

2.10 Taxation:

Tax expense comprises of current tax and deferred tax. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemptions in accordance with the local tax laws existing in the respective countries.

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

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income. Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The proportionate credit for the taxes paid outside India are generally available for set off against the Indian income tax liability of the Company’s worldwide income.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit has a legally enforceable right and intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The Company recognises interest levied and penalties related to income tax assessments in interest expenses.

2.11 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period.

For calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects 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).

2.12 Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

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 the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.13. Recent 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 March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

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.

The Company does not expect the other amendments to have any impact on the financial statements.

Note-3: Property Plant and Equipment

	Office Equipment	Computers	Total tangible assets
Gross block			
As at 1st April 2020		3,486,765	3,486,765
Additions		3,579,109	3,579,109
As at 31st March 2021	-	7,065,873	7,065,873
Additions	31,998	3,502,353	3,534,351
As at 31st March 2022	**31,998**	**10,568,226**	**10,600,224**
Accumulated depreciation			
As at 1st April 2020		2,195,718	2,195,718
Charge for the year		2,292,400	2,292,400
As at 31st March 2021	-	4,488,118	4,488,118
Charge for the year	5,993	2,977,784	2,983,777
As at 31st March 2022	**5,993**	**7,465,902**	**7,471,895**
Net block			
As at 31st March 2021	-	2,577,755	2,577,755
As at 31st March 2022	**26,005**	**3,102,324**	**3,128,329**

Note-4: Deferred Tax

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Differences in WDV as per tax books and financial books	1,079,947	628,142
Impact of expenditure debited to the statement of profit & loss in the current year but allowed for tax purpose in the next years	3,272,328	3,181,588
Total	**1,131,591**	**990,530**

Note-5.Other non-current assets

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Preincorporation Expenses	-	54,000
Total	**-**	**54,000**

Note-6: Trade Receivables

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Trade Receivables - Billed		
Trade receivables - Billed (unsecured) consist of the following:		
Trade receivables - Billed	40,197,379	12,312,816
Less: Allowance for doubtful trade receivables - Billed	-	-
Considered good	**40,197,379**	**12,312,816**
Trade receivables - Billed	-	-
Less: Allowance for doubtful trade receivables - Billed	-	-
Credit impaired	**-**	**-**
Trade Receivables - Unbilled		
Undisputed dues- Unbilled	-	-
Considered good	**-**	**-**
Total	**40,197,379**	**12,312,816**

Note-7: Cash and Cash Equivalents

Particulars	As at	
	March 31, 2022	March 31, 2021
Cash In Hand	2,108	7,081
Balances with banks		
In Current Account	6,273,132	11,701,503
Total	**6,275,240**	**11,708,584**

Note-8: Other Current Assets

Particulars	As at	
	March 31, 2022	March 31, 2021
Balances with government authorities	1,329,666	2,410,951
Security deposits (Unsecured, considered good)	1,750	1,750
Other loans and advances (unsecured)	524,181	738,728
Prepaid expenses	588,303	214,621
Unamortised Preincorporation expenses	54,000	54,000
Total	**2,497,900**	**3,420,050**

Note-9: Share Capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised				
Equity Shares of Rs.10/- each	1,000,000	10,000,000	1,000,000	10,000,000
Issued				
Equity Shares of Rs.10/- each fully paid	208,188	2,081,880	208,188	2,081,880
Subscribed & Paid up				
Equity Shares of Rs.10/- each fully paid	208,188	2,081,880	208,188	2,081,880
Total	**208,188**	**2,081,880**	**208,188**	**2,081,880**

Reconciliation of number of shares outstanding for the period

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	INR	Number	INR
Equity Shares				
Shares outstanding at the beginning of the year	208,188	2,081,880	208,188	2,081,880
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**208,188**	**2,081,880**	**208,188**	**2,081,880**

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share and all the equity shares carry equal voting rights.

In the event of liquidation of the Company, the equity shareholders 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.

Details of promoters holding more than 5% equity shares in the Company

Particulars	As at				% Change during the year
	March 31,2022		March 31,2021		
	Number	% Share holding	Number	% Share holding	
Tech Mahindra Ltd	208,187	99.9995	208,187	99.9995	-
Perigord Data solutions Ltd, Ireland	1	0.0005	1	0.0001	-
(shares held by Mr. Manohar Alaparthi as nominee of Perigord Data Solutions Ltd)	208,188	100.00	208,188	100.00	-

Note-10: Other Equity

Particulars	As at	
	March 31,2022	March 31,2021
Reserves and Surplus		
Securities premium account		
Opening balance	1,981,880	1,981,880
Add: Premium on shares issued during the year	-	-
Closing balance	1,981,880	1,981,880
General Reserve		
Balance as per last financial statements	21,419,838	11,600,180
Profit/(loss) for the period	13,553,705	9,624,520
Other Comprehensive Income	(502,076)	195,138
Closing balance	34,471,467	21,419,838
Total	**36,453,347**	**23,401,718**

Note-11: Provisions

Particulars	As at	
	March 31,2022	March 31,2021
Provision for employee benefits	3,478,362	1,934,042
Provision for Leave encashment	3,112,329	-
Total	**6,590,691**	**1,934,042**

Note-12: Trade Payables

Particulars	As at	
	March 31,2022	March 31,2021
Total outstanding dues of micro and small enterprises	130,551	92,220
Total outstanding dues of creditors other than micro and small enterprises	2,400,314	259,066
Total	**2,530,864**	**351,285**

Details of dues to micro and small enterprises (suppliers) as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) as per the information provided by the company, are as follows;")

Particulars	As at	
	March 31,2022	March 31,2021
The principal amount and the interest due thereon remaining unpaid to any suppliers at the end of the accounting year	-	-
(i) Principal amount due to suppliers	130,551	92,220
(ii) Interest due on above	-	-
	130,551	**92,220**
Interest on payments beyond the appointed day paid to the suppliers during the year	-	-
Interest due and payable for the delay in making payment to suppliers during the year	-	-
Amount of interest accrued and remaining unpaid to suppliers at the end of the year	-	-
Amount of further interest remaining due and payable to suppliers in succeeding years	-	-

Note-13: Other Current Liabilities

Particulars	As at	
	March 31,2022	March 31,2021
Audit Fees payable	200,000	135,000
Bonus payable	159,999	1,232,292
Other Current Liabilities	61,701	68,501
Statutory Liabilitites	2,214,273	1,308,547
Total	**2,635,973**	**2,744,340**

Note-14: Provisions

Particulars	As at	
	March 31,2022	March 31,2021
Provision for employee benefits	854,510	84,461
Total	**854,510**	**84,461**

Note-15: Other Income

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Reversal of Gratuity fund charges	100,013	
Total	**100,013**	**-**

Note-16: Employee Benefit Expenses

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Salaries and Wages	104,331,452	74,100,799
Bonus	1,802,230	3,294,977
Directors remuneration	6,163,401	4,450,655
Contribution to provident and other funds	5,103,206	3,466,860
Contribution to Gratuity fund	2,018,780	908,071
Staff welfare expenses	1,486,664	1,454,996
Total	**120,905,733**	**87,676,358**

Note-17: Finance Costs

Particulars	For the year ended	
	March 31, 2022	**March 31, 2021**
Gratuity fund charges		100,013
Bank Charges	186,177	1,622
Total	**186,177**	**101,635**

Note-18: Depreciation and amortization expense

Particulars	For the year ended	
	March 31, 2022	**March 31, 2021**
Depreciation of Property, plant and equipment	2,983,777	2,292,400
Amortization of Intangible assets	-	-
Total	**2,983,777**	**2,292,400**

Note-19: Other expenses

Particulars	For the year ended	
	March 31, 2022	**March 31, 2021**
Internet Charges	120,000	182,654
Rent	3,987,529	4,374,431
Electricity and Fuel	688,468	570,390
Repairs and maintenance		
Office	767,908	646,520
Computer	148,391	49,532
Asset insurance	19,468	26,211
Group Insurance	280,740	129,045
Professional and Consultancy charges	614,451	695,108
Travelling and conveyance	105,473	210,946
Professional Tax	5,000	5,000
Rates and Taxes	8,278	-
Non claimable gst	839,195	254,021
Telephone Charges	31,063	32,977
Printing and stationery	5,425	5,536
Security charges	227,800	148,200
Software services	6,213,661	-
Payment to auditor (Refer details below)	250,000	100,000
Interest and Penalties	22,110	2,959
Postage and Courier	42,107	20,280
Training Expenses	733,740	35,503
Payroll Processing Fee	79,611	74,428
Preliminary Expenses Written Off	54,000	54,000
Administrative and other miscellaneous expenses	176,390	137,160
Foreign Exchange Loss	243,782	461,658
Total	**15,664,590**	**8,216,558**

Payment to auditor		
Audit fee	250,000	100,000
	250,000	**100,000**

Note-20: Earning Per Share

Particulars	For the year ended	
	INR	**INR**
Profit after tax	13,553,705	9,624,521
Weighted average number of equity shares in calculating basic and diluted EPS	208,188	208,188
Face value per share	10	10
Earnings per share (EPS) - Basic & Diluted (Rs.)	65.10	46.23

Note-21: Segment information

Business segment:

The Company is engaged in the business of providing services connected to Data processing. As the Company is engaged in only one business segment, the balance sheet as at March 31, 2022 and statement of profit and loss for the year ended then pertain to only one business segment.

Geographical segment:

During the year ended March 31, 2022 under report, the company has engaged in its business only with the companies in Ireland and India,not in any other country.Country wise revenue is disclosed as under;

Particulars	For the year ended		-	
	India	**Ireland**	**India**	**Ireland**
Services during the year	-	160,486,713	-	111,790,223

Note-22: Financial risk management

Financial risk factors:

The Company's activities expose it to a variety of financial risks . 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 primary market risk to the Company is foreign currency risk. 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.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk.

A) Interest rate risk

Interest rate risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The results of the Company's operations are not exposed to Interest rate risk

B) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the rendering of services in Ireland. The exchange rate between the Indian rupee and euro has changed in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are not adversely affected as the receipts from foreign debtors are in regular.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Since the receipts from the counterparty are in regular hence the he results of the Company's operations are not exposed to credit risk.

Liquidity risk

The Company monitors its risk of shortage of funds using cash flow forecasting models. The Company's objective is to provide financial resources to meet its business objective in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 are as follows;

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Trade payables	2,530,864	-	-	2,530,864
Borrowings	-	-	-	-
Other Financial Liabilities	-	-	-	-

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 are as follows;

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Trade payables	1,705,469	-	-	1,705,469
Borrowings	-	-	-	-
Other Financial Liabilities	-	-	-	-

Note -23: Capital Management

The Company's objective when managing capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to its shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long term operating plans.

The funding requirements are met through a mixture of equity and internal fund generation. The Company's policy is to use equity and receivables to meet anticipated funding requirements.

Note-24: Fair value measurement

The carrying value of financial instruments by categories as on March 31st, 2022

Particulars	Amortised cost	Fair value through OCI	Fair value through Profit or Loss	Total
Financial Assets				
Trade Receivables	40,197,379			40,197,379
Cash and Cash Equivalents	6,275,240	-	-	6,275,240
Total	**46,472,619**	**-**	**-**	**46,472,619**
Financial Liabilities				
Trade payables	2,530,864	-	-	2,530,864
Total	**2,530,864**	**-**	**-**	**2,530,864**

The carrying value of financial instruments by categories as on March 31st, 2021

Particulars	Amortised cost	Fair value through OCI	Fair value through Profit or Loss	Total
Financial Assets				
Trade Receivables	12,312,816			12,312,816
Cash and Cash Equivalents	11,708,584	-	-	11,708,584
Total	**24,021,399**	**-**	**-**	**24,021,399**
Financial Liabilities				
Trade payables	1,705,469	-	-	1,705,469
Total	**1,705,469**	**-**	**-**	**1,705,469**

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)

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(Amount in Rupees)

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years	Total
MSME*	120,985	9,566	-	-	-	130,551
Others	434,185	1,372,180	-	-	-	1,806,365
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Disputed dues- Unbilled	-	-	-	-	-	-
Undisputed dues- Unbilled	-	-	-	-	-	-
Intercompany- Unbilled	-	-	-	-	-	-
Intercompany Trade Payables	593,949	1,296,130	-	-	-	1,890,079
Total	**1,149,119**	**2,677,875**	**-**	**-**	**-**	**3,826,994**
Accrued expenses						**261,701**
						4,088,695

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

(Amount in Rupees)

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years	Total
MSME*	191,131	(98,911)	-	-	-	92,220
Others	1,514,338	-	-	-	-	1,514,338
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Disputed dues- Unbilled	-	-	-	-	-	-
Undisputed dues- Unbilled	-	-	-	-	-	-
Intercompany- Unbilled	-	-	-	-	-	-
Intercompany Trade Payables	-	-	-	-	-	-
Total	**1,705,469**	**-98,911**	**-**	**-**	**-**	**1,606,558**
Accrued expenses						**203,501**
						1,810,059

*MSME as per Micro, Small and, Medium and Enterprises Development Act, 2006.

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

(Amount in Rupees)

Particulars	Outstanding for following periods from due date of payments						
	Not Due	Less than 6 months	6 months - 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
Undisputed trade receivables- considered good	23,565,889	16,631,490	-	-	-	-	40,197,379
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed dues- Unbilled	-	-	-	-	-	-	-
Undisputed dues- Unbilled	-	-	-	-	-	-	-
Intercompany- Unbilled	-	-	-	-	-	-	-
Intercompany Trade Receivables	-	-	-	-	-	-	-
Total	**23,565,889**	**16,631,490**	**-**	**-**	**-**	**-**	**40,197,379**

Ageing for trade receivables outstanding as at March 31, 2021 is as follows:

(Amount in Rupees)

Particulars	Outstanding for following periods from due date of payments						
	Not Due	Less than 6 months	6 months - 1 year	1-2 yrs	2-3 yrs	More than 3 years	Total
Undisputed trade receivables- considered good	11,468,954	843,862	-	-	-	-	12,312,816
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed dues- Unbilled	-	-	-	-	-	-	-
Undisputed dues- Unbilled	-	-	-	-	-	-	-
Intercompany- Unbilled	-	-	-	-	-	-	-
Intercompany Trade Receivables	-	-	-	-	-	-	-
Total	**11,468,954**	**843,862**	**-**	**-**	**-**	**-**	**12,312,816**

Note-25: Related party disclosures

a. Names of the related parties and description of relationship:

Nature of relationship	**Name of the related party**
i. Holding Company	Tech Mahindra Ltd
ii. Enterprises where the company exercises significant influence	Perigord Data solutions Ltd, Ireland
iii. key managerial personnel	1. Manohar Alaparthi 2. Alan Martin Leamy 3. Paul Thomas Leamy

b. Summary of transactions with aforesaid parties

	March 31,2022	**March 31,2021**
ii.Enterprises where the company exercises significant influence		
Perigord Data solutions Ltd, Ireland		
Income from services	160,486,713	111,790,223
Software expenses	3,633,349	-
iii.key managerial personnel		
Manohar Alaparthi		
Directors' Remuneration	6,163,401	4,450,655

c. Amount outstanding as at the balance sheet date:

	March 31,2022	March 31,2021
ii. Enterprises where the company exercises significant influence		
Perigord Data solutions Ltd, Ireland		
- Trade receivables	40,197,379	12,312,816
- Trade Payables	9,48,080	-

Note-26: Additional regulatory information

i. Financial Ratios

Ratio	Numerator (1)	Denominator (2)	March'22 (3) = (1)/(2)	March'21 (3) = (1)/(2)	% Variance
Current Ratio	Current Assets	Current Liabilities	6.04	7.53	(1.48)
Return on Equity (ROE)	Net Profit after taxes- Pref Div (If any)	Average Shareholders Equity	41%	48%	-7%
Trade receivable turnover ratio (In times)	Net Credit Sales	Avg. Account Receivables	6.11	11.35	(5.24)
Trade payable turnover ratio (In times)	Net Credit Purchases	Avg. Trade Payables	11	43.57	(33.05)
Net capital turnover ratio	Net Sales	Working Capital (1)	3.93	4.70	(0.77)
Net profit ratio	Net Profit	Net Sales	8.1%	8.8%	-1%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed	54.4%	56.2%	-2%

(1) Current Assets- Current Liabilities

For Perigord Data Solutions India Private Limited

Manohar Alaparthi
Director
DIN : 07185517

Place: Hyderabad
Date: 01st July,2022

TECH MAHINDRA FOUNDATION

Board of Directors

Mr. Keshub Mahindra
Mr. Anand G. Mahindra
Mr. Vineet Nayyar
Mr. C.P. Gurnani
Mr. Ulhas N. Yargop
Ms. M. Rajyalakshmi Rao

Registered Office:

Oberoi Gardens Estate, Chandivali,
Off Saki Vihar Road,
Andheri (E),
Mumbai - 400 072, India

Bankers:

IDBI Bank
Canara Bank
ICICI Bank
Kotak Mahindra Bank Limited
State Bank of India

Auditors:

B. K. Khare & Company
Chartered Accountant

BOARD'S REPORT

Your Directors present their Seventeenth Annual Report of your Company for the year ended 31st March 2022.

FINANCIAL SUMMARY

For the year Ended March 31	2022	2021
	₹ in Lacs	₹ in Lacs
Donations received	**6,635.47**	5,795.11
Interest received on investments	**963.29**	924.72
Expenditure on the objects of the Company	**7,383.20**	6,260.87
Corpus fund	**14,349.79**	13,897.16

REVIEW OF ACTIVITIES

The Foundation was set up in 2006, as a Section 25 Company (referred to as a Section 8 Company in the Companies Act, 2013). Since then, it has worked tirelessly towards the overarching vision of "Empowerment through Education", establishing itself as a prominent CSR player within the Mahindra Group as well as a leading social organization at the national level. The Foundation essentially works with children, youth and teachers from disadvantaged urban communities in India, with a special focus on women and persons with disabilities. During the year under review, Tech Mahindra Foundation has successfully implemented 147 high-impact projects with more than 90 partners, directly benefitting 41,374 individuals. In addition, the Foundation reached out to over a million people across the country through its Covid Relief efforts.

EDUCATION

The key initiatives in the area of School Education include:

ALL ROUND IMPROVEMENT IN SCHOOL EDUCATION (ARISE)

Tech Mahindra Foundation's educational initiatives under ARISE are long-term school improvement programmes, in partnership with local governments and partner organisations. The Foundation in FY 2021-22 worked with 18 government primary schools to turn them around into model schools of excellence. A total of 4,928 students were covered under this programme, of which 2,646 were girls.

During the year, the Foundation expanded its work for children with disabilities through its ARISE+ programme. This programme is a variant of ARISE in which children with disabilities are provided chronic therapy as well as special education to help them lead more fulfilling lives. Through 28 projects, the programme enabled 3,792 children with disabilities to become more independent in managing themselves and better learners. The Foundation is working with some of the most committed NGOs in the disability sector.

SHIKSHAANTAR

Shikshaantar, envisioned as a programme for enhancing capacity of government school teachers, has emerged as an important programme in the education portfolio of the Foundation. TMF works with the Municipal Corporations in East Delhi and North Delhi by running their In-Service Teacher Education Institutes, and during the year under review, as many as 9,573 teachers were trained as part of this initiative. This included specially designed modules for Digital Literacy, Child Safety, Cyber Security and Mental Health that were delivered to the teachers through online sessions. Physical training sessions with teachers resumed in the last few months of the year.

MOBILE SCIENCE LAB

In order to increase the footprint of its work in Education and reach the unreached, TMF had launched a unique initiative in FY 2019-20: The Mobile Science Lab (MSL). For this, a Mahindra bus has been remodeled to be a science lab on wheels and has been going from school to school in East Delhi to provide STEM learning for children in grades 3 and 4 in these schools. The MSL program resumed its operations in FY 2021-22 after a break of over a year, and during the year, as many as 4,590 students and 99 teachers were benefitted.

EMPLOYABILITY

Skills-for-Market Training (SMART) is the Foundation's flagship programme in employability. It is built on the vision of an educated, enabled and empowered India, and the belief that educated and skilled youth are the country's true strength. The programme started with 3 Centres in 2012 and is currently running over 85 Centres at 11 locations across India. These include SMART Centres, SMART+ Centres (training for people with disabilities), and SMART-T Centres (training in technical trades).

In FY 2021-22, your Company trained 16,715 young women and men under its SMART program, of which, 1,529 were persons with disabilities. More than 70% of the graduates are placed in jobs upon successful completion of the training, across multiple industries. The average salaries being earned by the graduates of the SMART program have been steadily rising and crossed ₹ 12,000 per month mark for the first time.

The Foundation's commitment to setting new benchmarks in skill development in India has been underscored by the setting up of Tech Mahindra SMART Academies, which provide the highest quality of skill training to youngsters in Healthcare and Digital Technologies. During FY 2021-22, 1,677 students were trained at the eight Academies that are now functional – 4 in Healthcare, 3 in Digital Technologies and 1 in Logistics.

TMF's work in Covid Relief

Right at the beginning of FY 2021-22, the country was swept by the severe second wave of COVID-19 which had a devastating effect on a large section of the population. Continuing the COVID relief operations of the previous year, Tech Mahindra Foundation reached out to some of the most marginalized and vulnerable communities – distributing ration kits, cooked meals, medical equipment, masks and PPE kits. More significantly, the Foundation managed to donate 20 fully equipped ambulances and install 10 oxygen plants at various charitable hospitals. In all, the COVID relief efforts of the Foundation have impacted over 2.3 million lives in 17 States of India through a wide range of initiatives.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes which will affect the Company.

SIGNIFICANT AND MATERIAL ORDERS / PROCEEDINGS

There are no orders passed by the regulators or courts or tribunals which would impact the going concern status and Company's operations in future.

Further no application against the Company has been filed or is pending under the Insolvency and Bankruptcy Code, 2016, nor the Company has done any one time settlement with any Bank or Financial institutions.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, [Firm Registration No.105102W], the Auditors of your Company, hold office up to the conclusion of the forthcoming Annual General Meeting of the Company. It is proposed to appoint M/s. B. K. Khare & Co., Chartered Accountants, [Firm Registration No.105102W], as Statutory Auditors for a further period of five years i.e. from the conclusion of the Annual General Meeting for the FY 2021-22 till the conclusion of the Annual General Meeting for the FY 2026-27.

Your Company has received a written confirmation from M/s. B. K. Khare & Co., to the effect that their appointment, if made, would be in conformity with the limits prescribed in Section 139 of the Companies Act, 2013. The Company has also received a certificate from the statutory auditors to the effect that they are eligible for appointment in terms of Section 141 of the Companies Act, 2013. The Board recommends the appointment of M/s. B. K. Khare & Co., Chartered Accountants as the Statutory Auditors of the Company for a period of five years i.e. from the conclusion of the Annual General Meeting for the FY 2021-22 till the conclusion of the Annual General Meeting for the FY 2026-27.

Pursuant to the amendment to Section 139 of the Companies Act, 2013 which was notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no longer required.

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2021-22.

SHARE CAPITAL

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 5,00,000 comprising of 50,000 equity shares of Face Value of ₹ 10/- each.

ANNUAL RETURN

The annual return as on the financial year ended 31st March 2022 in Form MGT - 7 is available on the web-link https://techmahindrafoundation.org/reports/

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Conservation of Energy: The operations of the Company are not energy-intensive and hence, the provisions are not applicable.

b) Research and Development: No amount was spent on Research and development during the year under review.

c) Foreign Exchange earnings and outgo: i) Earnings ₹ 147.70 lacs; ii) Outgo ₹ Nil, during the year under review.

DIRECTORS

As per Article 16 of the Articles of Association of the Company, all Directors retire at the ensuing annual general meeting and are eligible for re-appointment.

NUMBER OF MEETINGS OF BORAD

During the year ended 31st March 2022, two Board Meetings were held on, 27th April, 2021 and 23rd October, 2021. The Company being a Section 8 Company, intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans or guarantees or investment under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Indian Accounting Standards (IND AS 24) has been made in the notes to the Financial Statements.

The particulars of related party transactions in prescribed Form AOC - 2 is annexed herewith as **"Annexure 1"**.

RISK MANAGEMENT

The Company risk management is forming part of the internal audit and risk management framework adopted by the Holding Company, wherein the elements of risks are reviewed and audited for the organization as a whole including its subsidiaries.

WHISTLE BLOWER MECHANISM

Whistle Blower mechanism is forming part of the Holding Company's Code of Ethical Business Conduct Policy which is applicable to all its subsidiaries. The policy sets out ways through which the stakeholders can raise concerns that relate to actual or suspected violations to the Corporate Ombudsman office.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company at group level has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up a Committee for implementation of the said policy. During the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134 (5) of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors have prepared the annual accounts on a going concern basis;

(v) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board takes this as an opportunity to thank the promoters and all the stakeholders of the Company for their faith and patronage.

For and on behalf of the Board

Keshub Mahindra
Chairman
(DIN: 00004489)

Place: Mumbai
Date: 25 April, 2022

Annexure 1

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under fourth proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sr No.	Name(s) of the related party	Nature of relationship	Nature of Transaction	Duration of the transactions	Salient Features of the transaction	Transactions value	Justification for transaction	Date(s) of approval by the Board	Amount paid as advances	Date of special resolution
NIL										

2 Details of material contracts or arrangement or transactions at arm's length basis:

Sr No.	Name(s) of the related party	Nature of relationship	Nature of Transaction	Duration of the transactions	Transactions value (in ₹)	% to Consol revenue	Date(s) of approval by the Board, if any	Amount paid as advances
1	Tech Mahindra Limited	Holding Company	CSR contribution as per Companies Act, 2013 for the FY 21-22	April 21 - March 22	465,000,000	NA	Since these RPTs are in the ordinary course of business and are at the arms length basis, approval of the board is not applicable.	NA
2	Tech Mahindra Limited	Holding Company	Other COVID Relief Donation in the FY 21-22	April 21 - March 22	124,000,000	NA		NA
3	Comviva Technologies Limited	Fellow Subsidiary Company	CSR contribution as per Companies Act, 2013 for the FY 21-22	April 21 - March 22	16,738,831	NA		NA
4	Tech Mahindra Business Services Ltd.	Fellow Subsidiary Company	CSR contribution as per Companies Act, 2013 for the FY 21-22	April 21 - March 22	6,987,031	NA		NA
5	Satyam Venture Engineering Services Pvt. Ltd.	Fellow Subsidiary Company	CSR contribution as per Companies Act, 2013 for the FY 21-22	April 21 - March 22	6,600,000	NA		NA
6	Tech Mahindra Technologies INC (Indian Branch)	Fellow Subsidiary Company	CSR contribution as per Companies Act, 2013 for the FY 21-22	April 21 - March 22	3,028,847	NA		NA
7	ZEN3 INFOSOLUTIONS PVT. LTD.	Fellow Subsidiary Company	CSR contribution as per Companies Act, 2013 for the FY 21-22	April 21 - March 22	1,248,549	NA		NA
8	Comviva Technologies Limited	Group Company	Other COVID Relief Donation in the FY 21-22	April 21 - March 22	2,545,801	NA		NA
9	YABX INDIA PVT. LTD.	Group Company	Other COVID Relief Donation in the FY 21-22	April 21 - March 22	88,388	NA		NA

For and on behalf of the Board

Keshub Mahindra
Chairman
(DIN: 00004489)

Place: Mumbai
Date: 25 April, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of,

Tech Mahindra Foundation

Report on the Audit of the Ind AS Financial Statements

Opinion

1. We have audited the financial statements of Tech Mahindra Foundation ("the Company") licensed and registered under Section 8 (erstwhile section 25) of Companies Act 2013, which comprise the Balance sheet as at 31st March 2022, and the Statement of Income and Expenditure (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 (herein after referred to as "Financial Statements").

2. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its surplus, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

4. The Company's Board of Directors and trustees are 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, (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 read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended).

5. 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.

6. 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standard 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.

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

   a. 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.

   b. 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.

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

   d. 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.

   e. 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.

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

10. 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.

11. 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

12. As the Company is licensed and registered under section 8 (erstwhile section 25) of Companies Act, 2013, 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 Companies Act, 2013, does not apply to it as stated under Clause 2(iii) of the said Order.

13. 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 Income and Expenditure, and the Cash Flow Statement 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 (as amended)

   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 and trustees, none of the directors/trustees are disqualified as on 31st March, 2022 from being appointed as a director/trustee 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 with reference to financial Statements.

g. In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year.

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

   i. The Company does not have any pending litigations which would impact its financial position.

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

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

   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 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;

   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 (“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 that we 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 (a) and (b) contain any material misstatement.

   v. The Company has not declared or paid any dividend during the year.

For **B.K. Khare & Co.**
Chartered Accountants
Firm’s Registration No. 105102W

R. D. Onkar
Partner
Membership No. 045716
UDIN: 22045716AIANDM4974
Pune, April 25, 2022

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 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 Tech Mahindra Foundation (“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, 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 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 whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b. 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/trustees of the company; and

c. 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, to the best of our information and according to the explanations given to us, considering guidance given by ICAI in its Guidance Note on the essential Components of Internal Control Over Financial Reporting, the framework of internal control needs to be further strengthened by the Company so as to commensurate with the nature and size of its operations.

For **B.K. Khare & Co.**
Chartered Accountants
Firm’s Registration No. 105102W

R. D. Onkar
Partner
Membership No. 045716
UDIN: 22045716AIANDM4974
Pune, April 25, 2022

TECH MAHINDRA FOUNDATION

BALANCE SHEET AS AT 31 MARCH, 2022

Amount in Rupees

	Note No.	As at March 31, 2022	As at March 31, 2021
EQUITY & LIABILITIES			
(1) SHAREHOLDERS FUND			
(a) Equity Share Capital	2	**500,000**	500,000
(b) Corpus Fund & Other Equities	3	**1,434,978,764**	1,389,715,856
Total Equity		**1,435,478,764**	1,390,215,856
(2) NON CURRENT LIABILITIES			
(a) Long-Term Provisions	4	**4,750,955**	5,223,254
Total Non Current Liabilities		**4,750,955**	5,223,254
(3) CURRENT LIABILITIES			
(a) Financial Liabilities			
(I) Trade Payables			
(1) Dues of micro enterprises and small enterprises	5	**-**	-
(2) Dues of creditors other than micro enterprises and small enterprises	6	**16,153,725**	8,160,041
(II) Other Financials Liabilities	7	**-**	290,424
(b) Other Current Liability	8	**3,788,869**	3,383,378
(c) Provisions	9	**778,734**	670,595
Total Current Liabilities		**20,721,328**	12,504,438
TOTAL EQUITY AND LIABILITIES		**1,460,951,051**	1,407,943,549
ASSETS			
(1) NON CURRENT ASSETS			
(a) Property, Plant & Equipment and In-Tangible Assets			
(i) Property, Plant & Equipment	10	**39,213,654**	41,889,723
(ii) Other In-Tangible Assets	11	**1,651,288**	4,553,890
(b) Financial Assets			
(i) Investments	12	**1,239,889,001**	760,348,851
(ii) Other Financial Assets	13	**3,420,700**	3,420,700
(c) Advance Income Taxes	14	**10,135,390**	15,867,321
Total Non Current Assets		**1,294,310,034**	826,080,485
(2) CURRENT ASSETS			
(a) Current Investments	15	**63,472,851**	408,800,000
(b) Cash & Cash Equivalents	16	**40,162,288**	101,404,311
(c) Other Financial Assets	17	**50,765,482**	61,911,098
(d) Balance with Government Authorities	18	**12,240,396**	9,747,655
Total Current Assets		**166,641,018**	581,863,064
TOTAL ASSETS		**1,460,951,051**	1,407,943,549
Singnificant Accounting Policies	1		
Notes to Financial Statement	2-24	**-**	-

As per our report of even date attached

For B K Khare & Co.	**For Tech Mahindra Foundation**		
Chartered Accountants	**Keshub Mahindra**	**Anand Mahindra**	**Vineet Nayyar**
Firm Registration No.105102W	Director	Director	Director
R.D. Onkar	**Ulhas Yargop**	**M. Rajyalakshmi Rao**	**C. P. Gurnani**
Partner	Director	Director	Director
M No . 045716			
Pune, India	Mumbai, India		
Date: April 25, 2022	Date: April 25, 2022		

STATEMENT OF INCOME AND EXPENDITURE FOR THE PERIOD ENDED 31 MARCH 2022

Amount in Rupees

		Note No.	As at March 31, 2022	As at March 31, 2021
	INCOME			
I	Grant or Donation Received	19	**663,546,582**	579,511,470
II	Other Income	20	**124,803,598**	109,612,283
III	**Total Income (I +II)**		**788,350,180**	689,123,753
IV	**Expenditure**			
	Welfare Project Expenses	21	**547,120,507**	477,382,239
	Employees Benefit Expenses	23	**99,068,189**	93,385,622
	Depreciation & Amortization Expenses		**23,397,691**	26,517,862
	Other expenses	24	**73,500,886**	48,912,615
	Total Expenses		**743,087,272**	646,198,340
V	**Surplus / (Deficit)**		**45,262,908**	42,925,419

As per our report of even date attached

For B K Khare & Co.	For Tech Mahindra Foundation		
Chartered Accountants	**Keshub Mahindra**	**Anand Mahindra**	**Vineet Nayyar**
Firm Registration No.105102W	Director	Director	Director
R.D. Onkar	**Ulhas Yargop**	**M. Rajyalakshmi Rao**	**C. P. Gurnani**
Partner	Director	Director	Director
Membership No.045716			
Mumbai, India	Mumbai, India		
Date - April 25, 2022	Date: April 25, 2022		

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH, 2022

		Amount in Rupees	
		For the year ended	
		March 31, 2022	March 31, 2021
A	**Cash Flow from Operating Activities**		
	Surplus / (Deficit)	**45,262,908**	42,925,419
	Adjustments for :		
	Depreciation and Amortization Expense	**23,397,691**	26,728,458
	Interest Income	**(96,329,307)**	(92,472,963)
		(27,668,708)	(22,819,086)
	Changes in working capital :		
	Trade Receivables and Other Assets	**3,535,690**	(876,834)
	Trade Payables, Other Liabilities and Provisions	**7,744,591**	7,089,121
		11,280,281	6,212,287
	Cash generated from operating activities before taxes	**(16,388,427)**	(16,606,799)
	Income taxes paid, net	**-**	-
	Net cash generated from operating activities (A)	**(16,388,427)**	(16,606,799)
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment, Intangible Assets and Investment property	**(17,819,018)**	(7,882,865)
	Purchase of Treasury Bonds and Bills and Term Deposit (Net)	**(134,213,000)**	(87,107,800)
	Fixed Deposit / Margin Money Placed (Net)		
	Interest income received	**107,178,422**	76,506,909
	Net cash (used in) investing activities (B)	**(44,853,596)**	(18,483,756)
C	**Cash Flow from Financing Activities**		
	Transfer to Corpus	**-**	80,000,000
	Net cash (used in) financing activities (C)	**-**	80,000,000
	Net increase / (decrease) in cash and cash equivalents during the period (D) = (A+B+C)	**(61,242,023)**	44,909,445
	Cash and Cash Equivalents at the beginning of the year (F)	**101,404,311**	56,494,866
	Cash and cash equivalents at the end of the year	**40,162,288**	101,404,311
	Net increase / (decrease) in cash and cash equivalents	**(61,242,023)**	44,909,445

As per our report of even date attached

For B K Khare & Co.		**For Tech Mahindra Foundation**	
Chartered Accountants	**Keshub Mahindra**	**Anand Mahindra**	**Vineet Nayyar**
Firm Registration No.105102W	Director	Director	Director
R.D. Onkar	**Ulhas Yargop**	**M. Rajyalakshmi Rao**	**C. P. Gurnani**
Partner	Director	Director	Director
Membership No.045716			
Mumbai, India	Mumbai, India		
Date - April 25, 2022	Date: April 25, 2022		

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH, 2022

A. Equity Share Capital

Amount in Rupees

Balance as of April 1, 2020	Changes in equity share capital during the period	Balance as at March 31, 2021
500,000	-	500,000

Balance as of April 1, 2021	Changes in equity share capital during the period	Balance as at March 31, 2022
500,000	-	500,000

B. Other Equity

Amount in Rupees

Particulars	Retained Earnings	Total
Balance as at April 1, 2021	**1,389,715,856**	1,389,715,856
Surplus for the period	**45,262,908**	45,262,908
Total income	**45,262,908**	45,262,908
Corpus Donations received	**-**	-
Balance as at March 31, 2022	**1,434,978,764**	1,434,978,764

Amount in Rupees

Particulars	Retained Earnings	Total
Balance as at April 1, 2020	**1,266,790,437**	1,266,790,437
Surplus for the period	**42,925,419**	42,925,419
Total income	**42,925,419**	42,925,419
Corpus Donations received	**80,000,000**	80,000,000
Balance as at March 31, 2021	**1,389,715,856**	1,389,715,856

As per our report of even date attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No.105102W

R.D. Onkar
Partner
Membership No.045716
Mumbai, India
Date - April 25, 2022

For Tech Mahindra Foundation

Keshub Mahindra
Director

Anand Mahindra
Director

Vineet Nayyar
Director

Ulhas Yargop
Director

M. Rajyalakshmi Rao
Director

C. P. Gurnani
Director

Mumbai, India
Date: April 25, 2022

NOTES FORMING PART OF THE BALANCE SHEET AND INCOME EXPENDITURE ACCOUNT

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2022

1. Company Overview:

Tech Mahindra Foundation ("the Company"), a company registered under section 25 of the Companies Act, 1956 (now governed by section 8 of the Companies Act, 2013) was incorporated on March 22, 2006, and In compliance of this new Sec 12AB of the Income Tax Act, 1961 – an application for revalidation is being made to the department and consequently received a fresh registration certificate u/s 12A and 80G which is valid for 5 Assessment Years starting from AY 2022-23

The primary objects of the company are:

i. To provide needy children and/or students with fees, books, equipment, merit based freeships and/or scholarships, food, shelter, training and other help; assist mentally challenged, crippled and physically handicapped children in their rehabilitation through appropriate therapy, education, vocational training and other programs; render assistance to orphaned, indigent and other less privileged children for their subsistence, shelter, education and medical care.

ii. To render assistance to indigent men, women and children for treatment, medical care, health care, preventive medical services which they otherwise cannot afford; to setup and/or operate or to help in setting up and/or operating, hospitals / nursing homes, shelters for the needy; to develop or adopt village(s) or other center(s) for general progress and welfare; to render assistance for appropriate literacy, and vocational training programs for needy persons, provide assistance and social service at the times of natural calamities like famine, fire, earthquake; to render assistance to handicapped, destitute and needy persons.

iii. To conduct education in public health care, sanitation, cleanliness; and to work or provide assistance for such causes; to work for the health, welfare and upliftment of men, women and children in general without any distinction as to community, background, caste, race, language or religion.

2. Significant accounting policies:

(a) Basis for preparation of accounts:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles ("GAAP") in India under historical cost convention and on accrual basis, and are in conformity with mandatory accounting standards, as prescribed under Section 133 of the Companies Act 2013, read with rule 7 of the Companies (accounts) Rules, 2014, and the provisions of the Act (to the extent notified).

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

(b) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities if any) and the reported income and expenses during the year. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to the estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialized.

(c) Revenue recognition:

i) Donations received are credited to the Income & Expenditure Account except those received with a specific direction from the donors that they shall form part of the corpus, which have been accounted for accordingly.

ii) Interest income is recognized on time proportion basis.

iii) Other items of income are accounted for as per the terms of the contract.

(d) Fixed Assets including intangible assets:

Fixed assets are stated at cost less accumulated depreciation. Costs comprise of purchase price and attributable costs, if any.

(e) Depreciation / amortization of fixed assets:

(i) Depreciation on fixed assets is charged based on straight line method as per the life of the assets as assessed based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Estimate of useful life so made is more conservative than estimated useful life as prescribed in schedule II to the Companies Act, 2013.

Computers and Project specific software	3 years
Plant and Machinery	5 years
Furniture and Fixtures	5 years
Office Equipment	5 years
Vehicles	5 years
Leasehold improvements	Amortized over the lease period

(ii) Assets costing up to ₹ 5,000 are fully depreciated in the year of purchase.

(f) Investments:

Long term investments (including current portion thereof) are carried at cost less any other than temporary diminution in the value, determined separately for each investment

Current investments are carried at the lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Income and Expenditure.

(g) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash at bank and in hand and short term bank deposits, if any with original maturity of three months or less.

(h) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same is s below:

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. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in income and expenditure account in the period in which they occur. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's last drawn salary and the tenure of the employment.

The Company has during the year reworked he gratuity payable at the time of retirement, death, incapacitation, termination based on actuarial valuation taking into account the past service period in which the employees rendered their services to the Company.

b. Defined contribution plans:

(i) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the statement of profit and loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

(ii) ESIC:

Contributions to employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the statement of profit and loss on an accrual basis.

The Company has no further obligations for future superannuation fund benefits other than its annual contributions.

(iii) Compensated absences:

The Company provides for compensated absences subject to Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognized in full in the statement of profit and loss in the period in which they occur.

(i) Details of dues to micro and small enterprises as defined under The Micro. Small and Medium Enterprises Development (MSMED) Act 2006:

Based on the information available with the Company, there are no outstanding amounts payable to creditors who have been identified as "suppliers" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

3. Previous year figures have been regrouped wherever necessary.

As per our attached report of even date

For B K Khare & Co.		**For Tech Mahindra Foundation**	
Chartered Accountants	**Keshub Mahindra**	**Anand Mahindra**	**Vineet Nayyar**
	Director	Director	Director
R.D. Onkar	**Ulhas Yargop**	**M. Rajyalakshmi Rao**	**C. P. Gurnani**
Partner	Director	Director	Director
M No: 045716			
Place: Pune	Place: Mumbai,		
Date: April 25, 2022	Date: April 25, 2022		

Note 2 : Equity Share Capital

Particulars	March 31, 2022		March 31, 2021	
	Number	**Rupees**	Number	Rupees
Authorised				
Equity shares of Rs 10/- each	**50,000**	**500,000**	50,000	500,000
Issued, Subscribed and Paid up	**50,000**	**500,000**	50,000	500,000
Adjusted : Issued, Subscribed and Paid up Share Capital	**50,000**	**500,000**	50,000	500,000
Reconciliation of number of Equity Shares and amount outstanding				
Shares outstanding at the beginning of the period	**50,000**	**500,000**	50,000	500,000
Total	**50,000**	**500,000**	50,000	500,000
Adjusted : Issued, Subscribed and Paid up Share Capital	**50,000**	**500,000**	50,000	500,000

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

Name of Shareholder	As at		As at	
	March 31, 2022		March 31, 2021	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Tech Mahindra Limited	**50,000**	**100**	50,000	100

The shares held by Tech Mahindra Limited represent the initial capital contributed by Tech Mahindra Limited as a Settlor of the Trust. Tech Mahindra Limited does not exercise any control over the company

Note 3 : Other Equity

Amount in Rupees

Particulars	As at	
	March 31, 2022	**March 31, 2021**
Corpus Fund		
Opening balance	**1,236,621,656**	1,156,621,656
Add:		
Corpus donations received during the year	**-**	80,000,000
Closing Balance	**1,236,621,656**	1,236,621,656
Retained Earnings		
Opening balance	**153,094,200**	110,168,781
Add:		
Surplus / (Deficit) for the year	**45,262,908**	42,925,419
Closing Balance	**198,357,108**	153,094,200
Total	**1,434,978,764**	1,389,715,856

Note 4 : Long Term Provisions

Amount in Rupees

Particulars	As at	
	March 31, 2022	March 31, 2021
Provision for employee benefits		
- Gratuity	**3,226,379**	2,254,096
- Compensated absences	**1,524,576**	1,179,755
Other Provisions		
- Capital Asset Grant Fund	**-**	1,789,403
Total	**4,750,955**	5,223,254

Note 5: Trade Payables - Dues of Micro & Small Enterprises

Amount in Rupees

Particulars	As at	
	March 31, 2022	March 31, 2021
- Trade Paybles - Dues of Micrs & Small Enterprises	**-**	-
Total	**-**	-

Note 6: Trade Payables - Dues of Creditors Other than Micro & Small Enterprises

Amount in Rupees

Particulars	As at	
	March 31, 2022	March 31, 2021
- Account Payable Exp	**14,790,144**	3,948,738
- Provision of Expenses	**1,363,580**	4,211,303
Total	**16,153,725**	8,160,041

Note 7 : Other Financial Liabilities

Amount in Rupees

Particulars	As at	
	March 31, 2022	March 31, 2021
- Accrued Salaries and Benefits	**-**	290,424
Total	**-**	290,424

Note 8 : Other Current Liabilities

Amount in Rupees

Particulars	As at	
	March 31, 2022	March 31, 2021
- Statutory Dues	**2,929,001**	2,571,638
- Others (refer note below)	**859,869**	-
- Grant Fund	**-**	811,740
Total	**3,788,869**	3,383,378

Note 9 : Provisions - Current

Amount in Rupees

Particulars	As at	
	March 31, 2022	**March 31, 2021**
Provision for employee benefits		
- Gratuity	**392,659**	333,817
- Compensated absences	**386,075**	336,778
Total	**778,734**	670,595

Note 10 : Property, Plant & Equipment

Amount in Rupees

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block
	Cost as at April 01, 2021	Additions	Deletions	Balance as at March 31, 2022	As at April 01, 2021	Depreciation for the period	On Deletions	Upto March 31, 2022	As at March 31, 2022
Computers	41,357,245	2,169,303	-	43,526,548	28,699,183	8,631,311	-	37,330,494	6,196,054
	40,417,185	940,060	-	41,357,245	17,886,556	10,812,627	-	28,699,183	12,658,062
Plant and Equipment	41,253,082	14,326,883	-	55,579,965	21,544,515	8,496,832	-	30,041,347	25,538,618
	38,091,756	3,161,326	-	41,253,082	13,675,910	7,868,605	-	21,544,515	19,708,567
Furniture and Fixtures	16,307,375	769,472	-	17,076,847	9,687,791	2,578,964	-	12,266,755	4,810,092
	14,740,021	1,567,354	-	16,307,375	6,724,898	2,962,893	-	9,687,791	6,619,584
Vehicles	5,623,312	477,960	-	6,101,272	3,107,252	626,480	-	3,733,732	2,367,540
	4,147,184	1,476,128	-	5,623,312	2,069,092	1,038,160	-	3,107,252	2,516,060
Leasehold improvements	430,500	-	-	430,500	43,050	86,100		129,150	301,350
	430,500	-	-	430,500	21,525	21,525		43,050	387,450
Total	104,971,514	17,743,618	-	122,715,132	63,081,791	20,419,686	-	83,501,478	39,213,654
	97,396,146	7,144,868	-	104,971,514	40,356,456	22,682,285	-	63,081,791	41,889,723

Numbers in Italics pertain to the previous year.

Note 11 : Intangible Assets

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block
	Cost as at April 01, 2021	Additions	Deletions	Balance as at March 31, 2021	As at April 01, 2021	Depreciation for the period	On Deletions	Upto March 31, 2021	As at March 31, 2021
Softwares	14,383,200	75,402		14,458,602	9,829,310	2,978,004		12,807,314	1,651,288
	13,645,203	737,997		14,383,200	5,804,661	4,024,649		9,829,310	4,553,890
Total	14,383,200	75,402	-	14,458,602	9,829,310	2,978,004	-	12,807,314	1,651,288
	13,645,203	737,997	-	14,383,200	5,804,661	4,024,649	-	9,829,310	4,553,890

Note 12 : Investments : Non Current

Particulars	As at March 31, 2022	As at March 31, 2021
		Amount in Rupees
Investments		
- Bonds issued by Banks	733,889,001	750,848,851
- Corporate Deposits & FD	506,000,000	9,500,000
Total	**1,239,889,001**	760,348,851

Note 13 : Other Financial Assets : Non Current

Particulars	As at March 31, 2022	As at March 31, 2021
		Amount in Rupees
Security Deposits		
- Unsecured, considered good	**3,420,700**	3,420,700
	3,420,700	3,420,700
Term Deposits with Financial Institutions having maturities of more than 12 months	**-**	-
Total	**3,420,700**	3,420,700

Note 14 : Advance Income Tax

Particulars	As at March 31, 2022	As at March 31, 2021
		Amount in Rupees
- Advance Income Tax	**10,135,390**	15,867,321
Total	**10,135,390**	15,867,321

Note 15 : Investments : Current

Particulars	As at March 31, 2022	As at March 31, 2021
		Amount in Rupees
Investments		
- Bonds issued by Banks	**48,471,450**	-
- Corporate Deposits	**15,001,401**	408,800,000
Total	**63,472,851**	408,800,000

Note 16 : Cash and Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
		Amount in Rupees
Balances with banks:		
- In Saving & Current Account	**40,162,288**	101,404,311
- Cash Balance	**-**	-
Total	**40,162,288**	101,404,311

Note 11 : Other Financial Assets : Current

Amount in Rupees

Particulars	As at	
	March 31, 2022	March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Interest Receivable		
On bank deposits	**-**	
On Term Deposits with Financial Institutions	**15,996,233**	25,307,705
On Treasury Bonds and Bills	**32,330,781**	33,868,424
	48,327,014	59,176,129
Others	**2,438,469**	2,734,969
Total	**50,765,482**	61,911,098

Note 18 : Balance with Government Authorities

Amount in Rupees

Particulars	As at	
	March 31, 2022	March 31, 2021
Balance with Government Authorities	**12,240,396**	9,747,655
Total	**12,240,396**	9,747,655

Note 19 : Donation Income

Amount in Rupees

Particulars	Year ended	
	March 31, 2022	March 31, 2021
- Donation Income	**663,546,582**	579,511,470
Total	**663,546,582**	579,511,470

Note 20 : Other Income

Amount in Rupees

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Interest Income	**96,329,307**	92,472,963
Student Fees and Miscellaneous Income	**28,474,291**	17,139,320
Total	**124,803,598**	109,612,283

Note 21 : Welfare Project Expenses

Amount in Rupees

Particulars	Year ended	
	March 31, 2022	March 31, 2021
- Welfare Project Expenses	**547,120,507**	477,382,239
Total	**547,120,507**	477,382,239

Note 22 : Employee Benefit Expenses

Amount in Rupees

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Salaries and wages	**93,989,556**	87,904,500
Contribution to provident and other funds	**3,193,313**	3,225,060
Gratuity	**1,443,763**	1,852,965
Staff welfare expenses	**441,556**	403,097
Total	**99,068,189**	93,385,622

Note 23 : Other Expenses

Amount in Rupees

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Power and Fuel	**1,258,865**	1,054,033
Rent	**7,218,973**	9,099,681
Communication Expenses	**1,864,417**	1,393,712
Travelling Expenses	**1,885,585**	1,226,767
Training	**2,385,503**	1,084,053
Legal and Other Professional Fees	**27,191,465**	21,031,846
Repair and Maintenance Expenses	**7,666,679**	129,632
Insurance Charges	**2,488,492**	1,195,100
Advertisement, Promotion & Selling Expenses	**6,398,312**	2,531,203
General Office Expenses	**13,947,850**	9,280,830
Miscellaneous Expenses	**137,000**	153,636
CSR Expenses	**1,057,745**	732,122
Total	**73,500,886**	48,912,615

MAHINDRA EDUCATIONAL INSTITUTIONS

Board of Directors
Mr. Vineet Nayyar
Mr. C. P. Gurnani
Mr. Rakesh Soni (upto 18th November, 2021)
Mr. Milind Kulkarni
Mr. Shivanand Raja

Auditors
M/s. M. Bhaskara Rao & Co.,
5-D, Fifth Floor, 'Kautilya'
6-3-652, Somajiguda
Hyderabad-500082

Bankers
HDFC Bank Limited
Kotak Mahindra Bank Limited

Registered Office:
Tech Mahindra Limited, Survey No: 62/1A,
Bahadurpally, Jeedimetla, Hyderabad-500043
Telangana, India

DIRECTORS' REPORT

Your Directors present their Ninth Annual Report of your Company for the year ended 31st March 2022.

FINANCIAL RESULTS

Particulars	**For the year ended March 31, 2022 (₹ in Cr.)**	**For the year ended March 31, 2021 (₹ in Cr.)**
Expenditure on the objects of the Company	**34.48**	66.55
Donations received for University fund, Building & Equipment fund and for operating expenses	**66.19**	46.50

REVIEW OF ACTIVITIES – 2021-22

Mahindra University ("MU") (sponsored by Mahindra Educational Institutions, ("MEI") – a not-for-profit, 100% subsidiary of Tech Mahindra), was notified on 20th May 2020 by the Government of Telangana vide The Telangana State Private Universities (Establishment and Regulation) Act, 2018 for "educating future citizens for and of a better world".

In the Academic Year 2021 the existing Ecole Centrale School of Engineering launched new 4-year UG programs in Nano-Technology, Mechatronics and 2-year PG courses in Computer Aided Structural Engineering (CASE), Autonomous Electric Vehicles (AEV) with an intake of 15 each. PhD programs in Engineering and Humanities were also offered.

Besides the existing Ecole Centrale School of Engineering, in the year 2021, Mahindra University has launched 3 new schools - School of Management, School of Law and Indira Mahindra School of Education. Each of these Schools will run UG, PG and Ph.D. programs. Further, the University has subsequently planned to launch School of Media & Liberal Arts and School of Design in the next 2 years.

Cornell University's SC Johnson College of Business (an ivy league institution located near New York, USA) is the "Academic Partner" for School of Management. Mahindra University's School of Management (MU - SoM) will benefit significantly from Cornell University's expertise in curriculum development, faculty exchange programs including some specialty courses delivery by the Cornell faculty to Mahindra University students, as well as student immersion at Cornell.

The School of Law, Mahindra University, commenced in September 2021, is a new temple of law learning in Hyderabad, founded on the philosophy of securing justice, equality and service to all sections of society. With the ever-changing needs of society, the importance of the discipline of law is developing and gaining focus and influencing the thought process of society for its healthy growth. MU -SOL started with 2 Integrated 5 Year BA LLB (H) & BBA LLB (H) programs with 60 intake each. This school will aim to make a difference to the legal profession and practice by providing a diverse and flexible curriculum and pedagogy, touching on several aspects of domestic and international law appraising the students of the latest trends in academia and practice.

Indira Mahindra School of Education (IMSE) has commenced its academic activities in Fall 2021, with the PhD program. IMSE's vision is to be a focused training ground school for preparing the next generation of teachers and school leaders through study of education where both researchers and practitioners are developed for working in and on educational issues.

In the academic year 2021, a total of 817 students were admitted to the University – of which 757 students in various UG programs, including School of Management and School of Law, 24 students in the PG programs of School of Engineering and 36 students in the Ph.D programs across all the schools.

The University aims to introduce new programs in UG, PG and Ph.D across all the schools and also envisions to establish Center of Life Sciences, Centers of Excellence in Sustainability, Social Initiatives (with empowerment of women as the initial focus area) and Governance by late 2022.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

There was no change in the nature of business.

SIGNIFICANT AND MATERIAL ORDERS / PROCEEDINGS

During the year under review, there were no material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Further no application against the Company has been filed or is pending under the Insolvency and Bankruptcy Code, 2016, nor the Company has done any one time settlement with any Bank or Financial institutions.

FIXED DEPOSITS

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

AUDITORS

M/s. M. Bhaskara Rao & Co., Chartered Accountants, [Firm Registration No.000459S], the Auditors of your Company, hold office up to the conclusion of the forthcoming Annual General Meeting of the Company. It is proposed to appoint M/s. M. Bhaskara Rao & Co., Chartered Accountants, [Firm Registration No. 000459S], as Statutory Auditors for a further period of five years i.e. from the conclusion of the Annual General Meeting for the FY 2021-22 till the conclusion of the Annual General Meeting for the FY 2026-27.

Your Company has received a written confirmation from M/s. M. Bhaskara Rao & Co., to the effect that their appointment, if made, would be in conformity with the limits prescribed in Section 139 of the Companies Act, 2013. The Company has also received a certificate from the statutory auditors to the effect that they are eligible for appointment in terms of Section 141 of the Companies Act, 2013. The Board recommends the appointment of M/s. M. Bhaskara Rao & Co., Chartered Accountants as the Statutory Auditors of the Company for a period of five years i.e. from the conclusion of the Annual General Meeting for the FY 2021-22 till the conclusion of the Annual General Meeting for the FY 2026-27.

Pursuant to the amendment to Section 139 of the Companies Act, 2013 which was notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no longer required.

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2021-22.

SHARE CAPITAL

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 1,00,000/- comprising of 10,000 equity shares of Face Value ₹ 10/- each.

ANNUAL RETURN

The annual return as on the financial year ended 31st March 2022 in Form MGT - 7 is available on the web-link https://files.techmahindra.com/static/img/pdf/mgt7-annual-return-2021-22-MEI.pdf

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars prescribed as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

a) Conservation of Energy: The operations of the Company are not energy-intensive and hence, the provisions are not applicable.

b) Research and Development: ₹ 13.81 Lakhs was spent on Research and development during the year under review.

c) Foreign Exchange earnings and outgo: i) Earnings: ₹ Nil, ii) Expenses: ₹ 247.55 Lakhs.

DIRECTORS

Pursuant to the provisions of section 152(6)(c) of the Companies Act 2013, Mr. Shivanand Raja (DIN: 00130694) is liable to retire by rotation and being eligible offer himself for reappointment.

NUMBER OF MEETINGS OF BORAD

During the year ended March 2022, three Board Meetings were held on 28th April, 2021, 28th October, 2021 and 14th December, 2021. The Company being a Section 8 Company, intervening gap between the meetings was as prescribed under the Companies Act, 2013.

LOANS/ GUARANTEES / INVESTMENTS

The Company has not given / accepted any loans or guarantees during the year under review.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions for the period under review were approved by the Board. Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, Form AOC 2 is annexed to this report as **Annexure A**.

RISK MANAGEMENT

The Company risk management is forming part of internal audit and the risk management framework adopted by the Holding Company, wherein the elements of risks are reviewed and audited for the organization as a whole including its subsidiaries.

WHISTLE BLOWER MECHANISM

Whistle Blower mechanism is forming part of the Holding Company's Code of Ethical Business Conduct Policy which is applicable to all its subsidiaries. The policy sets out ways through which the stakeholders can raise concerns that relate to actual or suspected violations to the Corporate Ombudsman office.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company at group level has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up a Committee for implementation of the said policy. During the year under review the Company has not received any complaint of harassment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed;

ii. They have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March 2022 and of the profit and loss of the Company for the year ended on that date;

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The annual accounts have been prepared on a going concern basis.

v. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board takes this as an opportunity to thank the promoters and all the stakeholders of the Company for their faith and patronage.

For and on behalf of the Board

Vineet Nayyar
Chairman
(DIN: 00018243)

Place: Hyderabad

Date: 5 May, 2022

Annexure A

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under fourth proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sr No.	Name(s) of the related party	Nature of relationship	Nature of Transaction	Duration of the transactions	Salient Features of the transaction	Transactions value	Justification for transaction	Date(s) of approval by the Board	Amount paid as advances	Date of special resolution
NIL										

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr No.	Name(s) of the related party	Nature of relationship	Nature of Transaction	Duration of the transactions	Transactions value (in ₹Cr.)	% to Consol revenue	Date(s) of approval by the Board, if any	Amount paid as advances
1	Tech Mahindra Limited	Holding Company	CSR Contribution Received	April 21 - March 22	62.10	NA	Since these RPTs are in the ordinary course of business and are at the arms length basis, approval of the board is not applicable.	NA
			Rent		11.17			
			Professional Fees		0.08			
2	Tech Mahindra Business Services Ltd	Fellow Subsidiary	Unsecured Loan Received		25.00			
			CSR Contribution Received		1.83			
			Interest Expense		0.24			
3	Born Commerce Pvt. Ltd.	Fellow Subsidiary	CSR Contribution Received		0.52			
4	Comviva Technologies Limited	Fellow Subsidiary	CSR Contribution Received		0.54			
5	Mahindra & Mahindra Limited	Promoter of Holding Company	CSR Contribution Received		0.84			

For and on behalf of the Board

Vineet Nayyar
Chairman
(DIN: 00018243)

Place: Hyderabad

Date: 5 May, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
Mahindra Educational Institutions

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Educational Institutions ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Income and Expenditure, the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial statements").

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 31 March 2022, the surplus, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 issued 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 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 preparation of 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 during the course of our audit, or otherwise appears to be materially misstated.

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 upto 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

This report does not include a statement on matters specified in paragraph 3 and 4 of 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, since in our opinion and according to the information and explanation given to us, the said Order is not applicable to the Company.

1. As required by section 143(3) of the Act, we report that:

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Income and Expenditure, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

    d. in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the rules issued thereunder;

    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 A’; and

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 provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company.

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 Auditor’s) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. there are no pending litigations on or by the Company, the impact of which needs to be disclosed in the financial statements;

   ii. the Company does not have any material foreseeable losses relating to long term contracts, there were no derivative contracts entered into by the Company as at 31 March 2022;

   iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended 31 March 2022.

   iv. (a) the Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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;

   (b) the Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, 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

   (c) Based on audit procedures 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.

   v. The Company has not declared or paid any dividend during the year.

for **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No.000459S

M V Ramana Murthy
Partner
Membership No. 206439
UDIN : 22206439AIMLMS5999

Hyderabad, 05 May 2022

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 to the members of Mahindra Educational Institutions)

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 **Mahindra Educational Institutions** ("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.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 ICAI 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 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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 ICAI.

for **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No.000459S

M V Ramana Murthy
Partner
Membership No. 206439
UDIN: 22206439AIMLMS5999

Hyderabad, 05 May 2022

BALANCE SHEET AS AT 31 MARCH 2022

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	**15,809.48**	3,160.11
Right-of-use assets	4	**4,511.62**	4,566.13
Capital work-in-progress	5	**2,511.43**	7,894.16
Other intangible assets	6	**-**	5.77
Financial assets			
Other financial assets	7	**4,608.96**	4,385.75
Non-Current tax asset (net)	8	**137.25**	112.27
Other non current assets	9	**550.17**	117.06
Total non-current assets		**28,128.91**	20,241.25
Current assets			
Financial assets			
Trade receivables	10	**453.32**	556.40
Cash and cash equivalents	11	**278.97**	441.85
Other financial assets	7	**21.65**	21.16
Other current assets	9	**14.57**	100.97
Total current assets		**768.51**	1,120.38
Total assets		**28,897.42**	21,361.63
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	**1.00**	1.00
Other equity	13	**17,355.43**	11,471.43
Total Equity		**17,356.43**	11,472.43
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	14	**4,286.91**	5,739.05
Other financial liabilities	15	**49.05**	86.01
Provisions	16	**70.71**	122.25
Total non-current liabilities		**4,406.67**	5,947.31
Current liabilities			
Financial liabilities			
Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		**-**	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	17	**1,131.75**	671.16
Lease liabilities	14	**2,615.93**	687.06
Other financial liabilities	15	**65.11**	64.48
Other current liabilities	18	**3,309.53**	2,492.27
Provisions	16	**12.00**	26.92
Total current liabilities		**7,134.32**	3,941.89
Total equity and liabilities		**28,897.42**	21,361.63

See accompanying notes to the financial statements

In terms of our report attached	for and on behalf of the Board of Directors of		
for M. Bhaskara Rao & Co.,	**Mahindra Educational Institutions**		
Chartered Accountants	**CIN: U80300TG2013NPL086878**		
Firm Registration No.000459S			
M.V. Ramana Murthy	**Vineet Nayyar**	**C.P. Gurnani**	**Milind Kulkarni**
Partner	Director	Director	Director
Membership No.206439	DIN:00018243	DIN:00018234	DIN:00012888
Hyderabad, 05 May 2022			

STATEMENT OF INCOME AND EXPENDITURE

for the year ended 31 March 2022

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Fee from Academic Courses	19	**2,307.75**	3,509.53
Donations		**6,619.35**	700.00
Other Income	20	**309.44**	309.42
Total		**9,236.54**	4,518.94
Expenses			
Academic Expenses	21	**338.10**	1,238.79
Employee Benefits Expense	22	**1,008.60**	1,704.75
Finance Cost	23	**507.70**	791.50
Depreciation and Amortization Expense	24	**656.53**	1,228.95
Other expenses	25	**936.92**	1,690.66
Total		**3,447.85**	6,654.65
Surplus Before Tax		**5,788.69**	(2,135.71)
Tax Expense			
Current Tax			-
Deferred Tax			-
Surplus / (Deficit) for the year		**5,788.69**	(2,135.71)
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities / (asset)		**95.31**	132.58
Income tax on items that will not be reclassified to profit or loss		**-**	-
		95.31	132.58
B. Items that may be reclassified to profit or loss		**-**	-
Total other comprehensive income / (loss) for the year		**95.31**	132.58
Total comprehensive income / (loss) for the year		**5,884.00**	(2,003.13)
Earnings per equity share	30		
Basic - (In ₹ per share)		**57,886.90**	(21,357.09)
Diluted - (In ₹ per share)		**57,886.90**	(21,357.09)

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No.000459S

for and on behalf of the Board of Directors of
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

M.V. Ramana Murthy
Partner
Membership No.206439
Hyderabad, 05 May 2022

Vineet Nayyar
Director
DIN:00018243

C.P. Gurnani
Director
DIN:00018234

Milind Kulkarni
Director
DIN:00012888

STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

All amounts are Rupees in lakhs unless otherwise stated

		Year ended 31 March 2022	Year ended 31 March 2021
A.	**Cash flow from operating activities**		
	Surplus before tax	**5,788.69**	(2,135.71)
	Adjustments for		
	Depreciation and Amortization Expense		
	On Tangible assets	**596.24**	557.83
	On Right-of-use assets	**54.51**	658.72
	On Intangible assets	**5.78**	12.39
	Provision for doubtful debts	**-**	10.75
	Interest Cost	**476.73**	782.00
	Interest Income	**(299.38)**	(294.66)
	Operating profit before working capital changes	**6,622.57**	(408.68)
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Other Non-Current Financial Assets	**-**	(0.00)
	Other Non-Current Assets	**(433.11)**	99.68
	Trade receivables	**113.83**	(435.77)
	Other Current Assets	**86.40**	135.69
	Adjustments for increase / (decrease) in operating liabilities:		
	Other Non-Current Financial Liability	**(36.96)**	(36.83)
	Long Term Provisions	**43.77**	57.33
	Trade Payables	**449.87**	183.78
	Other Current Financial Liability	**0.63**	8.17
	Other Current Liabilities	**817.26**	654.55
	Short Term Provisions	**(14.92)**	(3.29)
	Cash generated from operations	**7,649.34**	254.63
	Income Tax paid (Net)	**(24.98)**	(1.69)
	Net cash flow from operating activities (A)	**7,624.36**	252.94
B.	**Cash flow from investing activities**		
	Capital Expenditure on Fixed Assets & Intangible Assets	**(7,862.92)**	(3,236.73)
	Investments in Bank Deposits	**(223.21)**	(2,075.49)
	Redemption or Maturity of Bank Deposits	**-**	1,710.00
	Interest Received	**298.89**	293.33
	Net cash flow used in investing activities (B)	**(7,787.24)**	(3,308.89)
C.	**Cash flow from financing activities**		
	Amounts received towards Building and Equipment Fund	**-**	3,950.00
	Amounts received towards University Corpus Fund	**-**	-
	Payment of Lease liability	**-**	(926.87)
	Net cash flow from financing activities (C)	**-**	3,023.13
	Net increase / (decrease) in cash and cash equivalents	**(162.88)**	(32.82)
	Cash and cash equivalents at the beginning of the year	**441.85**	474.67
	Cash and cash equivalents at the end of the year	**278.97**	441.85

See accompanying notes to the financial statements

In terms of our report attached	for and on behalf of the Board of Directors of		
for M. Bhaskara Rao & Co.,	**Mahindra Educational Institutions**		
Chartered Accountants	**CIN: U80300TG2013NPL086878**		
Firm Registration No.000459S			
M.V. Ramana Murthy	**Vineet Nayyar**	**C.P. Gurnani**	**Milind Kulkarni**
Partner	Director	Director	Director
Membership No.206439	DIN:00018243	DIN:00018234	DIN:00012888
Hyderabad, 05 May 2022			

STATEMENT OF CHANGES IN EQUITY FOR

the year ended 31 March 2022

All amounts are Rupees in lakhs unless otherwise stated

A. Equity Share Capital	Amount
Issued and paid up equity share capital	
Balance as at 31 March 2020	1.00
Changes in equity share capital during the year	-
Balance as at 31 March 2021	1.00
Changes in equity share capital during the year	-
Balance as at 31 March 2022	**1.00**

B. Other Equity

Particulars	Reserves & Surplus				Items of Other Comprehensive Income (OCI)	Total
	Corpus Fund	University Corpus Fund	Building and Equipment Fund	Retained Earnings	Remeasurements of net defined benefit plans	
Balance as at 31 March 2020	1,166.00	4,000.00	8,185.00	(3,780.77)	(45.67)	9,524.55
Surplus for the year	-	-	-	(2,135.71)	-	(2,135.71)
Other Comprehensive Income (net of income tax)	-	-	-	-	132.58	132.58
Total comprehensive income for the year	-	-	-	(2,135.71)	132.58	(2,003.13)
Contributions received during the year	-	-	3,950.00	-	-	3,950.00
Balance as at 31 March 2021	1,166.00	4,000.00	12,135.00	(5,916.48)	86.91	11,471.43
Surplus for the year	-	-	-	5,788.69	-	5,788.69
Other Comprehensive Income (net of income tax)	-	-	-	-	95.31	95.31
Total comprehensive income for the year	-	-	-	5,788.69	95.31	5,884.00
Contributions received during the year	-	-	-	-	-	-
Balance as at 31 March 2022	**1,166.00**	**4,000.00**	**12,135.00**	**(127.79)**	**182.22**	**17,355.43**

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No.000459S

M.V. Ramana Murthy
Partner
Membership No.206439
Hyderabad, 05 May 2022

for and on behalf of the Board of Directors of
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

Vineet Nayyar
Director
DIN:00018243

C.P. Gurnani
Director
DIN:00018234

Milind Kulkarni
Director
DIN:00012888

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

1. Corporate Information

Mahindra Educational Institutions ("the Company") incorporated as a Not-for-Profit Company with main objects to establish institutions of higher learning such as setting up of universities, colleges, academics and research institutes, encouraging education and research work in different disciplines, to promote innovation and technology development, to collaborate and / or affiliate with other universities in India for the cause of promoting high quality higher education within India.

2. Significant accounting policies

2.1 Statement of Compliance

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2022 were approved by the Board of Directors and authorised to issue on 05 May 2022.

2.2 Basis for preparation of financial statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or 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. Fair value for measurement and / or disclosure purpose in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of Estimates

The preparation of these standalone financial statements requires the management of the Company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

2.4 Property, Plant & Equipment and Other Intangible assets

Property, Plant & Equipment and Other intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciation / amortization of Property, Plant & Equipment and Other Intangible assets

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as per the technical estimates of the Management. The estimated useful lives and residual values of the tangible and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Particulars	Useful life
Buildings	28 Years
Computers	3 Years
Furniture and fistures	5 Years
Library Books	3 Years
Plant and Machinery	5 Years
Software	1 Years
Vehicles	5 Years
Assets below ₹ 5000	Same Year

2.5 Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves:

(a) the use of an identified asset,

(b) the right to obtain substantially all the economic benefits from use of the identified asset, and

(c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Company applies Ind AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in consolidated statement of income.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease payments have been classified as cash used in Financing activities.

2.6 Impairment of Assets

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortised cost is measured at 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. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognised impairment is reversed through Statement of Income and Expenditure.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Income and Expenditure.

2.7 Revenue recognition

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 products or services.

Arrangements with customers for services i.e. students are mainly on a time bound fixed price basis.

Revenue from fixed-price, 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 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 (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as deferred revenues).

In arrangements for educational services with customers, the company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering educational services and other related services as distinct performance obligations. For allocating the transaction price, the company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For time and material related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The company accounts for discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount / incentive varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract 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 presents revenues net of indirect taxes in its statement of Profit and loss.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

2.8 Donations / Funds received

Donations received are accounted as contributions to corpus fund or treated as revenue based on the directions from the donor.

a) Corpus Fund

Donations received from donors with a direction for utilisation towards capital expenditure are treated as corpus fund.

b) Building and Equipment Fund

Donations received from donors with a direction for utilisation towards development of infrastructure facilities including buildings and equipment are treated as building and equipment fund.

c) University Fund

Donations received from donors with a direction for utilisation towards requirements of the Institution

2.9 Foreign currency transactions

The functional currency of the Company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities of foreign operations are restated into the functional currency using exchange rates prevailing on the date of the Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the Statement of Income and Expenditure.

2.10 Foreign Operations

For the purpose of these financial statements, the assets and liabilities of the Company's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

2.11 Financial Instruments

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

Financial assets and 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 measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in Statement of Income and Expenditure.

i) Non-derivative financial instruments

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order 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.

Financial assets at fair value

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Income and Expenditure.

Financial liabilities

Financial liabilities at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Income and Expenditure.

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.

2.12 Employee Benefits

a) Gratuity

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for the Company. Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur.

b) Provident fund

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Income and Expenditure on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner. The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

c) Compensated absences

The employees are entitled to accumulate leave subject to certain limits. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for the Company. The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Other Comprehensive Income in the period in which they occur.

2.13 Taxation

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

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 income tax liability is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, 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.

Deferred income tax asset are recognised 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.

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

Tax on distributed profits payable in accordance with the provisions of the Income-Tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the Institute of Chartered Accountants of India (ICAI)

2.14 Earnings per Share

Basic earnings/ (loss) per share are calculated by dividing the net surplus / (deficit) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings / (loss) per share, the net surplus / (deficit) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.15 Provision, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.

2.16 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1inputs are not available, the Company engages third party qualified valuers to perform the valuation . Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Executive Officer reports to the board of fluctuations in the fair value of the assets and liabilities.

Provision for employee benefits

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

Provision for taxes

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

2.17 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 March 23, 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 recognised 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 April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

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 labour, 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 April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

3. Property, Plant and Equipment

	As at 31 March 2022	As at 31 March 2021
Buildings	**11,490.12**	2,309.63
Plant and Machinery	**1,889.63**	293.63
Leasehold Improvements	**828.52**	
Computers	**34.99**	121.65
Office Equipment	**36.38**	67.55
Furniture and Fixtures	**1,416.06**	182.77
Library Books	**1.22**	1.10
Vehicles	**7.41**	11.46
Lab Equipments	**105.14**	172.32
	15,809.48	3,160.11

	Buildings	Plant and Machinery	Leasehold Improvements	Computers	Office Equipment	Furniture and Fixtures	Library Books	Vehicle	Lab Equipments	Total
3.1Cost or deemed Cost										
Balance as at 01 April 2020	2,488.14	387.73	-	892.81	231.40	388.13	169.69	20.22	1,096.42	5,674.54
Additions	457.02	186.59	-	28.51	18.83	120.25	0.81	-	30.20	842.20
Disposals/Adjustments	-	-	-	-	-	-	(2.49)	-	-	(2.49)
Balance as at 31 March 2021	**2,945.16**	**574.32**	**-**	**921.32**	**250.23**	**508.38**	**168.01**	**20.22**	**1,126.62**	**6,514.25**
Balance as at 01 April 2021	2,945.16	574.32	-	921.32	250.23	508.38	168.01	20.22	1,126.62	6,514.25
Additions	9,301.52	1,747.34	833.72	0.07	-	1,339.78	0.87	-	22.35	13,245.65
Disposals/Adjustments	-	-		-	-	-	-	-	-	-
Balance as at 31 March 2022	**12,246.68**	**2,321.66**	**833.72**	**921.38**	**250.23**	**1,848.16**	**168.87**	**20.22**	**1,148.97**	**19,759.89**
3.2 Accumulated depreciation										
Balance as at 01 April 2020	542.22	191.82	-	673.34	144.81	241.45	167.30	4.72	833.13	2,798.79
Additions	93.31	88.86	-	126.32	37.88	84.17	2.09	4.04	121.16	557.83
Disposals/Adjustments	-	-	-	-	-	-	(2.49)	-	-	(2.49)
Balance as at 31 March 2021	**635.53**	**280.68**	**-**	**799.66**	**182.69**	**325.61**	**166.90**	**8.76**	**954.30**	**3,354.14**
Balance as at 01 April 2021	635.53	280.68	-	799.66	182.69	325.61	166.90	8.76	954.30	3,354.14
Additions	121.04	151.34	5.20	86.73	31.17	106.48	0.75	4.04	89.53	596.28
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	**756.57**	**432.03**	**5.20**	**886.39**	**213.85**	**432.10**	**167.65**	**12.81**	**1,043.83**	**3,950.42**
3.3 Carrying Amount										
Balance as at 31 March 2021	2,309.63	293.63	-	121.65	67.55	182.77	1.10	11.46	172.32	3,160.11
Balance as at 31 March 2022	11,490.12	1,889.63	828.52	34.99	36.38	1,416.06	1.22	7.41	105.14	15,809.48

		As at 31 March 2022	As at 31 March 2021
4	**Right-of-use assets**		
4.1	**Land and Buildings**		
4.1.1	**Gross carrying value**		
	Opening Balance	5,862.18	11,580.17
	Additions	-	-
	Disposals/Adjustments	-	5,717.99
	Closing Balance	**5,862.18**	5,862.18
4.1.2	**Accumulated depreciation**		
	Opening Balance	(1,296.05)	(637.33)
	Depreciation	(54.51)	(658.72)
	Disposals/Adjustments	-	-
	Closing Balance	**(1,350.56)**	(1,296.05)
4.1.3	**Net Carrying Amount**	**4,511.62**	4,566.13
5	**Capital work-in-progress**		
	Capital work-in-progress	2,511.43	7,894.16
	Total	**2,511.43**	7,894.16

5.1 Ageing of Capital Work in Progress as on 31 March 2022

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress					
Infra	143.48	-	-	-	143.48
Infra LC Blocks	174.50	3.33	-	-	177.83
Infra MEI - 2nd Floor Class rooms	108.08	-	-	-	108.08
Infra MEI - Academics	192.42	14.41	-	-	206.83
Infra MEI - Dorms	685.71	-	-	-	685.71
Phase 2 Boys Hostel	-	-	-	1,172.64	1,172.64
Phase 3	16.87	-	-	-	16.87
	1,321.06	17.73	-	1,172.64	2,511.43

Ageing of Capital Work in Progress as on 31 March 2021

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress					
Infra	89.62	-	-	-	89.62
Infra LC Blocks	3.70	-	-	-	3.70
Infra MEI - Academics	14.41	-	-	-	14.41
Phase 1 Girls Hostel	152.13	-	-	-	152.13
Phase 2 Boys Hostel	2,615.28	2,328.12	2,134.06	510.94	7,588.41
STP Plush	45.90	-	-	-	45.90
	2,921.02	2,328.12	2,134.06	510.94	7,894.16

		As at 31 March 2022	As at 31 March 2021
6	**Other intangible assets**		
	Software	-	5.77
		-	**5.77**
6.1	**Software**		
6.1.1	**Cost or Deemed Cost**		
	Opening Balance	521.96	508.37
	Additions during the year	-	13.59
	Disposals/Adjustments during the year	-	-
	Closing Balance	**521.96**	521.96
6.1.2	**Accumulated depreciation**		
	Opening Balance	516.19	503.80
	Amortisation for the year	5.77	12.39
	Disposals / Adjustments	-	-
	Closing Balance	**521.96**	516.19
6.1.3	**Carrying Amount**	**-**	**5.77**

		As at 31 March 2022	As at 31 March 2021
7	**Other financial assets**		
7.1	**Non-Current**		
	Investments in term deposits with Scheduled Banks	4,588.69	4,365.48
	(with remaining maturity of more than twelve months)		
	[Refer Note 26.2, of the above ₹10 Crores earmarked for Corpus Fund, ₹30 Crores as Fixed Deposit and ₹150 Crores as Endowment Fund earmarked in terms of the LOI]		
	Security Deposits	20.27	20.27
	Total	**4,608.96**	4,385.75
7.2	**Current**		
	(Unsecured, considered good)		
	Interest Receivable on deposits with Banks	21.65	21.16
	Total	**21.65**	21.16
8	**Non-Current tax asset (net)**		
	Tax Deducted at Source	137.25	112.27
	Total	**137.25**	112.27
9	**Other assets**		
9.1	**Non-Current**		
	(Unsecured, considered good)		
	Capital Advances	550.17	117.06
	Total	**550.17**	117.06

		As at 31 March 2022	As at 31 March 2021
9.2	**Current**		
	(unsecured, considered good)		
	Loans and Advances to Employees	0.17	2.27
	Prepaid expenses	12.32	45.14
	Others	2.08	53.56
	Total	**14.57**	100.97
10	**Trade receivables**		
	(a) Secured, considered good	-	-
	(b) Unsecured, considered good	453.32	556.40
	(c) Trade receivables which have significant increase in Credit Risk	-	-
	(d) Trade receivables - Credit Impaired	3.85	11.65
	Less: allowance for expected credit loss	(3.85)	(11.65)
	Total	**453.32**	556.40
10.1	**Of the above, trade receivables from:**		
	Related parties	-	-
	Others	453.32	556.40
	Total	**453.32**	556.40

10.2 Ageing of Trade Receivables

		Outstanding for following periods from due date of payment as on 31 March 2022						
		Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
(a)	Undisputed trade receivables - considered good	-	**308.64**	**72.70**	**71.59**	-	**0.40**	**453.32**
(b)	Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(c)	Undisputed trade receivables - credit impaired	-	-	-	-	**3.85**	-	**3.85**
(d)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(e)	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(f)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-

		Outstanding for following periods from due date of payment as on 31 March 2021						
		Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
(a)	Undisputed trade receivables - considered good	-	446.49	75.47	34.03	-	0.40	556.40
(b)	Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(c)	Undisputed trade receivables - credit impaired	-	-	-	-	11.65	-	11.65
(d)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(e)	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(f)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-

		As at 31 March 2022	As at 31 March 2021
10.3	**Classification of trade receivables**		
	Non-Current		-
	Current	453.32	556.40
	Total	**453.32**	556.40
10.4	**Movement in allowance for expected credit loss**		
	Balance at the beginning of the year	11.65	0.91
	Add: Allowance for expected credit loss	-	11.65
	Less: Provision write back	7.80	-
	Less: Receivables written off	-	0.91
	Balance at the end of the year	**3.85**	11.65
11	**Cash and cash equivalents**		
	Balances with scheduled banks		
	In Savings accounts	278.47	441.35
	In Current accounts	0.50	0.50
	Total	**278.97**	441.85

12 Equity Share capital

	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Authorised Share Capital				
Equity share capital of ₹10 each	**10,000**	**1.00**	10,000	1.00
Issued, Subscribed and Fully Paid up				
Equity share capital of ₹10 each	**10,000**	**1.00**	10,000	1.00

12.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Equity share capital of ₹10 each				
Balance as at beginning of the year	**10,000**	**1.00**	10,000	1.00
Issued during the period				
Balance as at end of the year	**10,000**	**1.00**	10,000	1.00

12.2 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of ₹10 each fully paid held by				
Tech Mahindra Limited*	**10,000**	**1.00**	10,000	1.00

* includes 200 equity shares held jointly with others (31 March 2021: 200 equity shares held jointly with directors)

12.3 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	**% of holding**	Number of Shares	% of holding
Equity shares of ₹10 each fully paid held by				
Tech Mahindra Limited*	**10,000**	**100%**	10,000	100%

* includes 200 equity shares held jointly with others (31 March 2021: 200 equity shares held jointly with directors)

12.4 Details of shares held by promoters

	As at 31 March 2022		
	Number of Shares	**% of total shares**	**% Change during the year**
Equity shares of ₹10 each fully paid held by			
Tech Mahindra Limited*	10,000	100%	-

* includes 200 equity shares held jointly with others (31 March 2021: 200 equity shares held jointly with directors)

12.5 Rights, preferences and restrictions attached to equity shares

The equity shares of the Company having par value of ₹10/- per share, rank pari passu in all respects. Repayment of the capital in the event of wining up of the Company will inter alia be subject to the provisions of Companies Act, 2013 and the Articles of Association of the Company and the same shall not be distributed amongst the members of the Company but shall be given or transferred to such other Company having objects similar to the objects of the Company to be determined by the members of the Company at or before the time of dissolution.

		As at 31 March 2022	As at 31 March 2021
13	**Other equity**		
	Corpus Fund	**1,166.00**	1,166.00
	University Fund	**4,000.00**	4,000.00
	Building and Equipment Fund	**12,135.00**	12,135.00
	Retained Earnings	**(127.79)**	(5,916.48)
	Items of Other Comprehensive Income		
	Remeasurement of defined benefit plans	**182.22**	86.91
	Total	**17,355.43**	11,471.43
13.1	**Corpus Fund**		
	Opening balance	**1,166.00**	1,166.00
	Contributions received during the year	**-**	-
	Closing balance	**1,166.00**	1,166.00
13.2	**University Fund**		
	Opening balance	**4,000.00**	4,000.00
	Contributions received during the year	**-**	-
	Closing balance	**4,000.00**	4,000.00
13.3	**Building and Equipment Fund [Refer note 34]**		
	Opening balance	**12,135.00**	8,185.00
	Contributions received during the year	**-**	3,950.00
	Closing balance	**12,135.00**	12,135.00

		As at 31 March 2022	As at 31 March 2021
13.4	**Retained Earnings**		
	Opening balance	**(5,916.48)**	(3,780.77)
	Surplus / (Deficit) for the year	**5,788.69**	(2,135.71)
	Closing balance	**(127.79)**	(5,916.48)
13.5	**Other Comprehensive Income accumulated in Other Equity, net of tax**		
	Remeasurement of defined benefit plans		
	Opening balance	**86.91**	(45.67)
	Surplus / (Deficit) for the year	**95.31**	132.58
	Closing balance	**182.22**	86.91

13.6 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

		As at 31 March 2022	As at 31 March 2021
14	**Lease liabilities**		
14.1	**Non-Current**		
	Lease liabilities	**4,286.91**	5,739.05
	Total	**4,286.91**	5,739.05
14.2	**Current**		
	Lease liabilities	**2,615.93**	687.06
	Total	**2,615.93**	687.06
15	**Other financial liabilities**		
15.1	**Non-Current**		
	Caution Deposit from students	**49.04**	86.01
	Total	**49.04**	86.01
15.2	**Current**		
	Caution Deposit from students	**65.11**	64.48
	Total	**65.11**	64.48
16	**Provisions**		
16.1	**Non-Current**		
	Provision for Employee Benefits [Refer note 31]		
	Compensated Absences	**26.41**	47.27
	Gratuity	**44.30**	74.98
	Total	**70.71**	122.25
16.2	**Current**		
	Provision for Employee Benefits [Refer note 31]		
	Compensated Absences	**6.58**	13.69
	Gratuity	**5.42**	13.23
	Total	**12.00**	26.92

		As at 31 March 2022	As at 31 March 2021
17	**Trade payables**		
	(a) total outstanding dues of micro enterprises and small enterprises	**-**	-
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	**1,131.75**	671.16
	Total	**1,131.75**	671.16
17.1	**Of the above, Trade payables from:**		
	Related parties [Refer note 28]	**265.65**	37.26
	Others	**866.10**	633.90
		1,131.75	671.16

17.2 Ageing of Trade Payables

	Outstanding for following periods from due date of payment as on 31 March 2022					
	Not Due	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
MSME	**-**	**-**	**-**	**-**	**-**	**-**
Others	**869.80**	**244.33**	**1.68**	**-**	**15.94**	**1,131.75**
Disputed dues - MSME	**-**	**-**	**-**	**-**	**-**	**-**
Disputed dues - Others	**-**	**-**	**-**	**-**	**-**	**-**

	Outstanding for following periods from due date of payment as on 31 March 2021					
	Not Due	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
MSME	-	-	-	-	-	-
Others	665.52	-	0.67	-	4.96	671.16
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Trade payable include dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:

		As at 31 March 2022	As at 31 March 2021
a)	Principal amount remaining unpaid	**-**	-
b)	Interest due thereon	**-**	-
c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	**-**	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-
e)	Interest accrued and remaining unpaid	**-**	-
f)	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 enterprises.	**-**	-

		As at 31 March 2022	As at 31 March 2021
18	**Other current liabilities**		
	Statutory payables	**112.18**	55.15
	Deferred revenue	**652.98**	830.64
	Fee received in advance	**165.88**	16.18
	Retention money	**897.50**	370.72
	Research advance	**45.82**	53.00
	Payable to Mahindra University	**1,435.17**	1,166.46
	Others	**-**	0.12
	Total	**3,309.53**	2,492.27

		Year Ended 31 March 2022	Year Ended 31 March 2021
19	**Fee from Academic Courses**		
	Academic Fee	**1,961.09**	2,788.83
	Hostel Fee	**346.66**	663.45
	Gymkhana Fee	**-**	57.25
	Total	**2,307.75**	3,509.53
20	**Other Income**		
	Interest on Bank Deposits	**248.55**	243.22
	Interest on savings account	**50.83**	51.44
	Miscellaneous income	**10.06**	14.75
	Total	**309.44**	309.42
21	**Academic Expenses**		
	Affiliation Fees	**251.39**	963.36
	Ecole Centrale Paris Charges	**65.39**	232.43
	Seminars and Conferences	**0.06**	8.09
	Laboratory expenses	**6.70**	9.01
	Research expenses	**13.81**	22.98
	Other expenses	**0.75**	2.92
	Total	**338.10**	1,238.79
22	**Employee Benefits Expense**		
	Salaries and wages	**921.15**	1,548.91
	Contribution to provident and other funds	**64.72**	116.55
	Gratuity	**20.51**	38.81
	Staff welfare	**2.22**	0.49
	Total	**1,008.60**	1,704.75
23	**Finance Cost**		
	Interest on Caution Deposit	**6.88**	9.50
	Interest expenses on lease liabilities	**476.73**	782.00
	Interest on inter corproate loan	**24.09**	-
	Total	**507.70**	791.50

		Year Ended 31 March 2022	Year Ended 31 March 2021
24	**Depreciation and Amortization Expense**		
	On Tangible assets	**596.24**	557.83
	On Right-of-use assets	**54.51**	658.72
	On Intangible assets	**5.78**	12.39
	Total	**656.53**	1,228.95

		As at 31 March 2022	As at 31 March 2021
25	**Other expenses**		
	Rent	**383.60**	-
	Rates and taxes	**11.48**	366.86
	Power and fuel	**45.33**	103.53
	Printing and Stationery	**0.32**	6.35
	Books and Periodicals	**15.89**	47.83
	Travelling and Conveyance	**1.95**	7.98
	Communication	**7.02**	70.54
	Advertisement and Publicity	**4.87**	243.05
	Recruitment expenses	**0.35**	1.73
	Repair and Maintenance	**137.96**	270.69
	Security Charges	**38.63**	68.23
	General Office Expenses	**66.38**	204.86
	Legal and Professional Charges [Refer note 25.1]	**76.51**	148.00
	Catering expenses	**118.82**	100.02
	Provision for Doubtful Debts	**-**	10.75
	Bank Charges	**0.05**	0.12
	Miscellaneous expenses	**21.38**	37.48
	Honarorium	**0.20**	2.65
	Total	**936.92**	1,690.66

25.1	**Auditors' Remuneration included under Legal and Professional Charges (excluding service tax/Good and service tax)**		
	for Statutory Audit	**3.50**	3.50
	for Tax Audit	**1.50**	1.50
	Total	**5.00**	5.00

26	**Commitments and Contingencies**		
26.1	Estimated amount of contracts remaining to be executed on capital account and not provided for	**1,396.80**	5,787.55

26.2 Sponsoring Body Obligations

The Mahindra Educational Institutions (“MEI”), as sponsoring body, under The Telangana State Private Universities (Establishment and Regulation) Act, 2018 (“the Act”) established a private University viz Mahindra University (“”MU””) in accordance with section 10 of the Act.

In terms of approval by the Telangana State Government and no objection from Jawaharlal Nehru Technology Institute (‘JNTU’), MEI would continue the academic activity for existing students under JNTU and any fresh admissions would be under MU. The infrastructure, relating to academic activity would vest with MU. Accordingly, MEI would cease to carry on activities of MEC over a period of three years upon establishment of MU and would continue its charitable activity in academics through MU as Sponsoring Body.

The Sponsoring Body, MEI under the Act, has given certain financial assurances and agreed to provide initial infrastructure necessary to commence the academic activities of the University as per the LOI.

As a Sponsoring Body, the MEI has following obligations in terms of the LOI:

a) Following two parcels of land to be registered in its name within a period of six months: 5 Acres 20 guntas and 16 Acres .056 guntas which are leased for a period of 29 years 10 months. This has been subsequently amended to include perpetual irrevocable lease in the name of sponsoring body for 90 years period of time and MEI complied with the requirement.

b) Establish corpus fund of ₹10.00 crores

c) Continue ₹30 Crores in the form of fixed deposit for a period of 3 years to support the various activities like construction of buildings, infrastructure and campus development etc.

d) Maintain endowment fund of 1% of the Project cost or ₹10 Crores whichever is lower

e) Furnish sale / gift deed of the land favouring sponsoring body (amended to lease vide 1 above) and allocating the land exclusively to MU.

The MEI has made deposits and held in its name against its obligation as sponsoring body. The MEI has made a deposit of ₹1.50 Crores in the name of MU and State Government of Telangana towards endowment fund obligation and would transfer to MU in due course.

26.3 Contingent Liabilities - Nil [31 March 2021: ₹ Nil]

27 Operating Leases

Rental expenses of ₹383.60 Lakhs [31 March 2021 : Nil] has been charged to Statement of Income and Expenditure in respect of cancellable operating leases.

28 Related Party Transactions

28.1 Following is the list of related parties and their relationships

	Party Name	**Relationship**
1	Tech Mahindra Limited	Holding Company
2	Mahindra and Mahindra Limited	Enterprise having significant influence over holding company
3	Tech Mahindra Business Services Ltd	Fellow Subsidiary
4	Born Commerce Private Limited	Fellow Subsidiary
5	Comviva Technologies Limited	Fellow Subsidiary

28.2 Related party transactions during the year

	As at 31 March 2022	As at 31 March 2021
Tech Mahindra Limited (Holding Company)		
Donations Received	**6,210.00**	700.00
Building and Equipment fund	**-**	3,950.00
Lease Liabiltiy	**-**	(5,717.99)
Interest expense on lease liabilities	**476.73**	782.00
Professional fees	**8.03**	11.09
Rent	**1,116.69**	1,106.17
Mahindra & Mahindra Limited (Promotor of Holding Company)		
Donations Received	**84.13**	-
Tech Mahindra Business Services Limited (Fellow Subsidiary Company)		
Unsecured Loan Taken	**2,500.00**	-
Interest expense	**24.09**	-
Donations Received	**183.06**	-

		As at 31 March 2022	As at 31 March 2021
	Born Commerce Private Limited (Fellow Subsidiary Company)		
	Donations Received	**52.16**	-
	Comviva Technologies Limited (Fellow Subsidiary Company)		
	Donations Received	**54.00**	-
28.3	**Balances outstanding at the end of the year**		
	Tech Mahindra Limited		
	Trade Payables	**265.65**	37.26
	Lease Liabiltiy (Current and Non-Current)	**6,902.84**	6,426.11

29 Segment Information

Based on the assessment of the chief operating decision maker ('CODM'), for the purpose of resource allocation and assessment of segment performance, the Company has only one business segment viz, of providing educational services. Hence there are no reportable segments under Ind AS. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

		As at 31 March 2022	As at 31 March 2021
30	**Earnings Per Equity Share**		
	Net surplus / (deficit) after tax	**5,788.69**	(2,135.71)
	Shares - [in Numbers]		
	Number of shares at the beginning of the year	**10,000**	10,000
	Total number of equity shares outstanding at the end of the year	**10,000**	10,000
	Weighted average number of equity shares outstanding during the year - Basic and Diluted	**10,000**	10,000
	Earnings per share in ₹ - Par value of ₹10 per share		
	Basic and Diluted* [in ₹ per share]	**57,886.90**	(21,357.09)

* The Company has no dilutive instruments.

32 Employee benefit plans

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design mean the risks commonly affecting the liabilities and the financial results are exposed to:

a) Interest rate risk : the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

b) Salary inflation risk : Higher than expexted increases in salary will increase the defined benefit obligation

c) Demographic risk : For example, as plan is open to new entrants, an increase in membership will increase the defined benefit obligation. Also, the plan only provides benefits upon completion of a vesting criteria. Therefore, if tunover rates increase, then the liability will tend to fall as fewer employees reach vesting period.

I The Principal Assumptions used for the purposes of the acturial valuation as follows

	Details	**31-Mar-22**	31-Mar-21
1	Discount Rate(s)	**7.33%**	6.91%
2	Expected Rate(s) of salary increase	**4%**	4%
3	Demographic Assumptions		
	Mortality Rate	**Indian Assured lives Mortality (2012-14) Ult.**	Indian Assured lives Mortality (2012-14) Ult.
	Withdrawal Rate (per Annum)	**4%**	4%

II Disclosure of defined benefit cost :

	Details	Year ended 31 March 2022	Year ended 31 March 2021
A	**Amounts Recongnised in Statement of Income and Expenditure**		
1	Current Service Cost	**12.66**	20.16
2	Interest Cost	**6.05**	7.79
3	Settlement cost / (credit)		-
4	**Cost recognised in statement of income and expenditure**	**18.71**	27.95
B	**Amounts Recongnised in Other Comprehensive Income (OCI)**		
1	Actuarial (gain)loss due to DBO experience	**(55.85)**	(54.45)
2	Actuarial (gain)loss due to DBO assumption changes		-
3	**Actuarial (gain)loss arising during the period**	**(55.85)**	(54.45)
4	Return on plan assets (Greater)/Less than discount rate		-
5	Actuarial (gains)/losses recognised in OCI	**(55.85)**	(54.45)
6	Adjustment for limit on net asset		-
7	Cumulative Actuarial (Gain)/ Loss Recogni zed via OCI at prior year end		-
8	**Cumulative Actuarial (Gain)/ Loss Recognized via OCI at Current Period End**	**(55.85)**	(54.45)
C	**Defined benefit cost**		
1	Service Cost	**12.66**	20.16
2	Net interest on net defined benefit liability / (asset)	**6.05**	7.79
3	Actuarial (gains)/losses recognised in OCI	**(55.85)**	(54.45)
4	Immediate recognition or (gains)/losses - other long term employee benefit plans		-
5	**Defined Benefit Cost**	**(37.14)**	(26.50)

III Changes in benefit obligation and assets

		Year ended 31 March 2022	Year ended 31 March 2021
A.	**Changes in defined benefit obligation:**		
1	Defined benefit obligation(DBO) at the end of prior period	**88.21**	114.71
2	Current service cost	**12.66**	20.16
3	Interest cost	**6.05**	7.79
4	Curtailment (credit)/ cost	**-**	-
5	Settlement (credit)/ cost	**-**	-
6	Past service cost - plan amendments	**-**	-
7	Acquisitions (credit)/ cost	**-**	-
8	Actuarial (gain)/loss	**(55.85)**	(54.45)
9	Actuarial (gain)/loss - demographic assumptions	**-**	-
10	Actuarial (gain)/loss - financial assumptions	**-**	-
11	Benefits paid directly by the Company	**-**	-
12	Benefits paid from plan assets	**-**	-
13	**DBO at end of current period**	**51.07**	88.21

		Year ended 31 March 2022	Year ended 31 March 2021
B.	**Changes in fair value of assets:**		
1	Fair value of assets at end of prior period	**-**	-
2	Acquisition adjustment	-	-
3	Interest income on plan assets	-	-
4	Employer contributions	-	-
5	Return on plan assets greater/(lesser) than discount rate	-	-
6	Benefits paid	-	-
7	**Fair Value of assets at the end of current period**	-	-

		31 March 2022	31 March 2021
IV	**Additional Disclosures**		
A.	**Expected benefit payments for the years ending**		
	2020	**-**	-
	2021	**-**	13.23
	2022	**5.42**	4.14
	2023	**2.61**	6.11
	2024	**4.25**	4.89
B.	**Current and Non current breakup**		
	Current liability	**5.42**	13.23
	Non current liability	**44.30**	106.59
	Total Liability	**49.72**	119.82

		As at 31 March 2022	As at 31 March 2021
V	**Sensitivity Analysis**		
	Details		
A	**Discount rate**		
	Discount rate as at year end	**7.33%**	6.91%
	Effect on DBO due to 1% increase in discount rate	**45.15**	80.33
	Effect on DBO due to 1% decrease in discount rate	**55.20**	97.62
B	**Salary escalation rate**		
	Salary escalation rate as at year end	**4%**	4%
	Effect on DBO due to 1% increase in salary escalation rate	**55.44**	98.02
	Effect on DBO due to 1% decrease in salary escalation rate	**44.88**	79.88
C	**Attrition rate**		
	Salary escalation rate as at year end	**4%**	4%
	Effect on DBO due to 1% increase in attrition rate	**51.16**	90.24

Effect on DBO due to 1% decrease in attrition rate	**48.01**	85.78

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directons, while the Plan's sensitivity to such changes can vary over time.

32 Financial Instruments

32.1 Accounting classification and fair values

The carrying amounts and fair values of financial instruments by class are as follows:

	As at 31 March 2022	As at 31 March 2021
Financial Assets		
Financial assets measured at fair value	**-**	-
Financial assets measured at amortised cost		
Other financial assets	**4,630.61**	4,406.91
Financial Liabilities		
Financial liabilities measured at fair value		
Financial liabilities measured at amortised cost		
Lease liabilities	**6,902.84**	6,426.11
Other financial liabilities	**114.16**	150.49

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

32.2 Fair value hierarchy

The fair value of financial instruments as referred to in note 33.1 above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The Company does not have any financial assets and liabilities, which are measured at fair value.

Other financial assets and liabilities

Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

33 Ratios

S. No.	Ratio	Numerator	Denominator	31 March 2022	31 March 2021	% Variance
a)	Current ratio	Current Assets	Current Liabilities	0.11	0.28	-62%
b)	Debt equity ratio *	-	-	-	-	-
c)	Debt service coverage ratio *	-	-	-	-	-
d)	Return on equity	Net Profits after taxes	Average Shareholder's Equity	0.33	-0.19	-279%
e)	Inventory turnover ratio *	-	-	-	-	-
f)	Trade receivables turnover ratio	Revenue	Average Trade Receivable	18.30	13.14	39%
g)	Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	1.41	5.06	-72%
h)	Net capital Turnover ratio	Revenue	Working Capital	-1.45	-1.60	-9%
i)	Net profit ratio	Net Profit	Revenue	0.63	-0.47	-233%

j)	Return on capital employed	Earning before interest and taxes	Capital Employed	0.24	-0.17	-244%
k)	Return on investment *	-	-	-	-	-

* These ratios are not applicable to the company at present.
The change in the ratios compared to previous year is on account of increase in the current year profit due to the higher amount of donations received.

34 Education sector is one sector which was affected by the pandemic caused due to COVID 19. While there is no reduction in Company's revenues from tuition fee due to Covid-19, the hostel and other fees have decreased marginally. In assessing the recoverability of receivables (i.e. fee dues), financial assets and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements. Considering the nature of these assets, while some delays are expected in the collection, the Company expects to recover the carrying amount of these assets. The impact of COVID 19 may be different from that estimated by the Company and the Company will continue to closely monitor any material changes in future economic conditions. Considering the Company's present liquidity position and the nature of its activities, the Company is of the opinion that it would be able to discharge its obligations.

35 Provision for current tax and deferred tax has not been made since the income of Company is exempted U/s 11 and 12 of the Income Tax Act, 1961. Tax assessment upto AY 17-18 are complete granting exemption to the income of the Company.

In terms of our report attached
for M. Bhaskara Rao & Co.,
Chartered Accountants

for and on behalf of the Board of Directors of
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

M V Ramana Murthy	**Vineet Nayyar**	**C.P. Gurnani**	**Milind Kulkarni**
Partner	Director	Director	Director
Hyderabad, 05 May 2022	DIN:00018243	DIN:00018234	DIN:00012888

Tech Mahindra

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