Denave India Private Limited

CIN: U85110DL1999PTC190362

Consolidated Financial Statements

For the year ended March 31, 2022

Varma & Varma
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To,

The Members,
Denave India Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Denave India Private Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries listed in Annexure I (Holding Company and its subsidiaries together referred to as "the Group") , which comprise the consolidated Balance Sheet as at March 31, 2022, the Statement of Consolidated 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 significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements" or "the 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 ("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 March 31, 2022, its consolidated profit including other comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 India in terms of the Code of Ethics issued by ICAI 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board of Directors Report but does not include the consolidated financial statements and our auditor's report thereon. The Board of Directors Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board of Directors Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Management and describe actions applicable in the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

The respective 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 the Group and for preventing and detecting frauds and other irregularities; selection, appropriate implementation, application and maintenance of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 the Board of Directors 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 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.

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

- Identify and assess the risks of material misstatement of the 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 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 with reference to financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

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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 Matter

a) We did not audit the financial statements of the Company's three foreign subsidiaries whose financial statements reflect total assets of ₹3,868.43 lakhs (before consolidation adjustments) as at March 31, 2022, total revenues (including other income) of ₹11,973.38 lakhs (before consolidation adjustments) and net cash flows amounting to ₹ (40.14) 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 those foreign subsidiaries are based solely on the reports of the other auditors and additional procedures performed by us.

b) We did not audit the financial statements of the Company's one foreign subsidiary whose financial statements reflect total assets of ₹2.82 lakhs (before consolidation adjustments) as at March 31, 2022, total revenues (including other income) of ₹Nil (before consolidation adjustments) and net cashflows amounting to ₹Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and 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 the foreign subsidiary are based solely on the unaudited financial statements, information and explanations provided by the Management and additional procedures performed by us. In our opinion and according to the information and explanations given to us by the Management, this financial statements/ financial information are not material to the Group.

All the 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. The subsidiaries mentioned in para (a) above 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 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 report of other auditors and based on the information and explanations provided by the Management and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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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 the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us as per our audit report on the standalone financial statements of the Company, we report that there are no qualifications or adverse remarks in this report except for certain matters requiring improvement. In respect of foreign subsidiaries included in the consolidated financial statements of the Company, reporting of clauses of CARO is not applicable to such foreign subsidiaries.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors and on the information and explanations provided by the Management on the separate financial statements as referred above and the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that

   (a) We/ other auditors 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 Statement of Consolidated Profit and Loss including other comprehensive income, 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 Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company 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 statements reporting of the Group 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 Holding Company's internal financial controls over financial statements reporting;

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(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:

The provisions relating to section 197 of the Act became applicable to the Holding Company during the end of the year i.e., with effect from March 24, 2022 due to status of the Holding Company becoming 'a deemed public company' as a result of conversion of status of its Group's holding company from a private limited company to a public limited company. In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors from the period the Holding Company became 'a deemed public company' till March 31, 2022 is in accordance with the provisions of 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.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 30 of the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts;

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

iv. (a) As disclosed in Note No.48(a) of the consolidated financial statements, the Managements of the Company and its subsidiaries 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 or any of its subsidiaries to or in any other persons 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 or any of its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) As disclosed in Note No.48(b) of the consolidated financial statements, the Managements of the Company and its subsidiaries have represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of its subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of its subsidiaries 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.

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(c) 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 (a) and (b) above, contain any material misstatement; and

v. As disclosed in Note No.17.2 of the consolidated financial statements, the Company has not declared or paid any dividend during the year. Hence provisions of section 123 of the Act is not applicable.

For VARMA & VARMA
Chartered Accountants
FRN 004532S

MITHUN LAKSHMANA PAI
Partner
M No. 219813
ICAI UDIN - 22219813APLRUK7263

Place: Bengaluru
Date : 20.08.2022

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE REFERRED TO IN PARAGRAPGH (2) CLAUSE (f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF DENAVE INDIA PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2022.

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

We have audited the internal financial controls over financial statements reporting of Denave India Private Limited (hereinafter referred to as "the Holding Company") as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date. All the subsidiaries of the Holding Company are incorporated outside India and hence the reporting on the internal financial controls on the financial statements is not applicable to them.

Management's Responsibility for Internal Financial Controls

The management of the Holding company is responsible for establishing and maintaining internal financial controls based on the internal control over financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the holding 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 Holding Company's internal financial controls over financial statements 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 ICAI and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether 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 statements reporting and their operating effectiveness. Our audit of internal financial controls over financial statements reporting included obtaining an understanding of internal financial controls over financial statements 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.

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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 statements reporting.

Meaning of Internal Financial Controls Over Financial Statements Reporting

A company's internal financial control over financial statements reporting is a process designed to provide reasonable assurance regarding the reliability of financial statements 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 statements 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 Statements Reporting

Because of the inherent limitations of internal financial controls over financial statements 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 statements reporting to future periods are subject to the risk that the internal financial control over financial statements 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, as mentioned in note 47 of the consolidated financial statements, the Holding Company, has, in all material respects, adequate internal financial controls system over financial statements reporting and such internal financial controls over financial statements reporting were operating effectively as at March 31, 2022, based on the internal control over financial statements 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 VARMA & VARMA
Chartered Accountants
FRN 004532S

MITHUN LAKSHMANA PAI
Partner
M No. 219813
ICAI UDIN - 22219813APLRUK7263

Place: Bengaluru
Date : 20.08.2022

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Annexure-I

List of entities included in the Consolidated financial statements for the year ended March 31, 2022:

Denave (M) SDN.BHD, Malaysia	Wholly owned subsidiary
Denave Pte Ltd, Singapore	Entity under control
Denave Europe Limited, UK	Wholly Owned Subsidiary
Denave Poland Sp. Z.o.o.	Wholly Owned Subsidiary

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DENAVE INDIA PRIVATE LIMITED
CIN - U85110DL1999PTC190362

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I	**ASSETS**			
1	**Non-current Assets**			
	Property, Plant and Equipment	2	215.02	38.51
	Other intangible assets	3	-	93.95
	Right - of- use assets	4	279.77	82.17
	Financial Assets			
	(i) Investments	5	-	0.90
	(ii) Loans	6	15.84	-
	(iii) Other financial assets	7	343.98	371.28
	Deferred tax assets (Net)	8	314.74	320.47
	Income Tax Assets (Net)	9	541.89	432.34
	Other Non-Current Assets	10	1.02	-
	Total Non-current Assets		**1,712.26**	**1,339.62**
2	**Current Assets**			
	Financial Assets			
	(i) Trade receivables	11	3,049.40	2,805.22
	(ii) Cash and cash equivalents	12	2,524.07	1,632.24
	(iii) Loans	13	12.92	-
	(iv) Other Financial Assets	14	43.37	20.30
	Other current assets	15	2,402.23	1,717.38
	Total Current Assets		**8,031.99**	**6,175.14**
	TOTAL ASSETS		**9,744.25**	**7,514.76**
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	Equity Share Capital	16	178.76	173.74
	Other Equity	17	5,054.98	3,854.51
	Total Equity		**5,233.74**	**4,028.25**
	LIABILITIES			
1	**Non-current Liabilities**			
	Financial Liabilities			
	(i) Lease Liabilities		178.65	-
	(ii) Other financial liabilities		-	-
	Provisions	18	292.85	221.06
	Total Non-current Liabilities		**471.50**	**221.06**

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DENAVE INDIA PRIVATE LIMITED
CIN - U85110DL1999PTC190362

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
2 **Current Liabilities**			
Financial Liabilities			
(i) Borrowings	19	-	-
(ii) Lease Liabilities		89.25	87.05
(iii) Trade Payables	20		
(A) Total outstanding dues of micro enterprises and small enterprises		134.76	82.97
(B) Total outstanding dues of other than micro enterprises and small enterprises		677.33	647.31
(iv) Other financial liabilities	21	2,136.93	1,685.29
Other current liabilities	22	756.80	615.09
Provisions	23	243.95	147.74
Total Current Liabilities		**4,039.01**	**3,265.45**
TOTAL EQUITY AND LIABILITIES		**9,744.25**	**7,514.76**

Significant Accounting Policies	1	
Other Notes to financial statements	2-53	

As per our separate report of even date attached

For and on behalf of Board

For VARMA & VARMA
Chartered Accountants
FRN 004532S

SNEHASHISH BHATTACHARJEE
Whole-time Director
DIN: 00188864

Place : Noida
Date : 18.08.2022

RAMASWAMY NARAYAN
Director
DIN: 00304905

Place: Noida
Date: 18.08.2022

MITHUN LAKSHMANA PAI
Partner
M.No.219813

Place : Bangalore
Date : 20.08.2022

VARMA & VARMA ★ BANGALORE ★ CHARTERED ACCOUNTANTS

DENAVE INDIA PRIVATE LIMITED
CIN - U85110DL1999PTC190362

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	Particulars	Note No.	For the period ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from Operations	24	26,485.96	21,732.87
II	Other Income	25	152.90	203.73
III	**Total Income (I+II)**		**26,638.86**	**21,936.60**
IV	**Expenses**			
	Cost of Services	26	19,545.40	14,916.22
	Employee Benefits Expense	27	3,961.05	3,854.42
	Finance Costs	28	36.54	89.46
	Depreciation and Amortisation Expenses	29	267.69	458.17
	Other Expenses	30	1,452.27	1,745.00
	Total Expenses (IV)		**25,262.95**	**21,063.27**
V	**Profit before tax (III-IV)**		**1,375.91**	**873.33**
VI	**Less: Tax expense**			
	a. Current Tax		239.59	234.99
	b. Tax relating to prior years		(0.63)	(55.40)
	c. Deferred Tax (includes MAT credit adjustment)		22.52	96.36
VII	**Profit for the year (V-VI)**		**1,114.43**	**597.38**
VIII	**Other Comprehensive Income**			
	A.Items that will not be reclassified to profit or loss and its related income tax effects			
	i) Re-measurement gains/(losses) on defined benefit plans		(103.24)	(22.27)
	ii) Income Tax effect		29.00	6.20
			(74.24)	**(16.07)**
	B.Items that will be reclassified to profit or loss and its related income tax effects		-	-
IX	**Total Comprehensive income for the year (VII+VIII)**		**1,040.19**	**581.31**
X	**Earnings per equity share**			
	Nominal value of share ₹1/-(PY: ₹1/-)			
	a. Basic		6.23	3.44
	b. Diluted		6.13	3.25
	Significant Accounting Policies	1		
	Other Notes to financial statements	2-53		

As per our separate report of even date attached

For and on behalf of Board

For VARMA & VARMA
Chartered Accountants
FRN 004532S

SNEHASHISH BHATTACHARJEE
Whole-time Director
DIN: 00188864

Place : Noida
Date : 18.08.2022

RAMASWAMY NARAYAN
Director
DIN: 00304905

Place: Noida
Date: 18.08.2022

MITHUN LAKSHMANA PAI
Partner
M.No.219813

Place : Bangalore
Date : 20.08.2022

VARMA & VARMA BANGALORE CHARTERED ACCOUNTANTS

DENAVE INDIA PRIVATE LIMITED
CIN - U85110DL1999PTC190362

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

A. Equity Share Capital

Equity shares of ₹ 1/- each issued, subscribed and fully paid

Particulars	Number of shares	Amount
As at March 31, 2021	**1,73,73,741**	**173.74**
Changes in Equity share capital during the year	5,02,617	5.02
As at March 31, 2022	**1,78,76,358**	**178.76**

B. Other Equity

Particulars	Reserves and Surplus					Other comprehensive income	Total amount
	Securities premium	General Reserve	Employee Stock options reserve	Retained Earnings	Foreign Currency Translation Reserve	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	
Balance as at April 01, 2020	-	**72.16**	**133.15**	**3,214.27**	**12.03**	**(28.23)**	**3,403.38**
Add: Profit for the year	-	-	-	597.38	-	-	597.38
Other comprehensive income	-	-	-	-	-	(16.07)	(16.07)
Stock Options accumulated during the year	-	-	47.65	-	-	-	47.65
Foreign Currency Translation Reserve	-	-	-	-	22.17	-	22.17
Interim Dividend paid	-	-	-	(200.00)	-	-	(200.00)
Balance as at March 31, 2021	-	**72.16**	**180.80**	**3,611.65**	**34.20**	**(44.30)**	**3,854.51**
Add: Profit for the year	-	-	-	1,114.43	-	-	1,114.43
Stock Options excercised during the year	-	-	(81.98)	81.98	-	-	-
Other comprehensive income	-	-	-	-	-	(74.24)	(74.24)
Stock Options accumulated during the year	-	-	129.57	-	-	-	129.57
Foreign Currency Translation Reserve	-	-	-	-	30.71	-	30.71
Balance as at March 31, 2022	-	**72.16**	**228.39**	**4,808.06**	**64.91**	**(118.54)**	**5,054.98**

Significant Accounting Policies	1
Other Notes to financial statements	2-53

As per our separate report of even date attached

For and on behalf of Board

For VARMA & VARMA
Chartered Accountants
FRN 004532S

SNEHASHISH BHATTACHARJEE
Whole-time Director
DIN: 00188864

Place : Noida
Date : 18.08.2022

RAMASWAMY NARAYAN
Director
DIN: 00304905

Place: Noida
Date: 18.08.2022

VARMA & VARMA BANGALORE CHARTERED ACCOUNTANTS

MITHUN LAKSHMANA PAI
Partner
M.No.219813

Place : Bangalore
Date : 20.08.2022

DENAVE INDIA PRIVATE LIMITED
CIN - U85110DL1999PTC190362

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

(All amounts are in lakhs of Indian Rupees 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 as per the Statement of profit and loss	1,375.91	873.33
Adjustment for:		
Depreciation and amortisation expense	267.69	458.18
Interest on Income Tax refund	-	(123.01)
Interest income on others	(15.24)	(15.48)
Interest Income on unwinding of discount - financial assets measured at amortized cost	(7.82)	(6.34)
Interest and finance charges on Employee loans under Ind AS 109	2.10	-
Interest and finance charges on lease liabilities under Ind AS 116	12.51	20.80
Provision for doubtful receivables	(60.70)	(5.38)
Bad debts written off	40.36	2.50
Re-measurement gains (losses) on Defined Benefit Plans	(103.24)	(22.27)
Employee Stock option expense	129.57	47.64
Foreign currency translation reserve	30.71	22.17
Unrealised exchange rate fluctuation	(43.23)	5.07
Interest expense	20.21	51.23
Operating profit before working capital changes	**1,648.83**	**1,308.44**
Movements in working capital		
(Increase)/ Decrease in Trade receivables	(188.19)	1,683.39
(Increase)/ Decrease in Loans and advances (Long term)	(15.84)	(3.10)
(Increase)/ Decrease in Loans and advances (short term)	(12.92)	2.69
(Increase)/ Decrease in financial assets	18.03	-
(Increase)/ Decrease in Other Current assets	(684.85)	(224.24)
(Increase)/ Decrease in Other Non Current assets	(1.02)	-
Increase/ (Decrease) in Trade payables	81.81	64.95
Increase/ (Decrease) in financial liabilities	452.54	(149.89)
Increase/ (Decrease) in other current liabilities	131.11	14.72
Increase/ (Decrease) in provisions	168.00	18.20
Cash generated from operations	**1,597.50**	**2,715.16**
Income taxes (paid)/Refund	(336.30)	993.98
Net cash from/(used in) operating activities	**1,261.20**	**3,709.14**
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(242.65)	(7.13)
Investment in Fixed Deposits (net movement)	-	(62.55)
Interest received	1.44	(16.10)
Net cash from/(used in) investing activities	**(241.21)**	**(85.78)**
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds/(repayments) from short term borrowings	-	(2,145.21)
Payment of lease liabilities	(120.56)	(125.40)
Proceeds received from exercise of ESOPs	5.02	-
Interest paid	(20.21)	(51.23)
Buy-back of equity shares by subsidiary	-	(83.14)
Dividend and Dividend Distribution tax Paid	-	(200.00)
Net cash used in financing activities	**(135.75)**	**(2,604.98)**

VARMA & VARMA
BANGALORE
CHARTERED ACCOUNTANTS

DENAVE INDIA PRIVATE LIMITED
CIN - U85110DL1999PTC190362

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

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Net increase/ decrease in cash and cash equivalents during the year before effect of foreign exchange fluctuation	**884.24**	**1,018.38**
	Effect of Exchange rate changes on cash and cash equivalents	7.59	(0.32)
	Net increase/(decrease) in cash and cash equivalents	**891.83**	**1,018.06**
	Cash and cash equivalents at beginning of the year	**1,632.24**	**614.18**
	Cash and cash equivalents at end of the year	**2,524.07**	**1,632.24**
1	**Cash & cash equivalents at the end of the year***		
	* Comprises		
	Balances with banks		
	- in current accounts	2,015.07	1,089.44
	- in EEFC account	508.85	542.60
	Cash on hand	0.15	0.20
	Total	**2,524.07**	**1,632.24**

2 Figures in brackets indicate cash outflows.
3 Previous year figures have been regrouped or reclassified wherever necessary.

Significant Accounting Policies	1
Other Notes to financial statements	2-53

As per our separate report of even date attached
For VARMA & VARMA
Chartered Accountants
FRN 004532S

For and on behalf of Board

SNEHASHISH BHATTACHARJEE
Whole-time Director
DIN: 00188864

Place : Noida
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RAMASWAMY NARAYAN
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MITHUN LAKSHMANA PAI
Partner
M.No.219813

Place : Bangalore
Date : 20.08.2022

VARMA & VARMA BANGALORE CHARTERED ACCOUNTANTS

CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2022

1A. CORPORATE INFORMATION

Denave India Private Limited ("the Company" or "the Parent" or "the Holding Company") was incorporated on January 12, 1999. The Company is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at No. 406A, Indraprastha Tower, 6, Commercial Complex, Wazirpur, New Delhi – 110052. The Parent and its subsidiaries are engaged mainly in the business of providing Sales Enablement & Other support and Staffing services.

The financial statements were approved for issue by the Board of Directors in its meeting held on August 18, 2022.

1B. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of consolidated financial statements

i. Compliance with Ind-AS

The consolidated financial statements of the Company are prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read together with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013. The Company has voluntarily adopted Ind AS with effect from April 1, 2020.

The financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. All amounts are in lakhs of Indian Rupees unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for the following:
a) Certain financial assets and liabilities measured at fair value as explained in the accounting policies;
b) Equity settled Share Based Payments; and
c) Long term leases as given in the accounting policies
Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii. Use of estimates, assumptions and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.
Key source of estimation of uncertainty as at the date of standalone 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 the following:

Impairment of financial assets
In accordance with Ind AS 109, the Company assesses impairment of financial assets ('Financial instruments') and recognises expected credit losses, which are measured through a loss allowance.
The Company provides for impairment of investment in subsidiaries. Impairment exists when there is a diminution in value of the investment and the recoverable value of such investment is lower than the carrying value of such investment.
The Company provides for impairment of trade receivables based on assumptions about risk of default and expected timing of collection. The Company uses judgement in making these assumptions and selecting 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.

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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 arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future 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 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.

Defined benefit plans
The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may diff er from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.
The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair Value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Taxes
The Company's major tax jurisdictions is in India. Significant judgments are involved in determining the provision for income taxes and tax credits, including the amount expected to be paid or refunded.
Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Other estimates
These include contingent liabilities, useful lives of tangible and intangible assets etc

iii) Basis for consolidation
The consolidated financial statements for the year ended March 31, 2022 comprise the financial statements of Denave India Private Limited and its subsidiaries mentioned below (collectively referred to as "the Group") . Following entities have been considered in the preparation of the consolidated financial statements

Name of the company	Country of incorporation	% of effective voting power held as at	
		March 31, 2022	March 31, 2021
Subsidiary entities			
Denave (M) SDN BHD	Malaysia	100%	100%
Denave Pte Ltd (ability to exercise control)	Singapore	100%	100%
Denave Europe Limited	United Kingdom	100%	100%
Denave Poland Sp. Z.o.o.	Poland	100%	100%

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All the above subsidiaries are under the same management.
Control exists when the parent has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent, to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:
i. Combine like items of assets, liabilities, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the date on which the investment in the subsidiaries were made, is recognized as 'Goodwill' being an intangible asset in the consolidated financial statements and is tested for an impairment on an annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Company, it is recognized as 'Capital Reserve' and shown in 'Other Equity', in the consolidated financial statements. The 'Goodwill/ Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.

iii. Eliminate in full intragroup assets and liabilities, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant & equipment are eliminated in full). In the case of jointly controlled entities the balances and transactions are eliminated on a proportionate basis.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group.

VARMA & VARMA BANGALORE CHARTERED ACCOUNTANTS

1.2 Summary of Significant accounting policies

a. Current versus non-current classification

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

- Expected to be realised or consumed in 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.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation 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. Any trade discounts and rebates are deducted in arriving at the purchase price.

The cost of property, plant and equipment not ready for intended use before such date is disclosed under capital work-in-progress.

For depreciation purposes, the Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset and depreciates them separately based on their specific useful lives. Expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the year during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

Depreciation

The Company, based on technical assessment made by experts and management estimates, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The Company has used the following rates to provide depreciation on a straight line basis on its property, plant and equipment.

The Company is using useful life different from the life prescribed in Schedule II of the Companies act based on internal technical assessment.

Asset classification	Estimated Useful life (Years)
Furniture and fittings	5
Office Equipment	3

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Leasehold Improvements are depreciated over the leasehold period or useful life estimated by management, whichever is lesser.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

c. Intangible assets

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.
The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.
Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

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

Intangible assets are amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets is recognized in the statement of profit and loss. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from Derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

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

Asset classification	Useful Life (Years)	Amortisation Method	Internally generated or acquired
Software	Finite -3 years	Amortised on a straight line basis over the life	Acquired
Self generated Intangible Software	Finite -3 years	Amortised on a straight line basis over the life	Internally generated

d. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the services, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation / amortization is provided on the revised carrying amount of the asset over its remaining useful life.

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

e. Revenue from contracts with customers

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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

Revenue is adjusted for expected price concessions based on the management estimates.
The specific recognition criteria described below must also be met before revenue is recognised.
Income from Sales enablement services, Other support services & Human resource outsourcing services
Revenues from knowledge process outsourcing, human resource outsourcing service contracts are accounted on accrual basis on performance of the services agreed in the contract with the customers.

Contract balances
(a) Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.
Contract Assets (Unbilled revenue) represents revenue in excess of billing.

(b) Trade receivables
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(c) Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

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Interest income
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other income" in the statement of profit and loss.

Export benefits
Export entitlements in the form of duty scrips issued under the Service Export from India (SEIS) scheme of the Government of India are recognized in the statement of profit and loss on realisation of the proceeds from the sale of duty scrips.

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

f (i) Financial assets

Initial recognition and measurement
All financial assets are recognised 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in below categories:
- Debt instruments at amortised cost • Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:
(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. This category generally applies to trade and other receivables. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:
(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
(ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI.

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

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Investment in equity instruments in subsidiary or joint venture or associates
Investments in equity instruments in subsidiaries or joint venture or associates are carried at cost less provision for impairment, if any

De-recognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

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

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On de-recognition of a financial asset in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

Impairment of financial assets
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL allowance (or reversal) recognized during the period is considered as income/ expense in the standalone statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit or loss.
The Company uses a provision matrix based on age to determine impairment loss allowance on portfolio of its trade receivables.

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. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model.

f(ii) Financial liabilities

Initial recognition and measurement
All financial liabilities are recognised initially at fair value and in case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade and other payables, and derivative financial instruments.

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Subsequent measurement
The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through the statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings
Borrowings is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.
Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities subsequently measured at amortised cost
Financial liabilities that are not held—for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance Costs" line item.

De-recognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

f(iii) Financial guarantee
Financial guarantee issued by the Company that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument, is recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

f(iv) Derivative financial instruments
The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss.

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f (v) Offsetting of financial instruments

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

g. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (d) Impairment of non-financial assets.

ii. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.
The Company's lease liabilities are included in Interest-bearing loans and borrowings.

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of Buildings and Machinery and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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For arrangements entered into prior to the date of transition, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of the transaction. The Company adopted Ind AS 116 using the modified retrospective method of adoption in accordance with Para C8 (c) (ii) to Ind AS 116 with the date of initial application of April 01, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.
On adoption of IndAS 116, the Company also applied the available practical expedients wherein it:
• Used a single discount rate to a portfolio of leases with reasonably similar characteristics
• Relied on its assessment of whether leases are onerous immediately before the date of initial application
• Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application

• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
• Used hindsight in determining the lease term where the contract contained options to extend or terminate the

As a lessor
Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

h. Retirement and other employee benefits

a. Compensated absences
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.
Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
The Company treats accumulated leave expected to be carried forward beyond twelve months, as non-current employee benefit for measurement purposes. Such non-current compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains / losses are immediately taken to the statement of profit and loss and are not deferred.

b. Post-employment obligations

The Company operates the following post-employment schemes:

i. Gratuity obligations
Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company has not funded its gratuity obligation. The cost of providing benefits is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.
Employee benefits expense in respect of gratuity to employees is presented in accordance with Ind AS – 19.
Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.
Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

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Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

ii. Retirement benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

i. Taxes on Income

Current income tax

Income tax expense comprises current tax expense and deferred tax charge or credit during the year. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences, except:
• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset . The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

j. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
Involvement of external valuers is decided upon annually by the Company. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes.
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

k. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors are identified as the chief operating decision maker.
The Group has identified following segment
- Sales Enablement services
- Staffing services
- Other support services

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Segment disclosures have been made for the business segments identified. The analysis of geographical segments is based on the areas in which major geographical location of the customer in which the Group operates.
The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment.

l. Earnings per share
Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the year.
For the purpose of calculating diluted earnings per share, the net profit or loss before OCI 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.

m. 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 the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.
The amount recognised as a provision is the best estimate of the consideration required to settle present obligation at the end of reporting period, taking into account the risk and uncertainty 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 these cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

n. Contingent liabilities & Contingent Assets
Contingent liability is disclosed for,
(i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements.
Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

o. Cash dividend to equity holders
The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

p. Cash and cash equivalents
Cash and cash equivalents in the Balance Sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.
Bank overdrafts are shown within borrowings in financial liabilities in the balance sheet.

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

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r. Share-based payments

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

Equity-settled transactions

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

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

s. Foreign currencies

The Consolidated financial statements are presented in Indian Rupee (₹), which is also the Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the Company is Indian Rupee 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 consolidated balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the consolidated statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the consolidated balance sheet date. Statement of profit and loss have been translated using average exchange rates for the year. Translation adjustments have been reported as foreign currency translation reserve in the consolidated statement of changes in equity.

s. Standards Issued but not effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's consolidated financial statements.

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Note 2: Property, plant and equipment

	Leasehold improvements	Furniture and Fixtures	Computers and data processing units	Vehicles	Office Equipment	Total
Gross block- at cost						
As at April 1, 2020	26.24	0.77	63.11	12.30	14.40	116.82
Additions	-	-	6.36	-	0.77	7.13
Disposals	-	-	-	-	-	-
As at March 31, 2021	**26.24**	**0.77**	**69.47**	**12.30**	**15.17**	**123.95**
Additions	-	-	242.50	-	0.15	242.65
Disposals	-	-	-	-	-	-
As at March 31, 2022	**26.24**	**0.77**	**311.97**	**12.30**	**15.32**	**366.60**
Accumulated depreciation						
As at April 1, 2020	14.72	0.39	33.61	7.34	10.37	66.43
Charge for the year	3.66	0.17	12.61	1.57	1.00	19.01
Disposals	-	-	-	-	-	-
Foreign Exchange Fluctuation/ Adjustment	-	-	-	-	-	-
As at March 31, 2021	**18.38**	**0.56**	**46.22**	**8.91**	**11.37**	**85.44**
Charge for the year	3.45	0.17	60.14	1.57	0.81	66.14
Disposals	-	-	-	-	-	-
Foreign Exchange Fluctuation/ Adjustment	-	-	-	-	-	-
As at March 31, 2022	**21.83**	**0.73**	**106.36**	**10.48**	**12.18**	**151.58**
Net Block						
As at March 31, 2021	**7.86**	**0.21**	**23.25**	**3.39**	**3.80**	**38.51**
As at March 31, 2022	**4.41**	**0.04**	**205.61**	**1.82**	**3.14**	**215.02**

Note 2.1: The Company has not revalued its Property, Plant and Equipment during the year.
Note 2.2: There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 and rules made thereunder.
Note 2.3: All the property, plant and equipments have been offered as collateral security to Banks for availing various working capital facilities as stated in Note 19.

Note 2A: Share in Joint venture (Property, plant and equipment)

	Amount in ₹
Gross block- at cost	
As at April 1, 2020	27.50
Additions	-
Disposals	-
As at March 31, 2021	**27.50**
Additions	-
Disposals	-
As at March 31, 2022	**27.50**
Accumulated amortisation	
As at April 1, 2020	18.26
Charge for the year	9.24
Disposals	-
Foreign Exchange Fluctuation/ Adjustment	
As at March 31, 2021	**27.50**
Charge for the year	-
Disposals	-
Foreign Exchange Fluctuation/ Adjustment	-
As at March 31, 2022	**27.50**
Net book value:	
As at March 31, 2021	-
As at March 31, 2022	-

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Note 3: Other Intangible Assets

	Computer Software
Gross block- at cost	
As at April 1, 2020	1,714.48
Additions	-
Disposals	-
As at March 31, 2021	**1,714.48**
Additions	-
Disposals	-
As at March 31, 2022	**1,714.48**
Accumulated amortisation	
As at April 1, 2020	1,300.85
Charge for the year	319.68
Disposals	-
As at March 31, 2021	**1,620.53**
Charge for the year	93.95
Disposals	-
As at March 31, 2022	**1,714.48**
Net book value:	
As at March 31, 2021	**93.95**
As at March 31, 2022	**-**

Note 3.1: The Company has not revalued its intangible assets during the year.
Note 3.2: There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 and rules made thereunder.

Note 4: Right - of- use assets

	Right - of- use assets
Gross block- at cost	
As at April 1, 2020	302.67
Additions	-
Disposals	-
As at March 31, 2021	**302.67**
Additions	305.20
Disposals	302.67
As at March 31, 2022	**305.20**
Accumulated depreciation	
As at April 1, 2020	110.25
Charge for the year	110.25
Disposals	-
As at March 31, 2021	**220.50**
Charge for the year	107.60
Disposals	302.67
As at March 31, 2022	**25.43**
Net book value:	
As at March 31, 2021	**82.17**
As at March 31, 2022	**279.77**

Note 4.1: The Company has not revalued its Right of use assets during the year.
Note 4.2: There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 and rules made thereunder.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
5 Investments[Non-current]		
Unquoted equity instruments in subsidiaries (At cost)		
Investment in Denave Poland Sp. Z.o.o. , Poland	-	0.90
[100 (March 31, 2021 – 100) Equity Shares of 50 PLN each]- 100% Holding (March 31, 2021 – 100% holding)		
Aggregate value of unquoted investments	**-**	**0.90**
Aggregate value of provision for impairment		-

Notes:

5.1 During the previous year, there are no significant transactions in Denave Poland Sp. Z.o.o., Poland that requires to be consolidated in these financial statements. Hence, the investment is continued to be disclosed under the head investment.

5.2 There are no significant restrictions on the rights of ownership, realisability of investments or the remittance of income and proceeds disposal except as per the Master Directions/ Circulars and related circulars, notifications issued by the Reserve Bank of India under the Foreign Exchange Management Act, 1999. With regard to the investment made in Denave Poland Sp. Z.o.o. the Company is in the process of compliance of filing the necessary documents.

5.3 The Company has acquired the right to 100 shares of 50 PLN each in Denave Poland Sp. Z.o.o., Poland (100% shareholding) in respect of which the amount is pending transfer to complete such acquisition. Hence, the investments have been recognised at cost of ₹0.90 lakhs (March 31, 2021 - ₹0.90 lakhs) with a corresponding liability of equal amount.

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VARMA & VARMA * BANGALORE * CHARTERED ACCOUNTANTS

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	Particulars	As at March 31, 2022	As at March 31, 2021
6	**Loans [Non Current]**		
	Loans receivables considered good-Unsecured		
	Loans to employees	15.84	-
		15.84	-

Notes

6.1 The above are interest free loans given to employees. The terms and conditions of the loans given are, primafacie, not prejudicial to the Company's interest. The repayment of principal has been stipulated and the repayments have been regular. There is no overdue amount as at the year end.

6.2 There is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

	Particulars	As at March 31, 2022	As at March 31, 2021
7	**Other financial assets [Non-current]**		
	Security Deposits	113.98	141.28
	Fixed deposits held as lien with bank having original maturity more than 12 months [Refer note below]	230.00	230.00
		343.98	**371.28**

Note: the above fixed deposits are lien marked towards working capital facilities as stated in note 19

	Particulars	As at March 31, 2022	As at March 31, 2021
8	**Deferred tax assets (net)**		
	Deferred Tax assets:		
	On timing differences of expenditure	239.25	162.73
	On timing differences of depreciation	75.49	157.74
		314.74	**320.47**
9	**Income Tax Assets (Non-Current)**		
	Income tax assets [Tax deducted at source (net of provisions)]	404.84	295.29
	Income tax paid under protest	137.05	137.05
		541.89	**432.34**
10	**Other non-current assets**		
	Others		
	Deferred payroll expense	1.02	-
		1.02	-
11	**Trade Receivables**		
	(At Amortised Cost)		
	Trade receivables	3,049.40	2,805.22
	Trade receivable from related parties	-	-
		3,049.40	**2,805.22**
	Security details		
	Considered good, Secured		-
	Considered good, Unsecured		
	Trade receivables considered good-Unsecured	3,049.40	2,805.22
	Trade receivables which have significant increase in credit risk	-	-
	Trade Receivables - credit impaired	0.33	39.06
		3,049.73	**2,844.28**
	Impairment allowance (allowance for bad and doubtful debts)		
	Allowance for bad and doubtful debts	(0.33)	(39.06)
		3,049.40	**2,805.22**

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DENAVE INDIA PRIVATE LIMITED
CIN - U85110DL1999PTC190362

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables (At Amortised Cost)		
(i) Undisputed Trade Receivables – considered good		
- Not due	2,422.50	2,642.49
- Less than 6 months	626.90	157.37
- 6 months - 1 year	-	5.35
- 1-2 years	-	-
- 2-3 years	-	39.06
- More than 3 years	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		
- Not due	-	-
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(iii) Undisputed Trade Receivables – credit impaired		
- Not due	-	-
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	0.33	-
- 2-3 years	-	-
- More than 3 years	-	-
(iv) Disputed Trade Receivables – considered good		-
- Not due	-	-
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		
- Not due	-	-
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(vi) Disputed Trade Receivables – credit impaired		
- Not due		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	3,049.73	**2,844.28**
(Less): Impairment allowance (allowance for bad and doubtful debts)	**(0.33)**	**(39.06)**
Total Trade Receivables	**3,049.40**	**2,805.22**

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	Particulars	As at March 31, 2022	As at March 31, 2021
12	**Cash and Cash Equivalents**		
	Balance with banks		
	-In current accounts	2,015.07	1,089.44
	-In EEFC account	508.85	542.60
	Cash on hand	0.15	0.20
		2,524.07	**1,632.24**

Notes:

12.1 Working capital facilities are having a debit balance as at the end of the current year and previous year, hence the same is disclosed in Cash & Bank Balances

12.2 For other notes on borrowings, refer note 19

	Particulars	As at March 31, 2022	As at March 31, 2021
13	**Loans [Current]**		
	Loans receivables considered good-Unsecured		
	Loans to employees	12.92	-
		12.92	**-**
14	**Other Financial Assets[current]**		
	Security Deposits	23.00	13.73
	Interest accrued on fixed deposits	20.37	6.57
		43.37	**20.30**
15	**Other current assets**		
	Unsecured		
	Advance other than capital advances		
	- Advance to Suppliers (considered good)	30.40	9.58
	Unbilled Revenue	2,242.25	1,577.65
	Prepaid Expense	102.92	106.48
	Deferred payroll expense	2.61	-
	Other Advances		
	- Considered Good	24.05	23.67
		2,402.23	**1,717.38**

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

16 Equity Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised:		
5,00,00,000 (March 31, 2021 - 5,00,00,000) Equity shares of ₹ 1/- each	**500.00**	**500.00**
Issued, Subscribed and Fully Paid up:		
1,78,76,358 (March 31, 2021- 1,73,73,741) number of equity Shares of ₹ 1/- each fully paid up	178.76	173.74
	178.76	**173.74**

16.1 Reconciliation of shares at the beginning and at the end of the financial year

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
As at the beginning of the financial year	1,73,73,741	173.74	1,73,73,741	173.74
Add: Shares issued during the financial year (Refer note below)	5,02,617	5.02	-	-
As at the end of the financial year	**1,78,76,358**	**178.76**	**1,73,73,741**	**173.74**

Note: The Company had issued the above equity shares pursuant to proceeds received from exercise of ESOPs and such funds were raised for the business purposes without specific purpose of utilisation in respect of such issue.

16.2 Particulars of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
Updater Services Private Limited	96,66,329	54.07%	-	-
Snehashish Bhattacharjee	31,63,748	17.70%	53,26,367	30.66%
Debabrata Majumdar	25,23,105	14.11%	51,51,367	29.65%
Ramaswamy Narayan	25,23,105	14.11%	51,51,367	29.65%
Anubrata Banerjee	-	-	13,13,148	7.56%

As per the records of the company, including its register of share holders/ members and other declarations received from shareholders regarding the beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

16.3 Shareholding details of holding company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
Updater Services Private Limited	96,66,329	54.07%	-	0.00%

On 28th October 2021, Updater Services Private Limited ("UDS") has acquired 96,66,329 equity shares of the Company representing 54.07% of the issued and paid-up share capital of the Company, subsequent to which UDS is the holding company of the Company.

16.4 Shareholding details of promoters

Equity Shares held by promoters as at March 31, 2022

Promoter name	No. of Shares	%of total shares	% Change during the year
Snehashish Bhattacharjee	31,63,748	17.70%	-12.96%
Debabrata Majumdar	25,23,105	14.11%	-15.54%
Ramaswamy Narayan	25,23,105	14.11%	-15.54%

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Equity Shares held by promoters as at March 31, 2021

Promoter name	No. of Shares	%of total shares	% Change during the year
Snehashish Bhattacharjee	53,26,367	30.66%	0.00%
Debabrata Majumdar	51,51,367	29.65%	0.00%
Ramaswamy Narayan	51,51,367	29.65%	0.00%

16.5 Shares reserved for issue under Employee Stock options

The Company's Employee stock option plan-2018 "ESOP-2018" came into effect from 01st March, 2018. It was approved by the Board of Directors ('the Board') in the meeting held on 01st March, 2018, and by the members of the Company in the Extra Ordinary General Meeting held on 01st March, 2018 and further modified vide Board resolution dated 4th April, 2018; 30th January, 2020 and 31st December 2020.

The Company's Employee stock option plan-2021 "ESOP-2021" came into effect from 24th November, 2021. It was approved by the Board of Directors in the meeting held on 23rd November, 2021, and by the members of the Company in the Extra Ordinary General Meeting held on 24th November, 2021.

The vesting period for conversion of Options is as follows:
One year from the date of acceptance of the offer :25% of the Options vests
On completion of two years from the grant of the offer : 25% of the Options vests
On completion of three years from the grant of the offer : 50% of the Options vests

The Options have been granted at Exercise Price per share which shall be the Fair Value of the options at the time of grant or any other price as determined by the Compensation Committee. "Fair Value of Shares" means the Par Value of shares for employees granted options in the first year and thereafter, will mean the Book Value of the equity shares based on the latest audited annual accounts of the Company (or) such price as the Compensation Committee may decide from time to time.

16.6 Terms and rights attached to equity shares:

- The Company has only one class of equity shares of ₹ 1/- each
- Each share holder is entitled to one vote for one 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 payment of all liabilities and preference shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.7 During the last five years ending March 31, 2021 and March 31, 2022

- No Equity shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash.
- No shares were allotted as fully paid up by way of bonus shares.
- No shares were bought back.

16.8 Others

-There are no shares reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment, except as stated in Note no. 16.5, pursuant to Employee Stock Option Plan - 2018, where the total number of value of options granted by the Company shall not exceed 7% (March 31, 2021 - 7%) of the issued and paid up capital and free reserves of the Company at any point of time.
-There are no shares that have been issued, subscribed but not fully paid up.
-The Company has not issued any securities convertible into equity/preference shares
-There are no calls unpaid.
-There are no forfeited shares.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
17 Other Equity		
General Reserve		
Balance at the beginning of the year	72.16	72.16
Balance at the end of the year	**72.16**	**72.16**
Retained Earnings		
Surplus in the Statement of Profit and Loss		
Opening balance	3,611.65	3,214.27
Add:-		
Profit for the year as per Statement of Profit and Loss	1,114.43	597.38
Transfer from Employee stock option reserve for the ESOPs exercised and shares issued during the year (PY - Nil per share)	81.98	-
Less:-		
Interim Dividend paid	-	200.00
Balance at the end of the year	**4,808.06**	**3,611.65**
Other Comprehensive Income		
Opening balance	(44.30)	(28.23)
Add: Additions /(Deletions)	(74.24)	(16.07)
Balance at the end of the year	**(118.54)**	**(44.30)**
Foreign Currency Translation Reserve		
Opening balance	34.20	12.03
Add: Addition during the year	30.71	22.17
Closing Balance	**64.91**	**34.20**
Employee stock option reserve		
Balance at the beginning of the year	180.80	133.15
Add: Stock Options accumulated during the year	129.57	47.65
(Less): Stock Options exercised during the year	(81.98)	-
Balance at the end of the year	**228.39**	**180.80**
Closing balance	**5,054.98**	**3,854.51**

17.1 Nature and purpose of reserves:

General Reserve: Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Employee stock option reserve- Share based payments reserves represents employee share based expense recognised in fair valuation of option expenses on ESOPs granted to employees.

17.2 The Company has not declared or paid any dividend during the year ended March 31, 2022. Hence provisions of section 123 of the Companies Act, 2013 is not applicable.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021
18	**Provisions [Non-current]**		
	Provision for Employee benefits		
	Provision for Compensated Absences	39.24	45.29
	Provision for Gratuity	253.61	175.77
		292.85	**221.06**
19	**Borrowings[Current]**		
	Secured		
	a)Loans repayable on demand		
	(I) from banks	-	-
		-	-

19.1 The Company is not declared as a wilful defaulter by any bank or financial institution or other lender.

19.2 Yes Bank Sanction terms

i) First pari passu on the current assets and movable fixed assets (Both present and future) except vehicle and other equipment hypothecated under other loans.

ii) First pari passu charge on Immovable fixed assets (both present & future).

iii) Unconditional and irrevocable personal guarantee of Mr. Snehashish Bhattacharjee, Mr. Debabrata Mazumdar and Mr. R Narayan.

iv) Lien of Fixed deposit of ₹1,00,00,000/- [March 31, 2021- ₹ 1,00,00,000/-] and interest accrued on such deposit

v) Interest rate is charged at applicable rate of 1.30% [March 31, 2021- 1.30%] over and above bank external benchmark rate for overdraft and bill discounting facilities respectively.

19.3 HDFC Bank sanction terms:

i) First pari passu on the current assets and movable fixed assets (Both present and future)

ii)First pari passu charge over current & future movable and immovable fixed assets of the company.

iii) Personal guarantee of Mr. Snehashish Bhattacharjee, Mr. Debabrata Mazumdar and Mr. R Narayan

iv) Lien of fixed deposit of ₹1,00,00,000/-[March 31, 2021 - ₹1,00,00,000/-] and interest accrued on such depsoit

v) Interest rate is charged at applicable rate 1.15% [March 31, 2021 - 1.15%] over 1 year MCLR [floating] for overdraft and for bills discounting facility is as mutually agreed by the company & the bank.

19.4 The terms of sanction relating to the above borrowings have expired and the Company is in the process of renewing the sanction.

19.5 Working capital facilities are debit balances as at the end of the current year and previous year, hence the same is disclosed in Cash & Bank Balances under Note 12.

19.6 There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

19.7 The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

19.8 The above funds have not been availed/utilised by the Company on account of or to meet the obligations of its subsidiaries, associates or joint ventures and the above loans are not secured by way of pledge of securities held in its subsidiaries, joint ventures or associate companies. The above funds have not been used for long term purposes of the Company

19.9 There are no material differences in the amounts of current assets (provided as security for the above working capital facilities) reported in the returns/statements submitted to the banks as at the end of each quarter and the books of account.

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021
20	**Trade Payables**		
	(At Amortised Cost)		
	(a) Dues of micro and small enterprises	134.76	82.97
	(b) Dues to Related parties [Refer note 36]	-	-
	(c) Dues of creditors other than micro enterprises and small enterprises	677.33	647.31
		812.09	**730.28**
	Trade payables (At Amortised Cost)		
	(i) MSME		
	a) Disputed		
	- Not due	-	-
	- Less than 1 year	-	-
	- 1-2 years	-	-
	- 2-3 years	-	-
	- More than 3 years	-	-
	b) Undisputed		
	- Not due	5.64	18.44
	- Less than 1 year	24.44	1.85
	- 1-2 years	-	-
	- 2-3 years	-	-
	- More than 3 years	-	-
	c) Unbilled	104.68	62.68
	(ii) Others		
	a) Disputed		
	- Not due	-	-
	- Less than 1 year	-	-
	- 1-2 years	-	-
	- 2-3 years	-	-
	- More than 3 years	-	-
	b) Undisputed		
	- Not due	119.71	119.69
	- Less than 1 year	181.93	167.70
	- 1-2 years	27.85	24.18
	- 2-3 years	-	-
	- More than 3 years	-	-
	c) Unbilled	347.84	335.74
		812.09	**730.28**

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DENAVE INDIA PRIVATE LIMITED
CIN - U85110DL1999PTC190362

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021
21	**Other Financial Liabilities [Current]**		
	Others		
	Credit card dues	7.40	21.84
	Employee benefits payable	2,129.53	1,662.55
	Others	-	0.90
		2,136.93	**1,685.29**
22	**Other Current Liabilities**		
	Unaccrued revenue	171.75	162.05
	Deferred Interest Income	14.94	4.62
	Advance from Customers	23.72	-
	Dues to Statutory Authorities	546.39	448.42
		756.80	**615.09**
23	**Provisions [current]**		
	Provision for Employee benefits		
	Provision for Compensated Absences	44.32	31.59
	Provision for Gratuity	199.63	116.15
		243.95	**147.74**

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
24	**Revenue From Operations**		
	Sale of Services		
	a) Sales Enablement & Other support services		
	Sales Enablement & Other support services	16,722.90	14,626.37
	Add/(less) :		
	Movement in unbilled revenue (closing - opening)	1,170.54	40.31
	Share in joint venture (consulting/ implementation charges)	-	100.51
		17,893.44	**14,767.19**
	b) Staffing Services		
	Staffing Services	8,592.52	6,881.88
	Add/(less) : Movement in unbilled revenue (closing - opening)	-	83.80
		8,592.52	**6,965.68**
	(a+b)	**26,485.96**	**21,732.87**
	Other disclosures		
	Timing of revenue recognition		
	Services transferred over time	26,485.96	21,732.87
		26,485.96	**21,732.87**
	Contract Balances		
	Contract Assets - Trade Receivables	3,049.40	2,805.22
	Contract Assets - Unbilled Revenue	2,242.25	1,577.65
	Contract Liabilities - Advance from customers	23.72	-
	Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price: Revenue as per contracted price		
	Adjustments:		
	- Estimated price concessions	26,485.96	21,732.87
	Adjustments:		
	- Estimated price concessions	-	-
		26,485.96	**21,732.87**
25	**Other Income**		
	Interest Income		
	- on fixed deposits	15.24	15.47
	- on income tax refund	-	123.02
	- on unwinding deposits (Ind AS 109)	5.98	6.34
	- on unwinding employee loans (Ind AS 109)	1.84	-
	Foreign exchange fluctuation (net)	106.66	4.67
	Other Non-Operating Income	23.18	38.87
	Share in Joint venture	-	15.36
		152.90	**203.73**
26	**Cost of Services**		
	Cost of Services	19,545.40	14,916.22
		19,545.40	**14,916.22**

Note: Cost of services above consists of direct employee costs and other direct costs relating to the revenue from operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
27	**Employee Benefits Expense**		
	Salaries and allowances	3,587.66	3,550.25
	Contribution to Provident and Other Funds	89.76	50.75
	Gratuity expense	107.15	64.36
	Share based payments to employees	129.57	47.65
	Staff Welfare Expenses	46.91	68.05
	Share in Joint venture	-	73.36
		3,961.05	**3,854.42**
28	**Finance Costs**		
	Interest on borrowings	20.21	51.23
	Other Finance Charges		
	- Loan/Card processing charges	1.72	16.51
	Interest on Employee loans under Ind AS 109	2.10	-
	Interest on lease liabilities under Ind AS 116	12.51	20.80
	Share in Joint venture	-	0.92
		36.54	**89.46**
29	**Depreciation and amortisation expense**		
	Depreciation of property, plant & equipment	66.14	28.24
	Amortisation of intangible assets	93.95	319.68
	Depreciation of Right-of-use assets	107.60	110.25
		267.69	**458.17**
30	**Other Expenses**		
	Rent	127.94	195.09
	Electricity Charges	51.91	53.56
	Repairs & Maintenance:	-	
	- Office	21.16	53.28
	- Others	46.09	42.18
	Insurance	111.26	88.42
	Rates & taxes	19.91	23.19
	Legal & professional charges [Refer Note 30.1]	201.38	189.08
	Discount on services rendered	93.93	83.55
	Licence Fee	117.28	133.03
	Travelling and Conveyance	14.35	54.73
	Communication Expenses	170.58	233.55
	Computer Hire Charges	236.58	212.50
	Recruitment & Training expenses	93.20	144.22
	Printing & Stationery	5.95	9.27
	Bad debts written off	40.36	2.51
	Allowance for bad and doubtful debts/ (reversal)	(60.70)	(5.39)
	Corporate Social Responsibility Expenditure [Refer Note 30.2]	12.86	12.13
	Bank Charges	7.38	6.92
	Foreign Exchange Fluctuation (Net)	-	45.27
	Marketing Expenses	135.30	95.06
	Miscellaneous Expenses	5.55	10.72
	Share in Joint venture	-	62.13
		1,452.27	**1,745.00**

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	For the year ended March 31, 2022	For the year ended March 31, 2021
30.1 Auditors' Remuneration (included in Legal & Professional Charges) (excluding Taxes)		
a. As auditor	23.76	17.08
b. For Tax audit	2.30	2.15
c. For certification services (including transfer pricing)	1.05	0.80
d. For taxation services	0.55	0.50
e. For other services	5.00	3.00
	32.66	**23.53**

30.2 Corporate Social Responsibility (CSR):

Pursuant to section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are as laid down under Schedule VII of Companies Act, 2013 based on the decision taken by the CSR committee from time to time.
The details of amounts spent during the year are as below:

Particulars	2021-22	2020-21
Amount spent for eligible CSR projects :		
i) Amount required to be spent by the Company	12.86	12.13
ii) Amount of expenditure incurred	12.86	12.13
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	Not applicable	Not applicable
vi) Nature of CSR activities	Refer note a below	Refer note b below
vii) Details of related party transactions e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standard.	Not applicable	Not applicable
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown seperately.	Not applicable	Not applicable

Notes

a. Eradicating hunger, poverty and malnutrition, disaster management, including relief, rehabilitation and reconstruction activities, ensuring environmental sustainability, ecological balance and training to promote rural sports, nationally recognised sports.

b. Eradicating hunger, poverty and malnutrition, ensuring environmental sustainability, ecological balance, promoting education, contribution to the prime minister's national relief fund.

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31 Income Tax

a. The components of income tax expense for the year ended March 31, 2022 and year ended March 31, 2021 are:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	239.59	234.99
Adjustment in respect of current income tax of prior years	(0.63)	(55.40)
Deferred tax relating to origination and reversal of temporary differences (Refer Note (a) below)	22.52	96.36
Income tax expense reported in statement of profit and loss	**261.48**	**275.95**
OCI Section		
Deferred tax related to items recognised in OCI during the year:		
Fair value changes		
Net loss/(gain) on remeasurements of defined benefit plans	(103.24)	(22.28)
Income tax charged to OCI	**29.00**	**6.20**

(a) includes MAT credit entitlement of ₹12.21 lakhs (March 31, 2021 - ₹24.87 lakhs) credited to the Statement of Profit and Loss.

b. Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022 and March 31, 2021 is, as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Accounting profit before tax	1,375.91	873.33
Less: Accounting profit before tax that taxed at different rates*	442.71	173.00
Accounting profit before tax	933.20	700.33
At India's statutory income tax rate applicable to the Company	27.82%	27.82%
Profit before income tax multiplied by enacted tax rate	259.62	194.83
Adjustments in respect of current income tax of previous year	(0.63)	(60.40)
Effect of temporary differences	81.67	(8.34)
Effect of non-deductible expenses	4.72	2.56
Adjustment in respect of deferred tax related to earlier years	-	104.49
Additional deduction under Income Tax based on employment generation	(71.20)	-
Others	(1.60)	-
Income tax expense reported in the statement of profit or loss	**272.58**	**233.13**

Note: the profit before tax pertaining to subsidiaries in geographic locations other than India where income is taxed at different rates are being reduced for the purpose of the above reconciliation.

c. The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	Balance sheet		Statement of profit and loss	
	As at March 31, 2022	As at March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Effect of temporary difference on account of depreciation	75.49	157.74	82.25	(4.53)
Effect of temporary differences on account of expenses	239.25	162.73	(76.52)	119.56
MAT credit	-	-	(12.21)	(24.87)
Ind AS impact	-	-	-	-
Actuarial gain or loss on OCI	-	-	29.00	6.20
Net deferred tax asset / (liabilities)	**314.74**	**320.47**		
Deferred tax charge/(credit)			**22.52**	**96.36**

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d. Reconciliation of deferred tax assets/(liabilities)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	320.47	437.71
Tax income/(expense) during the year recognised in profit or loss	(22.52)	(98.57)
Tax income/(expense) during the year recognised in OCI	29.00	6.20
Movement in MAT credit balance (adjusted in tax provisions)	(12.21)	(24.87)
Closing balance	**314.74**	**320.47**

e. There are no transactions that are not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

f. Provision for tax has been made considering the normal provisions of income tax based on management's computation.

32 Earnings per Equity Share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(Loss) attributable to Equity Shareholders	1,114.43	597.38
Number of equity shares at the year end	1,78,76,358	1,73,73,741
Weighted Average Number of Equity Shares	1,76,25,050	1,73,73,741
Add: Number of dilutive potential equity shares on account of ESOPs	5,51,334	8,59,299
Weighted Average diluted Number of Equity Shares	1,81,76,384	1,82,33,040
Basic Earnings per Share in ₹	**6.23**	**3.44**
Diluted Earnings per Share in ₹	**6.13**	**3.28**

33 Disclosure pursuant to Ind AS 19 "Employee benefits"

Defined Contribution Plan

The Company makes contributions to Provident Fund which are defined contribution plan for qualifying employees. The Company recognized ₹813.38 lakhs (March 31, 2021: ₹528.73 lakhs) for Provident Fund contributions in the statement of profit and loss under the heads of Cost of services and employee benefits expense.

Defined Benefit Plan

The Company has a defined benefit gratuity plan which is unfunded. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	453.23	291.91
Fair value of planned assets	-	-
Defined Benefit obligation/(asset)	**453.23**	**291.91**

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Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss under employee benefit expenses (Note 27)	As at March 31, 2022	As at March 31, 2021
Current service cost	86.51	47.36
Past service cost	-	-
Net Interest on net defined benefit liability/ (asset)	19.73	16.99
Net benefit expense	**106.24**	**64.35**

Balance Sheet
Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation at the beginning of the year	291.91	251.40
Current service cost	86.51	47.36
Past Service Cost	-	-
Interest cost on benefit obligations	19.73	16.99
Re-measurements due to:		
a. Actuarial changes arising from changes in demographic assumptions	103.24	22.27
Benefits paid	(48.16)	(46.11)
Benefit obligation at the end of the year	**453.23**	**291.91**

Actual return on plan assets:

Remeasurement gain/ (los) in other comprehensive income (OCI)	As at March 31, 2022	As at March 31, 2021
Actuarial gain/ (loss) on obligation	-	-
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial changes arising from changes in financial assumptions	(47.76)	-
Experience Adjustments	151.00	22.27
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability. (asset)	-	-
Benefit obligation at the end of the year	**103.24**	**22.27**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Salary Growth Rate	5.50%	5.50%
Discount Rate	7.26%	6.76%
Withdrawal Rate		
-Up to 30 Years	90%	90%
-From 31 to 44 years	50%	50%
-Above 44 years	40%	40%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Interest rate on net DBO	-	-
Expected average remaining working life (in years)	27.17	26.89

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A quantitative sensitivity analysis for significant assumptions as at March 31, 2022 and March 31, 2021 are as shown below:

Assumptions	Sensitivity Level	As at March 31, 2022	As at March 31, 2021
Discount Rate	Increase by 0.50%	(3.54)	(2.47)
Discount Rate	Decrease by 0.50%	3.61	2.53
Further Salary Increase	Increase by 0.50%	3.38	2.40
Further Salary Increase	Decrease by 0.50%	(3.34)	(2.38)

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 5 years (March 31, 2021: 5 years).

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

34 Contingent liabilities and commitments

(A) Contingent Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Claims against the company not acknowledged as debt		
(i) Income Tax Demands against which entire amount is paid under protest (Refer Note 9)	137.05	137.05
(b) Performance Bank guarantee	5.00	5.00

Note:
No provision has been made in these accounts for these disputed tax demands as the management is confident that the matter will be ultimately decided in favour of the Company.

(B) Commitments

(a) There are no items in the nature of capital commitments, and as such no amounts have been disclosed here.

35 Lease Disclosures

Operating Lease :

Lease disclosures under Ind AS 116

The Company has lease contracts for buildings used in its operations. Lease of certain building property has lease period of more than 2 years for which Lease accounting is adopted under IndAS 116 and Right of use of Asset and Lease Liability are recognised

The Company leases of other properties have lease terms with non-cancellable lease period of 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

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Rent Expense includes expense incurred relating to Short term leases and leases of low value assets amounting to March 31, 2022-₹154.35 (included in note 26 and 30) and March 31, 2021-₹195.09 (included in note 30)

Total Cash outflow for leases including outflow for short term and low value leases is March 31, 2022- ₹274.91 and March 31, 2021- ₹320.49

The details of carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
As at beginning of the year	87.06	191.66
Additions	288.90	-
Accretion of interest	12.51	20.80
Payments	(120.56)	(125.40)
Closing Balance	267.90	87.06
Lease liabilities - Current	89.25	87.06
Lease liabilities - Non Current	178.65	-

The details of the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	89.25	87.05
One to five years	178.65	-
More than five years	-	-
Total	**267.90**	**87.05**

36 Related Party Disclosures:

A. Details of related parties

Name of the related party	Relationship
Updater Services Private Limited	Holding Company (w.e.f October 28, 2021)
Denave Europe Limited, UK	Wholly Owned Subsidiary (w.e.f. June 30, 2020), Entity under joint control (till June 29, 2020).
Denave (M) SDN BHD, Malaysia	Wholly Owned Subsidiary
Denave Pte Ltd, Singapore	Entity under control
Denave Poland Sp. Z.o.o.	Wholly Owned Subsidiary
Mr Snehashish Bhattacharjee	Key Management Personnel (Whole-time Director)
Mr Debabrata Majumdar	Key Management Personnel (Director)
Mr Ramaswamy Narayan	Key Management Personnel (Director)
Mr. Raghunandana Tangirala	Key Management Personnel (Nominee Director) (w.e.f November 23, 2021)
Mr. Balaji Swaminathan	Key Management Personnel (Nominee Director) (w.e.f November 23, 2021)
Mr. Saravanan Ramachandran Chittary	Key Management Personnel (Nominee Director) (w.e.f November 23, 2021)
Mr. Pondicherry Chidambaram Balasubramanian	Key Management Personnel (Nominee Director) (w.e.f November 23, 2021)
Mr Debashish Bhattacharyya	Relative of Key Management Personnel

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B. Details of Related Party Transactions during the year

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend Paid		
Mr Debabrata Majumdar	-	54.85
Mr Ramaswamy Narayan	-	54.85
Mr Snehashish Bhattacharjee	-	56.72
Reimbursement of Expenses		
Mr Snehashish Bhattacharjee	0.41	0.09
Mr Debabrata Majumdar	-	9.20
Services availed from		
Mr Debashish Bhattacharyya	-	9.20

C. Balance outstanding as at the year

Particulars	As at March 31, 2022	As at March 31, 2021
Due from		
Mr Snehashish Bhattacharjee	0.10	0.52
Due to		
Mr Debabrata Majumdar	0.01	0.01

D. Compensation of key management personnel of the Company:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Director		
Short–term employee benefits		
· Salary and allowances	72.01	69.48
Contribution to PF (defined contribution)	2.59	2.59
Total	**74.60**	**72.07**

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

E. During the year, 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 during the year or outstanding as at the balance sheet date.

F. All the above related party transactions are in compliance with section 188 of the Companies Act, where applicable.

G. The company has not entered into any non-cash transactions with its directors or persons connected with its directors.

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37 Capital Management

The primary objective of the Company's capital management policy is to maximise shareholder value

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. The company is not subject to any externally imposed capital requirements. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue new shares under constant review by the Board

The company monitors capital using a gearing ratio, which is net debt divided by total equity. The company includes within net debt, interest bearing loans and borrowings (including bonds), trade and other payables, less cash and cash equivalents.

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	-	-
Trade Payables	812.09	730.28
Other Payables	2,893.73	2,300.38
Less: Cash & Cash equivalents	(2,524.07)	(1,632.24)
Net Debt - (a)	**1,181.75**	**1,398.42**
Equity Share Capital	178.76	173.74
Other equity	5,054.98	3,854.51
Total Equity (b)	**5,233.74**	**4,028.25**
Capital and net debt (c=a+b)	6,415.49	5,426.67
Gearing Ratio (a/c)	**18.42%**	**25.77%**

38 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

A. Fair Value Hierarchy of assets and liabilities

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments (except investments). This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	Level	Carrying Value		Fair value	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial Assets					
Loans- Non current	3	15.84	-	15.84	-
Loans- Current	3	12.92	-	12.92	-
Trade receivables	3	3,049.40	2,805.22	3,049.40	2,805.22
Cash and cash equivalents	1	2,524.07	1,632.24	2,524.07	1,632.24
Bank balances (other than above)-Non Current	1	230.00	230.00	230.00	230.00
Other Financial Assets-Non current	3	113.98	141.28		
Other Financial Assets-Current	3	43.37	20.30	43.37	20.30
		5,989.58	**4,829.04**	**5,875.60**	**4,687.76**
Financial Liabilities					
Borrowings	3	-	-	-	-
Trade Payables	3	812.09	730.28	812.09	730.28
Lease Liabilities - Non Current	3	178.65	-	178.65	-
Lease Liabilities - Current	3	89.25	87.05	89.25	87.05
Other current financial liabilities	3	2,136.93	1,685.29	2,136.93	1,685.29
		3,216.92	**2,502.62**	**3,216.92**	**2,502.62**

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There have been no transfers between the levels during the year.

B. **Valuation techniques**

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields.

39 Financial risk management objectives and policies

The Company's principal financial liabilities is borrowings and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations.

The Company has various financial assets such as loan, trade and other receivables, cash and short-term deposits, which arise directly from its operations.

The Company is exposed to credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. The following disclosures summarises the company's exposure to financial risks

Credit risk

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

Trade and other receivables

In cases of customers where credit is allowed, the average credit period on such sale of goods ranges from 1 day to 90 days. The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with this assessment and outstanding customer receivables are regularly monitored.

Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Company assesses at each date of statements of financial position whether a financial asset or a Company of financial assets is impaired. 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.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a age wise provision matrix which is prepared considering the historical data for collection of receivables.

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Exposure to credit risk:
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹3,049.40 Lakhs and ₹2,805.22 Lakhs as at March 31, 2022 and March 31, 2021 respectively, being the total of the carrying amount of balances with trade receivables.

Foreign currency risk:
The company's revenue and net investment in subsidiaries are in foreign currency, as a result there is exposure to the risk of changes in foreign exchange rates. The company uses derivative financial instruments wherever applicable, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables.

Below is the summary of unhedged foreign currency exposure of Company's financial assets and liabilities.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Foreign currency	Amount in ₹ (lakhs)	Foreign currency	Amount in ₹ (lakhs)
Hedged by derivative instruments				
USD forward contract	-	-	7,35,000	541.36
Not hedged by derivative instruments				
USD Receivable	25,00,930	1,880.70	5,53,120	393.05
KRW Receivable	-	-	2,41,11,328	15.07
Total		**1,880.70**		**408.12**

Effect on profit before tax:

	Year ended March 31, 2022	Year ended March 31, 2021
Increase in rate by 2%	21.41	7.88
Decrease in rate by 2%	(21.41)	(7.88)

Interest rate risk:
Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rate.

Liquidity risk:
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available 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 monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts
All financial liabilities are due within 1 year from the balance sheet date. The existing surplus funds along with the cash generated by the company are sufficient to meet its current obligations

The table below provides details regarding the contractual maturities of financial liabilities based on contractual undiscounted payments:
As at March 31, 2022

Particulars	On Demand	Less than 12 months	more than 12 months	Total
Borrowings	-	-	-	-
Trade Payables	812.09	-	-	812.09
Other financial liabilities	2,136.93	-	-	2,136.93
Lease Liabilities	-	89.25	178.65	267.90
	2,949.02	**89.25**	**178.65**	**3,216.92**

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As at March 31, 2021

Particulars	On Demand	Less than 12 months	more than 12 months	Total
Borrowings	-	-	-	-
Trade Payables	730.28	-	-	730.28
Other financial liabilities	1,685.29	-	-	1,685.29
Lease Liabilities	-	87.05	-	87.05
	2,415.57	**87.05**	-	**2,502.62**

40 Details of dues to Micro, Small and Medium Enterprises

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	As at March 31, 2022	As at March 31, 2021
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
(i) Principal amount due to micro and small enterprises	134.76	82.97
(ii) Interest due on above	-	-
(b) (i) Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
(ii) Interest paid to suppliers under MSMED Act (Section 16) during the year	-	-
(c) Interest due and payable to suppliers for delay in making payments other than interest under MSMED Act	-	-
(d) Interest accrued and remaining unpaid at the end of the year	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

41 Segment Reporting

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Sales Enablement, Staffing services, and Other Support Services. Revenues and expenses directly attributable to segments are reported under each reportable segment.

Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as Unallocable expenses.

Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are broadly classified as "In India" and "outside India".

A. Primary segments - Business Segments

Particulars	Sales Enablement services	Staffing Services	Other Support services	Total
i) Revenue from operations	8,718.43	6,909.84	10,857.69	26,485.96
	(5,054.00)	*(7,141.40)*	*(9,537.47)*	*(21,732.87)*
ii) Identifiable operating expenses	6,813.06	6,170.75	6,561.59	19,545.40
	(4,545.47)	*(5,388.63)*	*(4,982.12)*	*(14,916.22)*
iii) Allocated expenses	1,486.11	576.46	3,350.76	5,413.32
	(348.51)	*(1,372.91)*	*(3,877.98)*	*(5,599.41)*

(All amounts are in lakhs of Indian Rupees unless otherwise stated)

Particulars	Sales Enablement services	Staffing Services	Other Support services	Total
ii) Segment results	419.27 *(160.02)*	162.63 *(379.85)*	945.34 *(677.37)*	1,527.24 *(1,217.24)*
iii) Unallocable Expenses				304.23 *(547.64)*
iv) Other Income				152.90 *(203.73)*
v) Profit before tax				1,375.91 *(873.33)*
vi) Income Tax expense				261.48 *(275.95)*
vii) Other Comprehensive Income				(74.24) *16.07*
viii) Profit after tax				1,040.19 *(581.30)*
viii) Other Information				
Segment assets	2,027.82 *(1,384.11)*	1,435.09 *(1,955.78)*	2,405.84 *(1,574.29)*	5,868.75 *(4,914.18)*
Unallocable assets				3,875.50 *(2,600.58)*
Total assets				9,744.25 *(7,514.76)*
Unallocable liabilities				*9,744.25* *(7,514.76)*
Total liabilities				9,744.25 *(7,514.76)*
Capital expenditure				547.85 *(7.13)*
Depreciation & Amortisation expense				267.69 *(458.17)*
Non-cash expenses other than depreciation and amortisation				195.35 *(165.83)*

B. Secondary segments - Based on Geographical location of the customer

Particulars	In India	Outside India	Total
i) Revenue from operations	15,628.27 *(12,195.40)*	10,857.69 (9,537.47)	26,485.96 *(21,732.87)*
ii) Segment assets	3,462.91 *(3,339.89)*	2,405.84 (1,574.29)	5,868.75 *(4,914.18)*
iii) Capital expenditure	495.29 *(6.01)*	52.56 (1.12)	547.85 *(7.13)*

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Notes to Segment reporting:

1) Segment assets are identified based on the receivables from the business segment or geographic segment, the capital expenditure is not differentiable between various segments and is Unallocable hence the same is disclosed as Unallocable.

2) Previous years figures are given in brackets. Previous negative figures are given without brackets.

42 Share-based payments:

The Company's Employee stock option plan-2018 "ESOP-2018" came into effect from 01st March, 2018. It was approved by the Board of Directors ('the Board') in the meeting held on 01st March, 2018, and by the members of the Company in the Extra Ordinary General Meeting held on 01st March, 2018 and further modified vide Board resolution dated 4th April, 2018; 30th January, 2020 and 31st December 2020.

The Company's Employee stock option plan-2021 "ESOP-2021" came into effect from 24th November, 2021. It was approved by the Board of Directors ('the Board') in the meeting held on 23rd November, 2021, and by the members of the Company in the Extra Ordinary General Meeting held on 24th November, 2021.

Pursuant to a resolution of the Board of Directors dated 04th April 2018 and a resolution of the Shareholders dated 30th April 2018, the size of the ESOP pool was amended. Further, amendments were made to vesting period for 2017-18-Block-I and 2017-18-Block-II and 2020-21 Block and to a few other clauses.

The compensation cost of stock options granted to employees has been accounted by the Company using the fair value method as per Ind AS 102 - Share based payments.

When exercisable, each option is convertible into one equity share.

All the options shall be exercised within the exercise period of 84 months from the date of vesting by paying in full the stipulated exercise price per share after which any unexercised options will lapse.

The expense recognised (net of reversal) for share options during the year is ₹129.57 lakhs (March 31, 2021: ₹47.65 lakhs).

A. Details of ESOP 2018

Particulars	**2017-18 Block-I**	**2017-18 Block-II**	**2018-19 Block-I**	**2020-21 Block-I**	**2020-21 Block-II**	**2021-22 Block-I**
Date of grant	10-Mar-18	30-Apr-18	30-Apr-18	22-Apr-20	30-Dec-20	30-Apr-21
Number granted	2,97,750	2,97,750	2,37,987	47,975	2,35,000	1,37,000
Surrendered	37,975	-	-	-	-	-
Fresh Grant	-	-	-	-	-	-
Total	**2,59,775**	**2,97,750**	**2,37,987**	**47,975**	**2,35,000**	**1,37,000**
Exercise price (in ₹)	1	1	1	1	1	1
Vesting period	1 year	1 year	1-3 years	1-3 years	1-3 years	1-3 years
Vesting 25%	10-Mar-19	30-Apr-19	30-Apr-19	22-Apr-21	30-Dec-21	30-Apr-22
Vesting 25%	10-Mar-20	30-Apr-20	30-Apr-20	22-Apr-22	30-Dec-22	30-Apr-23
Vesting 50%	10-Mar-21	30-Apr-21	30-Apr-21	22-Apr-23	30-Dec-23	30-Apr-24
Vesting conditions	There shall be a period of one year between the date of grant of Options and the vesting of Options. The vesting is subject to other vesting conditions as per ESOP 2018.					
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Modification in terms along with explanation	Refer note 1 below	Refer note 1 below	Refer note 2 below	Refer note 3 below	Refer note 4 below	

Note 1

The vesting period has been modified to 100% of the Options - One year from the date of acceptance of the offer by the Compensation committee considering that the said change is not detrimental to the interest of the participating employees.

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Note 2
The vesting period has been modified to 100% of the Options -
a. 50% of the options will vest to the employees after one year from the date of acceptance of the offer, 25% after two years from the date of acceptance of the offer and 25% after three years from the date of acceptance of the offer
b. One year from the date of acceptance of the offer by the Compensation committee for one employee considering that the said change is not detrimental to the interest of the participating employees.

Note 3
The options includes options which were allotted to the eligible employees from those surrendered in "2017-18 Block I". The vesting period has been modified to 100% of the Options - One year from the date of acceptance of the offer by the Compensation committee for one employee considering that the said change is not detrimental to the interest of the participating employees.

Note 4
The options includes options which were allotted to the eligible employees from those surrendered in "2017-18 Block I". Vesting period has been modified to 100% of the options as at the year end for one of the employees considering that the said change is not detrimental to the interest of the participating employees.

B. Movement in the options granted to employees

Particulars	Number of options	
	As at March 31, 2022	As at March 31, 2021
Outstanding at the beginning of the year	10,78,487	8,33,487
Options granted during the year	1,37,000	2,82,975
Weighted average exercise price per option	1	1
Options exercised during the year	(5,02,617)	-
Options surrendered during the year	-	(37,975)
Outstanding at the end of the year	**7,12,870**	**10,78,487**
Exercisable at the end of the year	**4,22,120**	**7,90,987**

C) Fair value of options granted
The Black-Scholes valuation model has been used for computing the weighted average fair value considering following inputs:

Particulars	As at March 31, 2022	As at March 31, 2021
Exercise price	1	1
Expected volatility	0.000001	0.000001
Expected dividend yield (%)	0	0
Risk free interest rates	0.0614	0.0614
Expected life of the option	7 years	7 years
Weighted average share price	67.31	67.31
Fair Value of the Option	66.31	66.31

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

44 Significant events during the year
Impact of COVID-19
The outbreak of Novel Coronavirus (COVID-19) pandemic has affected various sectors of industry in the global economy. However the COVID-19 pandemic has adversely not affected the operations of the Company and currently the management is of the opinion that there will not be significant impact on the operations of the Company in the immediate future as well .

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The Company commenced its operations on a limited capacity. Since then, the Company has been able to increase its operations gradually and attend to its customer requirements.

The Company has also considered the possible effects of this pandemic on the carrying amounts of property, plant, equipment, intangible assets, trade receivables, loans and advances, other current assets using reasonable available information, estimates and judgement and has determined that none of these balances require a material adjustment to their carrying values and does not require to carry out any adjustment in respect of its possible impact in these financial statements. Due to the nature of the pandemic, the Company will continue to monitor developments to identify and mitigate significant uncertainties relating to its operations.

45 Disclosures mandated by Schedule III of Companies Act, 2013 by way of additional information

A. Net Assets: Total Assets minus Total Liabilities

Name of the Entity	As at March 31, 2022		As at March 31, 2021	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount
Parent Company:				
Denave India Private Limited	74.72%	3,910.51	79.18%	3,189.53
Subsidiary : Foreign				
Denave (M) SDN BHD	20.41%	1,068.15	19.08%	768.52
Denave Europe Limited	4.61%	241.40	2.14%	86.38
Denave Poland Sp. Z.o.o.	-0.17%	(8.72)	NA	NA
Significant Control : Foreign				
Denave Pte Limited	8.82%	461.47	10.51%	423.23
	108.39%	**5,672.80**	**110.91%**	**4,467.66**
Intercompany elimination and consolidation adjustments	-8.39%	(439.06)	-10.91%	(439.42)
Total	**100.00%**	**5,233.74**	**100.00%**	**4,028.24**

B. Share in profit and loss

Name of the Entity	As at March 31, 2022		As at March 31, 2021	
	As % of consolidated profit and loss	Amount	As % of consolidated profit and loss	Amount
Parent Company:				
Denave India Private Limited	56.37%	586.38	77.60%	451.12
Subsidiary : Foreign				
Denave (M) SDN BHD	26.84%	279.22	-7.92%	(46.06)
Denave Europe Limited	15.30%	159.19	-2.25%	(13.06)
Denave Poland Sp. Z.o.o.	-0.97%	(10.05)	NA	NA
Jointly controlled entity : Foreign (as per proportionate consolidation method)				
Denave Europe Limited- JV			-9.77%	(56.81)
Significant Control : Foreign				
Denave Pte Limited	2.45%	25.45	42.34%	246.11
	100.00%	**1,040.19**	**100.00%**	**581.31**
Intercompany elimination and consolidation adjustments	0.00%	-	0.00%	-
Total	**100.00%**	**1,040.19**	**100.00%**	**581.31**

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(All amounts are in lakhs of Indian Rupees unless otherwise stated)

46 Accounting Ratios

a)

Particulars	Numerator / Denominator 31.03.2022	For the year ended 31.03.2022	Numerator / Denominator 31.03.2021	For the year ended 31.03.2021	Change in Ratio
Current Ratio (in times)	8,031.99	1.99	6,175.14	1.89	5.29%
	4,039.01		3,265.45		
Return on Equity Ratio (ROE) (in %)	1,114.43	24.06%	597.38	15.71%	53.19%
	4,630.99		3,802.68		
Trade Receivables Turnover Ratio (in times)	26,485.96	5.48	21,732.87	4.27	28.09%
	4,837.26		5,084.18		
Trade Payables Turnover Ratio (in times)	6,349.06	8.23	5,360.99	7.68	7.16%
	771.19		697.81		
Net Capital Turnover Ratio (in times)	26,485.96	6.63	21,732.87	7.47	-11.19%
	3,992.98		2,909.69		
Net Profit Ratio (in %)	1,114.43	4.21%	597.38	2.75%	53.07%
	26,485.96		21,732.87		
Return on capital employed (in %)	1,412.45	26.99%	962.79	23.90%	12.91%
	5,233.74		4,028.25		

b) Explanation for change in the ratio by more than 25% as compared to the preceding year.

Return on Equity Ratio has been increased by more than 25% as compared to previous year is mainly due to higher profts of two of the subsidiary companies during the current year which were under losses in the previous year.

Trade Receivables Turnover Ratio has been increased by more than 25% as compared to previous year is mainly due to higher revenue during the current year.

Net Profit Ratio has been increased by more than 25% as compared to previous year is mainly due to higher profts of two of the subsidiary companies during the current year which were under losses in the previous year

c) Based on the assessment of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the management is of the opinion that no material uncertainty exists as on the date of the balance sheet that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

d) Items included in numerator and denominator for computing the above mentioned ratios:

Current Ratio

Current Ratio = Current Assets/ Current Liabilities

Return on equity Ratio (ROE)

Return on equity = Net income / Average Shareholder's equity
Net Income = Profit after tax but before apportionment of dividend to equity share holders
Average shareholder's equity = Average of opening and closing equity share capital and reserves and surplus

Trade Receivable Turnover ratio

Trade Receivable Turnover ratio = Net credit sales/ Average Account Receivables
Net credit sales = revenue from operations for the year
Average Account Receivables = Average of opening and closing trade receivables and unbilled revenue

Trade Payable Turnover ratio

Trade Payable Turnover ratio = Net credit Purchases/ Average Trade Payables
Net credit purchases = Cost of services (excluding direct employee cost) + Other expenses
Average Trade payables = Average of opening and closing trade payables

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Net Capital Turnover ratio
Net Capital Turnover ratio =Net sales / Working Capital
Net sales is revenue from operations for the year
Working capital = current assets minus current liabilities.

Net Profit Ratio
Net Profit Ratio = Net Profit/ Net sales
Net Profit = Profit for the year
Net sales is revenue from operations for the year

Return on capital employed (ROCE)
Return on Capital Employed = Earning before interest and taxes (EBIT) / Capital Employed
EBIT = Profit for the year + tax expense + finance costs
Capital Employed includes Share Capital and reserves and surplus

47 Internal Financial Control
During the year, the Company has evaluated the internal financial controls over financial reporting and has tested its effectiveness. This evaluation and testing was carried out considering the framework of the Institute of Chartered Accountants of India. The Company has strengthened the Internal Control system by documenting standard operating procedures in respect of financial transactions, segregation of duties, delegation of authority activities, automated controls and fixed assets, however further strengthening of implementation of certain procedures in under process.

48 a) To the best of the knowledge and belief of the management of the Company and its subsidaries, 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 or by any of its subsidaries to any other person or entity, 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 or any of its subsidaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

b) To the best of its knowledge and belief of the management of the Company and its subsidaries, no funds have been received by the Company or by any of its subsidaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of its subsidaries shall directly or indirectly, lender 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.

49 The company does not have any transactions and balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

50 During the year, the company has not made investments in, has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties

51 In the opinion of the Board, none of the assets other than plant and equipment have a value lower on realisation in the ordinary course of business than the amount at which they are stated in the Balance Sheet.

52 The Company is "deemed to be public company" with effect from March 24, 2022 and the Company is in the process of complying with the relevant provisions of the Companies Act, 2013. The management is of the opinion that the costs relating to the said pending compliances that arise in the future will not be material.

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53 Previous Year Figures
Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Significant Accounting Policies	1
Other Notes to financial statements	2-53

As per our separate report of even date attached

For and on behalf of Board

For VARMA & VARMA
Chartered Accountants
FRN 004532S

SNEHASHISH BHATTACHARJEE
Whole-time Director
DIN: 00188864

Place : Noida
Date : 18.08.2022

RAMASWAMY NARAYAN
Director
DIN: 00304905

Place: Noida
Date: 18.08.2022

MITHUN LAKSHMANA PAI
Partner
M.No.219813

VARMA & VARMA ★ BANGALORE ★ CHARTERED ACCOUNTANTS

Place : Bangalore
Date : 20.08.2022